

Annual Report 2018



Takeaway.com





Takeaway.com



01

The Company

Highlights 2018

Processed **93.9 million orders** from
14.1 million Active Consumers

Further cemented market-leading positions
in our **six leading markets**

Launched Scoober in **14 new cities** and now
active in **38 cities** across **10 countries**

At a glance 2018

Online restaurants
43,763



Gross revenue
€240.0m



Active Consumers
14.1m



Year-end
2,672 FTEs



Orders
93.9m



Active in
12 countries



GMV
€1.8bn



Mobile share
77%



“Most of our growth continues to be driven by a channel shift, as people move from old-fashioned phone ordering to internet and mobile ordering”

– Jitse Groen, CEO

Message from the CEO



Dear reader,

2018 was a memorable year for Takeaway.com. While 2017 was mostly “the year after the IPO”, in which our time was predominantly spent on ramping up our investments and strengthening the organisation, 2018 was a year in which we took several decisions that we believe are going to prove instrumental in the future development of our company.

Apart from our rapid organic growth, we acquired no less than four businesses, to strengthen our brand, expand our footprint and gain strength in new technology. It is important to remember that most of our growth continues to be driven by a channel shift, as people move from old-fashioned phone ordering to internet, mobile and voice ordering. In all our markets, most orders, even today, are placed using the phone. We are building on top of this growth by expanding into logistics via our Scoober offering, as well as by working hard on integrating the market-leading B2B technology developed by our new colleagues at 10bis.

2018 was a big year for Scoober. We delivered nearly three million orders and expanded from 24 to 38 cities. Scoober is already the largest restaurant delivery service in many cities, and we are committed to becoming the largest delivery service in all our Scoober cities. Scoober remains a small part of our business, but we believe it is important for us to lead in logistics in order to provide the greatest selection to our consumers.

With the acquisition of 10bis in Israel, we plan to roll-out part of the B2B technology across Europe in the course of 2019.

Apart from the 10bis acquisition, we also acquired businesses in Bulgaria, Romania, Switzerland and, of course, in Germany. So 2018 has been busy from an M&A perspective. I am particularly proud of the flexibility with which our teams were able to handle not only the negotiations, but also the implementation and integration of these businesses.

The addition of Pizza.de, Lieferheld and Foodora to Lieferando.de will provide additional scale in Germany, as we believe that only marketplaces of significant size will be sustainable over the long term. We are excited about this opportunity because we believe Germany is one of the largest food delivery markets worldwide, while penetration is still very low compared to, for instance, the Netherlands. We expect that many more years of investment will be required for our market penetration in Germany to reach the Dutch level and beyond.

Although I believe that we are one of the companies that are most advanced in the space worldwide, I still believe there are a lot of improvements that we need to make. We are very well aware that we need to always follow the customer, in order to stay at the forefront of our sector and we remain committed to this goal.

Our progress in 2018 would not have been possible without our dedicated staff, our consumers, our partner restaurants, our shareholders, ongoing support of our Supervisory Board and the works council. I also want to especially thank my fellow board members Jörg and Brent.

The new year will be exciting, and although the integration of the acquisition in Germany will require focus and dedication from our teams, we are confident in our ability to manage the integration smoothly and successfully.

All in all, 2019 will be a transformational year for our company.

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.

Who we are

Takeaway.com is an online food delivery marketplace connecting millions of consumers in ten European countries and Israel with nearly 44,000 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 taps and multiple options for online payment.

Established in 2000 by our founder and current 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 the Netherlands, Germany, Belgium, Austria, Poland and Israel (our Leading Markets). At year-end, Takeaway.com had over 2,600 FTEs spread across eight offices in Europe and Israel including more than 4,200 couriers representing 1,240 FTEs on the road. In 2018, Takeaway.com processed nearly €1.8 billion worth of orders for our restaurant partners.

Takeaway.com is listed on the Euronext Amsterdam stock exchange and included in the AMX-index.

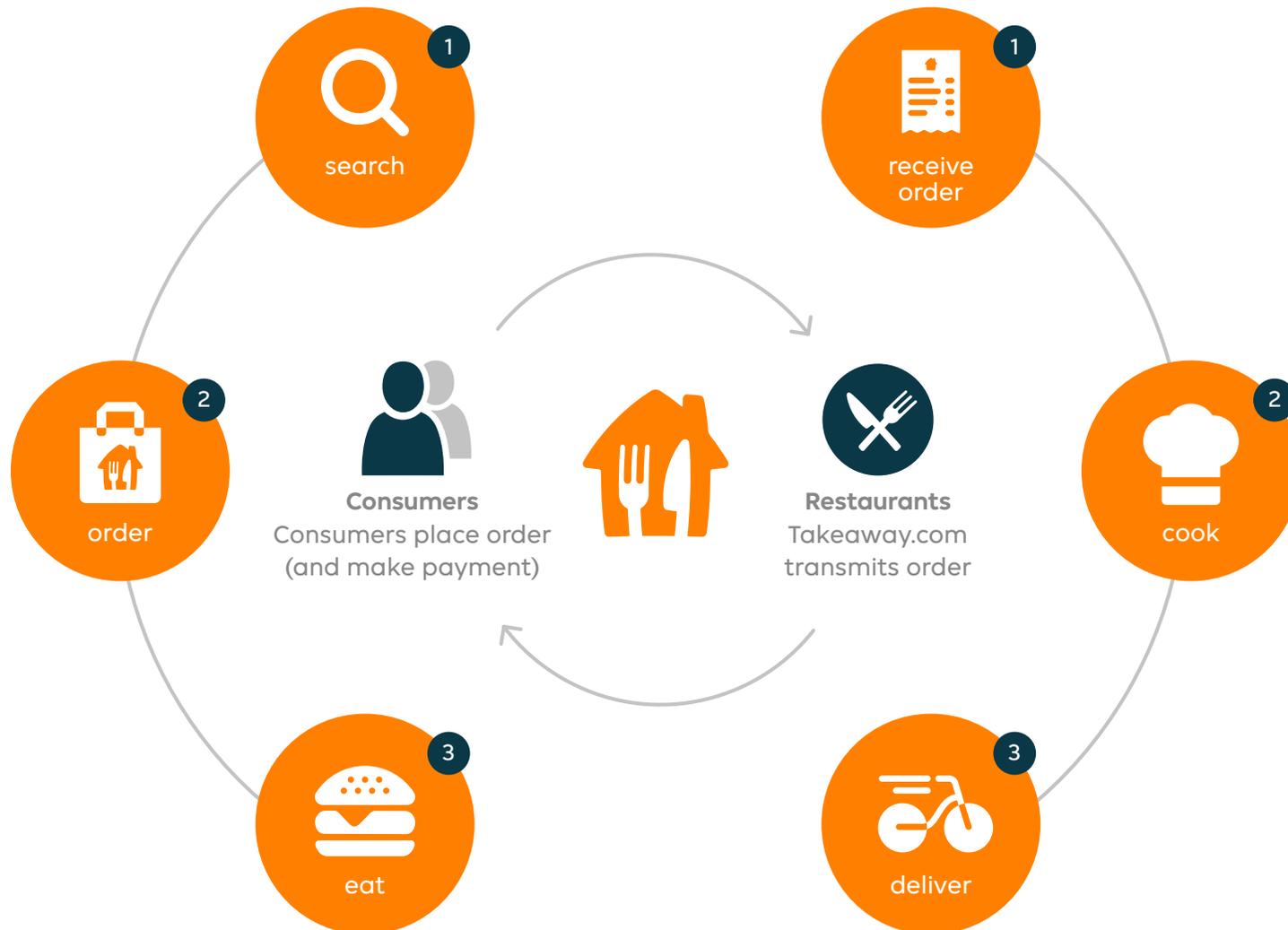


Fig. 1. Takeaway.com business model

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 online payment services fees and other services that we provide to participating restaurants. 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 38 cities across ten countries, delivering food for restaurants that do not deliver themselves. This service has expanded rapidly following 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 using mobile devices, personal computers and now also by voice to browse, select, order and pay for food through an easy-to-use interface that is designed to offer a high-quality user experience.

For consumers, Takeaway.com seeks to provide a favourable user experience from selecting a restaurant to ordering for delivery through an intuitive interface 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, allowing them to order together, and discover multiple 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 on 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. In addition, the network effects result in an increasing average number of orders per restaurant, despite the growing number of partner restaurants. The self-reinforcing nature of these network effects helps us to sustain our market leadership and ultimately enhances profitability.

Once an online food delivery marketplace achieves clear market leadership, network effects generally not only provide the leader with a stronger and more defensible 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 higher operating leverage and lead to higher operating margins than those competitors with a lower market share are able to achieve.

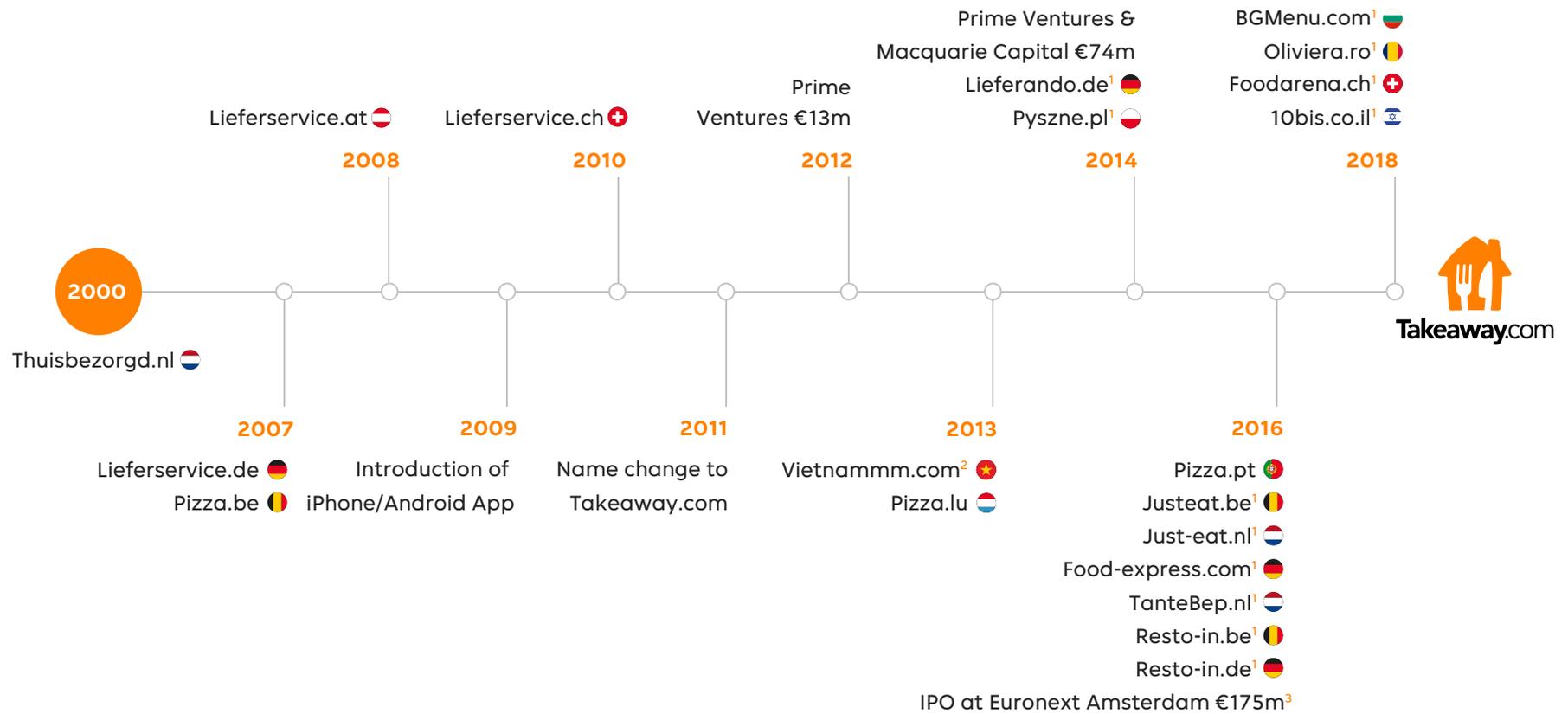


¹ Like-for-like Orders per Returning Active Customer excluding Israel would be 10.9 as at 31 December 2018

Fig. 2. Network effects of online food delivery marketplace

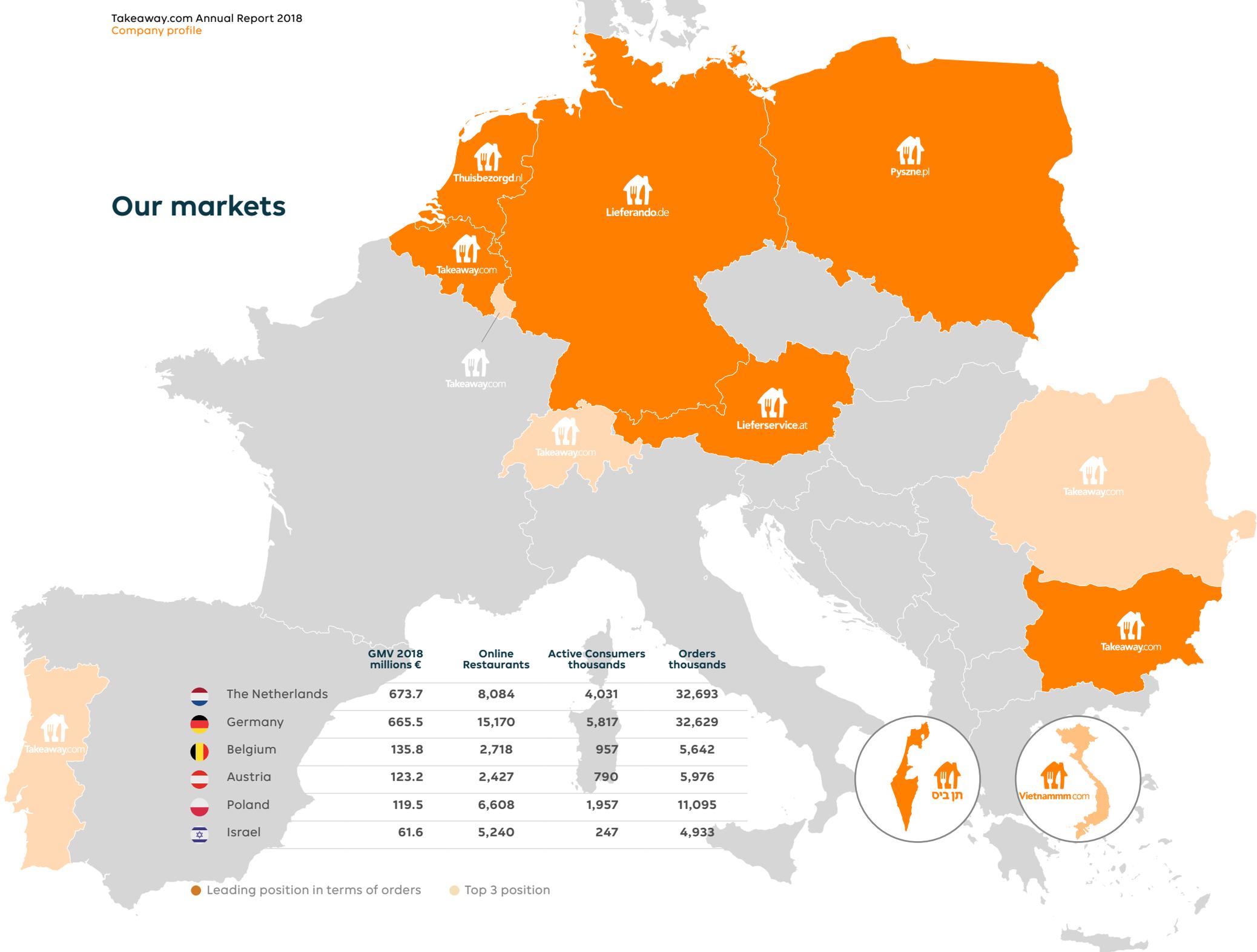
History

Creation of the leading online food delivery marketplace in Continental Europe



¹ Acquisition
² Joint Venture
³ Primary component

Our markets



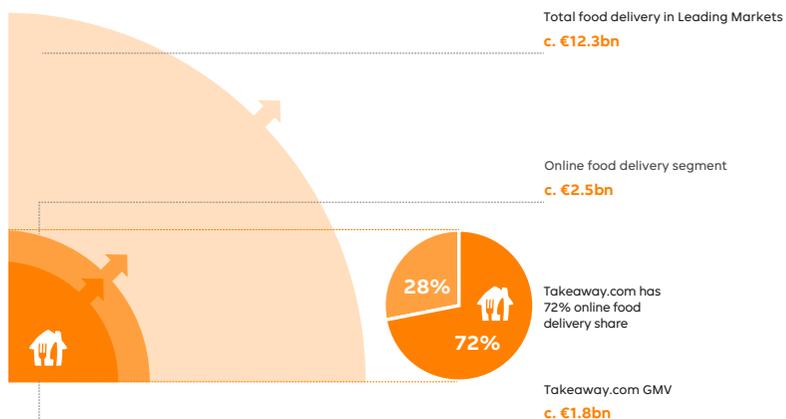
	GMV 2018 millions €	Online Restaurants	Active Consumers thousands	Orders thousands
The Netherlands	673.7	8,084	4,031	32,693
Germany	665.5	15,170	5,817	32,629
Belgium	135.8	2,718	957	5,642
Austria	123.2	2,427	790	5,976
Poland	119.5	6,608	1,957	11,095
Israel	61.6	5,240	247	4,933

● Leading position in terms of orders
 ● Top 3 position

Our markets

We operate in ten European countries and Israel. Our Leading Markets represent an addressable population of over 142 million people, who spend an estimated €12.3 billion on food delivery annually (Fig. 3). In our Leading Markets, where we have our strongest market presence, we estimate our addressable population penetration at or less than 10% for each market, with the exception of the Netherlands.

Food delivery market

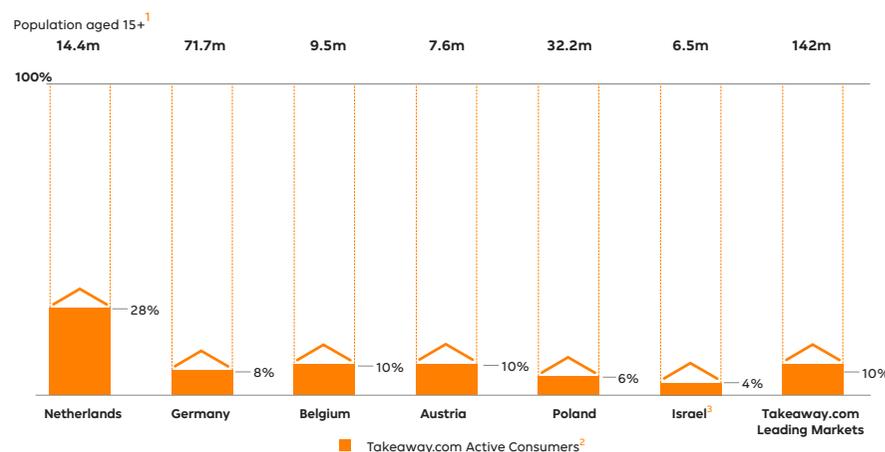


Source: Management estimates, all data refers to 2018

Fig. 3. Our potential market

This demonstrates the considerable upside potential that remains (Fig. 4). Our significant investment in restaurant acquisition and Scoober enabled us to increase the number of restaurants we offer to nearly 44,000 as at year-end, with a corresponding increase in diversity of cuisines. We estimate that over two-thirds of takeaway food is still ordered by phone or in the restaurant, which means we see our growth being primarily driven by a shift from phone to online-based ordering and, to a lesser extent, by growth in the overall takeaway food 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 a 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

We run 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 its 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

8,084



Active Consumers

4.0m



Orders

32.7m



GMV

€674m



Gross revenue

€98.3m



Mobile share

84%



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 online food delivery 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 seven Dutch cities for restaurants that are connected to Thuisbezorgd.nl, but which do not offer their own delivery services. With a spontaneous top-of-mind brand recognition of 56% of the population, Thuisbezorgd.nl is one of the best-known household brands in the country.

Driven in part by our strong brand, 28% of the addressable population ordered at least once in 2018. The year-on-year growth of the number of orders remained strong at 19%, which is due to an increased number of Active Consumers, currently 4.0 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.

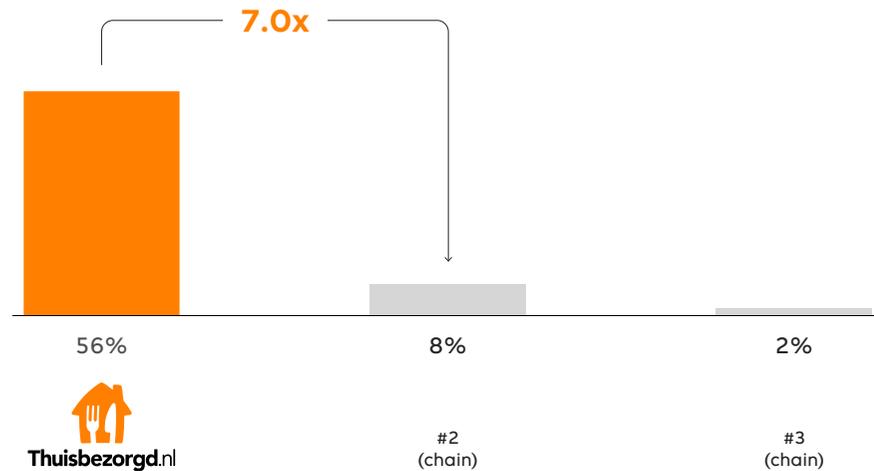
Improving our extensive offering to our Dutch consumers by continuing to connect more restaurants to our marketplace allows us to guarantee consumers the broadest and best selection of restaurants from which to choose. Combined with continued significant marketing investments, this will increase the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

Another important area of investment was building up our Scoober business, as we added a large number of restaurants and processed almost twice the number of orders in 2018 compared with 2017.

The strengthening of our Scoober offering has also broadened the variety of cuisines we offer. For example, consumers can now order such diverse items as poke bowls, quinoa salads and specialty burgers. In addition, we welcomed several new (inter)national and local chains, including: Five Guys, Cinnabon, Yoghurt Barn, AH To Go (Albert Heijn) and Dunkin' Donuts, demonstrating the strength of our brand.

Strong brand awareness in the Netherlands

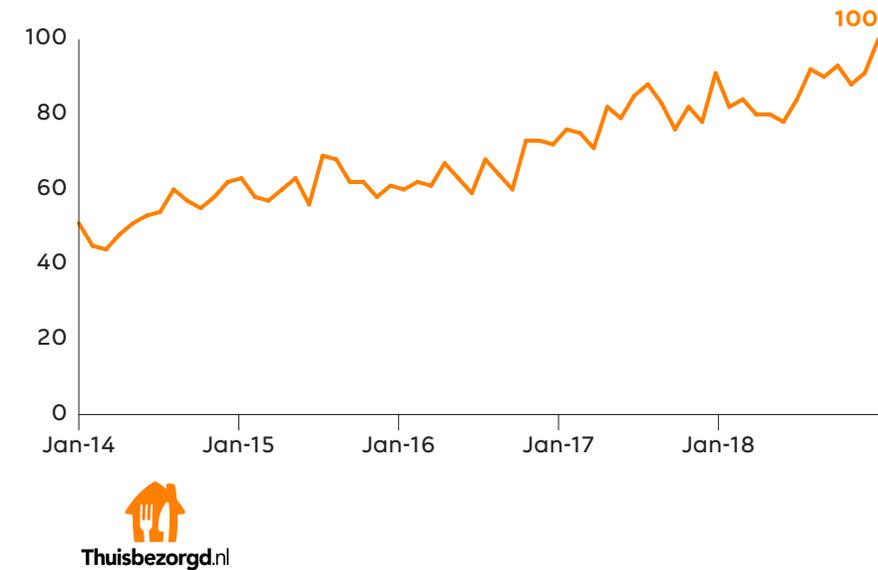
#1 Top-of-mind brand awareness in the Netherlands¹



Source:

¹ GfK January 2019, % of respondents answering "Which website or app comes to your mind first when ordering food?"

Google trends web search interest²



² Brand search requests, indexed to 100 at the highest point during the period

Germany

Online restaurants

15,170



Active Consumers

5.8m



Orders

32.6m



GMV

€666m



Gross revenue

€86.0m



Mobile share

76%



Since the acquisition of Lieferando.de in 2014, and its combination with our Lieferservice.de brand, we have grown to become the largest online food delivery marketplace in Germany in terms of orders and restaurants, with our restaurant base of over 15,000 reaching an estimated 96% of the population.

Through our expanded Scoober offering, now in 13 cities, we were also able to add new cuisines and chains, including KFC, Immergrün, Nestle Wagner, Oetker and Coffee Fellows. Our market leadership is reflected in a top-of-mind brand recognition of 38%, which is 2.7 times larger than the number #2 brand. We estimate the addressable population in Germany at approximately 72 million people, implying significant remaining growth potential.

To tap into that upside, one of our main strategic focus areas is growing our restaurant base in Germany. Today, we believe that more than half of the German delivery restaurants are connected to the Lieferando.de marketplace, meaning that there is a significant proportion of the market that we do not yet fully service.

As a result of our focus on restaurant growth, in 2018 we were able to achieve the highest net growth ever with over 2,200 restaurants, bringing the total to over 15,000. This growth was supported by an increased number of staff at our sales and customer services departments. In addition to sales, we also invested, and will continue to invest heavily, in marketing as an accelerator of top-of-mind brand awareness, which led to strong growth in our base of Active Consumers.

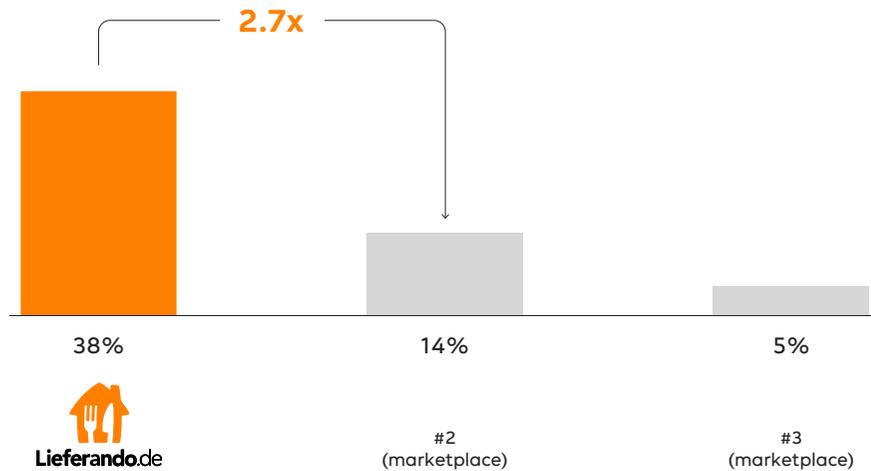
Increasing trend in food ordering through mobile devices in Germany

The German population is increasingly using a mobile device to order food. In 2018, 76% of our orders were transmitted via a mobile device, seven percentage points higher than in 2017. App orders alone were responsible for roughly 49% of Orders.

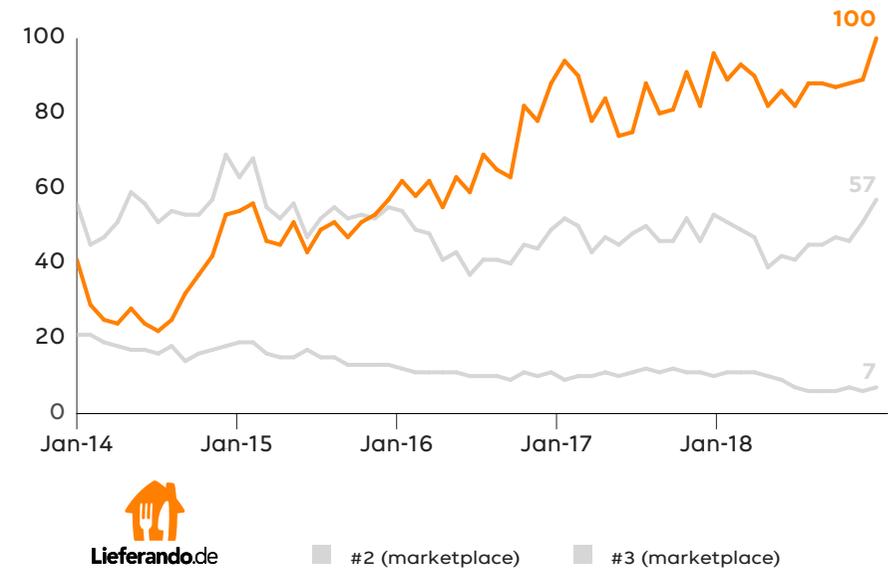
We know that app consumers tend to be more loyal than consumers who order via the website. The quality of our mobile propositions is reflected in the rankings of our apps in the iOS and Android Play! App store, which were, for the third consecutive year, the highest in the online food delivery marketplace industry.

Strong brand awareness in Germany

#1 Top-of-mind brand awareness¹



Google trends web search interest²



Source:

¹ GfK January 2019, % of respondents answering "Which website or app comes to your mind first when ordering food?"

² Brand search requests, indexed to 100 at the highest point during the period

Other Leading Markets

Online restaurants

20,509



Active Consumers

4.3m



Orders

28.6m



GMV

€456m



Gross revenue

€55.7m



Mobile share

68%



Our Other Leading Markets segment comprises four significant markets Belgium, Austria, Poland and Israel, as well as the smaller countries in which we are active: Romania, Bulgaria, 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 our offering that followed the expansion in our restaurant base, and subsequent by the Scoober roll-out. We now offer our Scoober delivery service in Brussels, Antwerp and Ghent. In 2018, we served almost 1.0 million Active Consumers, representing 10% of the addressable population. By year-end, we had increased our number of online restaurants by 24% to 2,718, covering 94% of the Belgian population.

Austria

We introduced the Austrian local brand Lieferservice.at in 2008 and have grown our restaurant offering to over 2,400 since then. After Vienna in 2017, we introduced Scoober in Graz in 2018, allowing us to add chains such as Akakiko, Burger King and Dunkin' Donuts. In 2018, we served 10% of the addressable population, or 0.8 million Active Consumers, in 2018.

Poland

The local brand Pyszne.pl started in 2010 and was acquired by Lieferando.de in 2012. It became part of Takeaway.com in 2014 with the acquisition of Yourdelivery, and while Pyszne.pl was around five times smaller than the largest online food delivery marketplace in 2014, today it is the clear market leader, and multiple times larger than the #2, in terms of orders.

With order growth of 46% in 2018 compared with 2017, Poland continues to be the fastest-growing of our Leading Markets. When consumers want to order food online, they think of Pyszne.pl seven times more often than the nearest competing marketplace. In 2018, our restaurant offering grew by 13%, and we offer almost twice as many restaurants than the nearest competitor. After Warsaw in 2017, we introduced Scoober in Wroclaw and Krakow in 2018 as per our strategy. We estimate that our restaurant offering currently reaches 82% of the Polish population.

Our Active Consumer base grew by 34% to 2.0 million, representing 6% 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, 95% of 10bis orders are Business to Business (B2B) orders. In addition, 10bis is the local market leader in the

B2C offering, which is underdeveloped in Israel but growing rapidly. Takeaway.com completed this acquisition in September 2018.

With over 5,200 restaurants, serving 4% of the population, the offering is almost threefold larger than the nearest B2C competitor, making it the best choice for the over 200 thousand Active Consumers that order their food online and in-store. Since Israel represents an addressable market of 6.5 million, there is a lot of untapped potential in both the B2B and B2C environments. Takeaway.com started with the integration of 10bis by rolling out the Scoober concept in Tel Aviv in December 2018, thereby expanding our local variety in offering restaurants who do not have their own couriers.

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. In 2018, we acquired businesses in Switzerland, Bulgaria and Romania, which increased our presence in existing and new countries, our restaurant offering and our consumer base. Each country benefits from our single IT platform and single brand approach, allowing us to leverage our centrally-developed marketing campaigns. Scoober has been introduced in cities such as Lasi, Zurich and Lisbon to complement the platform offering. We aim to reach and maintain meaningful market-leading positions in each of these markets.

We discontinued our operations in France in February 2018.

“In 2018, we delivered strong organic growth and acquired four businesses to further scale in line with our strategy to build sustainable market-leading positions”

– Jörg Gerbig, COO



The Best Restaurant Awards 2018



The Netherlands

Winner: Inci

Owner: Mustafa Kabadayi

"This award shows that we deliver quality, that we are serious about our work and that we are an expert in what we do."



Germany

Winner: Crazy Pizzeria Home & Lieferservice

Owner: Lakhbir Shergill

"This is a big surprise for us. We can not put into words how happy we are! We have at times dreamed about being the best restaurant in town, but we always expected the national winner to be from Munich, Hamburg or Berlin. So it is unbelievable and beautiful that we are now chosen as the winner of the Best Restaurant Awards in Germany."

Belgium

Winner: Sim Pizza
Owner: Atif Celik

“Wow, hard work pays off! We have only taken over this business in July so this is really a gift and a reward for all our hard work.”



Poland

Winner: Pizza Winchester
Owners: Sławomir Pietrzak & Kamil Palen

“We are happy that our meals have been appreciated by our customers, which confirms the effort our employees and us put in improving our service. This award motivates us to continue working hard and it gives us energy to go for more.”



Austria

Winner: Edo Kitchen Wien
Owner: Ji Jianglai

“It’s a big surprise for me, incredible! It’s a prize for all the hard work and passion I put into my work. I truly work from my heart. In any profession, you have to give it all you got and work with passion, because if there is no passion then it is better not to do it at all.”





The power of technology

At Takeaway.com, we want our consumers to experience the ease of food ordering in every possible way. By using the power of technology we offer a wide variety of food ordering options. Fast, easy, and secure—causing them to return and drive incremental orders for our restaurant partners

Report of the Management Board

In 2018, we made several strategic acquisitions that we believe are going to prove instrumental in the future development of Takeaway.com.

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

In the long term, we continue to follow a “One Company, One Brand and One IT Platform” approach. This is reflected in our highly centralised organisational structure, focused on a single brand in each of our markets and a single, global 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. This year, we acquired four brands, three of which have been fully integrated into our platform. We also continued to standardise our branding for a consistent user experience across all our markets, replacing the local brand with the Takeaway.com brand in four markets.

In order to achieve our mission, we follow several strategic principles:

Strategic principle	Description	Progress in 2018
Maintain and expand market leadership	Based on our experience and behavioral 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.	<ul style="list-style-type: none"> • Strong growth in Orders and Active Consumers in all Leading Markets • Acquisitions in Bulgaria and Israel add new market-leading positions to the portfolio • Acquisition in Switzerland solidified our number two position and reduced the gap with the market leader • Acquisition in Romania added a promising new market to our portfolio
Continue to enhance brand awareness across countries	High brand awareness drives 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.	<ul style="list-style-type: none"> • Top-of-mind brand awareness continued to increase in our Leading Markets • Invested heavily in brand marketing across our markets • Improved efficiency of performance marketing due to growth in organic traffic, driven by higher brand awareness • Our increased Scoober foot-print enlarged visibility of our brand in the major cities
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.	<ul style="list-style-type: none"> • Continued to innovate in consumer-facing (e.g. Food Tracker®, voice ordering) and restaurant-facing (e.g. T-connect 5.0, restaurant portal) technology to improve experience • Successfully integrated the operations of Switzerland, Bulgaria and Romania, thereby significantly improving the user experience for these brands
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.	<ul style="list-style-type: none"> • Group Adjusted EBITDA improved by 59% to minus €11.3 million • Adjusted EBITDA increased by €10.2 million to €53.2 million in the Netherlands • Adjusted EBITDA margin in Germany improved by 38pp
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.	<ul style="list-style-type: none"> • Acquired operations in three new countries (Israel, Bulgaria and Romania) • Acquired marketplace business in Switzerland to improve market position • Exited non-leading position in France
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.	<ul style="list-style-type: none"> • Expanded Scoober offering to four new countries and 14 new cities • Delivered nearly 3 million orders

Acquisitions

On 23 February 2018, we announced the signing of an agreement to acquire BGmenu.com in Bulgaria and Oliviera.ro in Romania. Through this acquisition, we strengthened our position in the larger countries of Eastern Europe, in line with our strategy to further expand our leadership position on the European continent. The value of the transaction was €10.5 million.

On 22 June 2018, we announced the acquisition of the Foodarena business in Switzerland from the Delivery Hero group. We were already operating a food delivery marketplace in Switzerland and this acquisition further strengthened our presence and increased our restaurant offering throughout the country.

On 28 July 2018, we signed an agreement to acquire 10bis in Tel Aviv from TA Associates and its founder Tamir Carmel for a cash consideration of approximately €135 million. Founded in 2000, 10bis operates a leading online food marketplace that provides employee meal benefit plans to corporations. 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 B2C brand, 95% of 10bis orders are B2B orders. In addition, 10bis is the local market leader in B2C offerings, which is underdeveloped in Israel but growing rapidly.

On 21 December 2018, we announced the signing of an agreement to acquire the food delivery operations in Germany of Delivery Hero for a total consideration of approximately €930 million. The acquisition will further enhance our position as a leading online food delivery marketplace in Continental Europe and enhance our growth in Germany, which will enable progress towards profitability. The transaction is anticipated to complete on 1 April 2019.

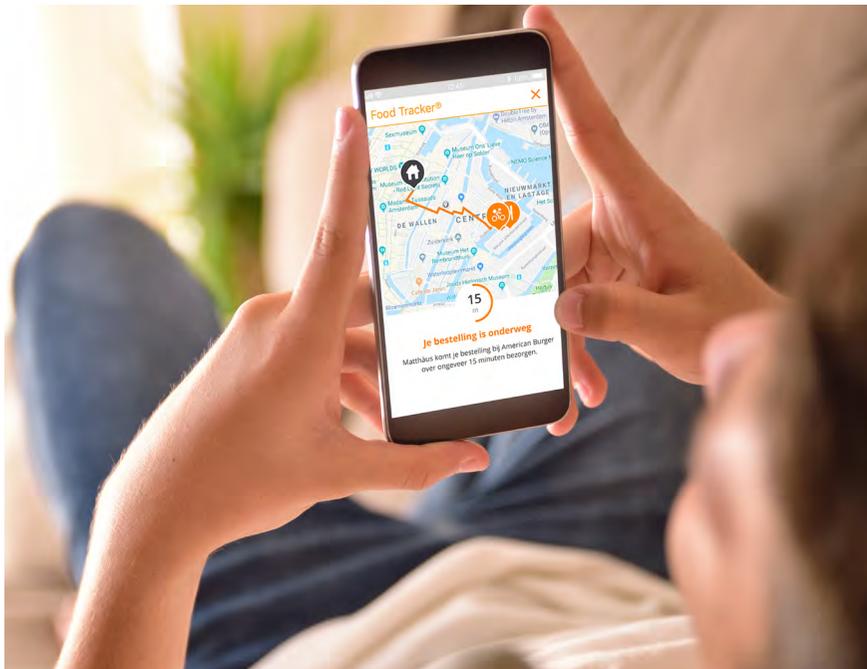
Our product

We have significantly expanded our offering and further improved both our websites and app, and further professionalised our marketing campaigns.

In 2018, we continued to develop our technology offering for consumers, restaurants and Scoober couriers, as well as our back-office platform to enable efficient operational support. In addition, we are proud to have quickly executed the operational integration of three acquired brands.

New markets and acquisitions

Multiple acquisitions in 2018 resulted in integrating these operations to the Takeaway.com platform. This allows us to give our new consumers in Bulgaria, Romania and Switzerland the same user experience as we do in other countries and maintain fast scalability in terms of feature development for all countries we are active in. Our Takeaway.com platform is now available in these new markets and fully operational in the Bulgarian, Romanian, and Italian languages.



Consumer facing products

We promise the consumer a solid, fast and easy solution for food ordering. This Takeaway.com experience does not end when consumers finalise their order on our platform. One high impact development in 2018 is Food Tracker[®], which was added to the confirmation page of our websites and apps to ensure a seamless experience, also after ordering. Most consumer questions directed at restaurants and our customer services teams are related to the status of their order. “Food Tracker[®] provides this information directly to the consumer, based on input from the restaurant and GPS locations of delivery vehicles and couriers.” Food Tracker[®] improves our user experience significantly and restaurants can focus on what they are good at.

To ensure a seamless Takeaway.com journey, we aligned our product and marketing channels. We want to give consumers the same experience across all our channels, from the moment they see us on TV, order food on our platform, through to the moment a courier is in front of their door. This facelift has functional features as well as the visible change to our interface. For example, we have improved our payment flows for both our core platform and our mini-sites to ensure a seamless experience for consumers.

After launching the first food ordering voice app for Amazon Alexa in Continental Europe in 2017, we have now also launched our first voice app for Google Assistant in Germany. While still experimenting with the voice channel, we strongly believe this channel will become more popular with consumers over time. In 2018, we also launched apps for other channels, including AppleTV, Xbox, Android TV and smart fridges such as the Samsung Family Hub.

Restaurant software

T-Connect is our restaurant CRM software which restaurants can operate either on our proprietary devices or on their own devices. T-Connect 5.0, which is our next-generation software, will ultimately replace all current T-Connect restaurant connection software, ensuring that we can focus on developing one software version. This will not only make us more flexible when launching on additional devices, but will also increase scalability. T-Connect 5.0 has been launched together with new hardware and thousands of restaurants are now using it. Investing in T-Connect 5.0 means restaurants can work more efficiently, and will also help stimulate feedback from restaurants to consumers.

Back office developments

Keeping track of all the events taking place at Takeaway.com implies our back office has to continuously develop new employee, restaurant and consumer-facing features. In 2018, we developed new software to log all IT and non-IT events into Takeaway.com. Food Tracker® is just one development example that would not have been possible without this logging process. Another very exciting development is the ticketing system for our internally developed software, Takeaway Management System (TMS). The ticketing system enables us to bring together information from across Takeaway.com and match it with restaurants, consumers, employees and orders. This type of innovation is crucial for us to maintain lean and scalable operational departments.

Fast and easy food ordering is the main product promise we make to consumers. In order to keep delivering on this promise, data is becoming increasingly important. One example is the improvement in our categorisation of dishes and food types. As one of the leading online food ordering market places, we have a large amount of data that, subject to applicable data protection legislation, is used for increasing conversion and retention of consumers. Categorisation provides us with the opportunity to create features that are beneficial for user experience and helps us to achieve our goals.

Scoober

We have made great progress in developing our Scoober dispatching and forecasting software. Given the fast growth of our Scoober service, it is crucial that we constantly improve our software, enabling us to reach higher automation rates, increase efficiency and quality, and establish Scoober services faster in new cities all over the world. Examples of these new cities are Bucharest, Sofia and Tel Aviv, where Scoober was launched in 2018.

For our couriers we improved our app by implementing the latest routing and traffic software by Google. We also introduced new features that support feedback in routing for couriers and better communication functionalities to ensure a smoother operation.



Our improved app ensures a smoother ride for couriers



Marketing

2018, a year of high growth and efficiency gains for marketing.



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 key enabler, marketing is focused on making the actual connections.

In 2018, we connected more consumers to more restaurants than ever before. Partly by expanding into new countries, but also by accelerating growth in existing countries. Key drivers of our marketing success are: Brand power, consumer focus, and scalability.

Brand power

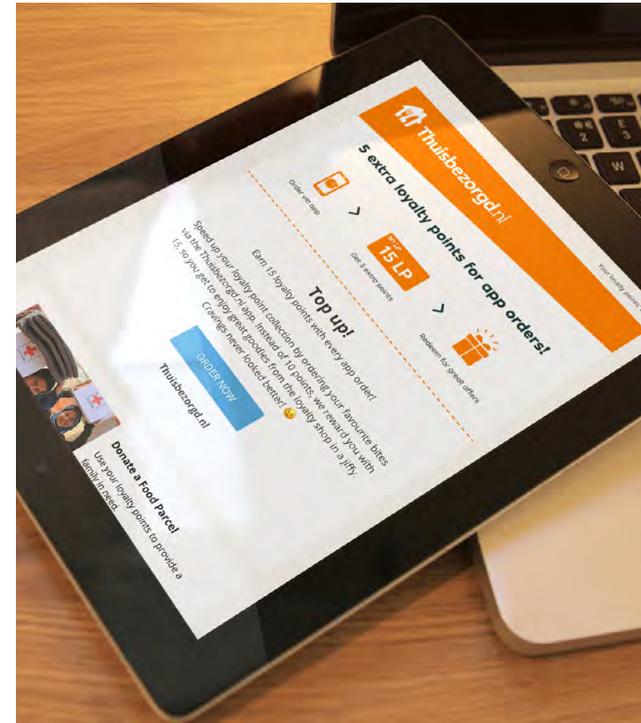
In 2018, we continued to expand our brand power across all markets. As a result, we are leading in top of mind awareness in more markets than ever before and continue to expand our position as the preferred choice for consumers. A key enabler has been the global “Time for” brand campaign, driving better recall of our brand message, and increasing the reach through different touch points. The campaign drives awareness of Takeaway.com offering a wide variety of food easily delivered at any relevant moment. For the first time, in 2018 we had more focus on product features, such as the Food Tracker® and different local executions, such as during the FIFA World Cup and re-branding in Bulgaria and Romania. It is important to note that we not only drive brand awareness through campaigns, but also by showing a consistent brand image through our couriers on the street and through our partnering restaurants. In 2018, we expanded this effort through our partner services department: adding consultants for each country, visiting restaurants, providing merchandise, and other supporting services through the new Takeaway.com webshop.

Consumer focus

In 2018, we extended our efforts to improve consumer experience. We invested heavily both in people and systems to achieve this. Key results are an increase in app usage, a record number of Active Consumers and an increase in retention. For the first time, we have introduced welcome journeys for new consumers, retention campaigns, and app push messaging.

Scalability

In line with our overall strategy, the success of our marketing efforts is for a large part driven by scalability. In 2018, we further invested in automation and data, which allowed us to run more campaigns with more efficient performances. This not only resulted in strong order growth across countries but also improved marketing efficiencies. Key highlights have been: i) marketing efficiency gains in Germany, ii) successful integration of Bulgaria, Romania and Israel, and iii) growth of top-of-mind awareness in all Leading Markets.



Improving the consumer experience over multiple touchpoints



Our Takeaway.com webshop will soon be available in all countries

Scoober

Launched in 2016, Scoober is Takeaway.com's delivery service for restaurants without their own delivery capabilities, which expands our restaurant offering to consumers and enhances our network effects.



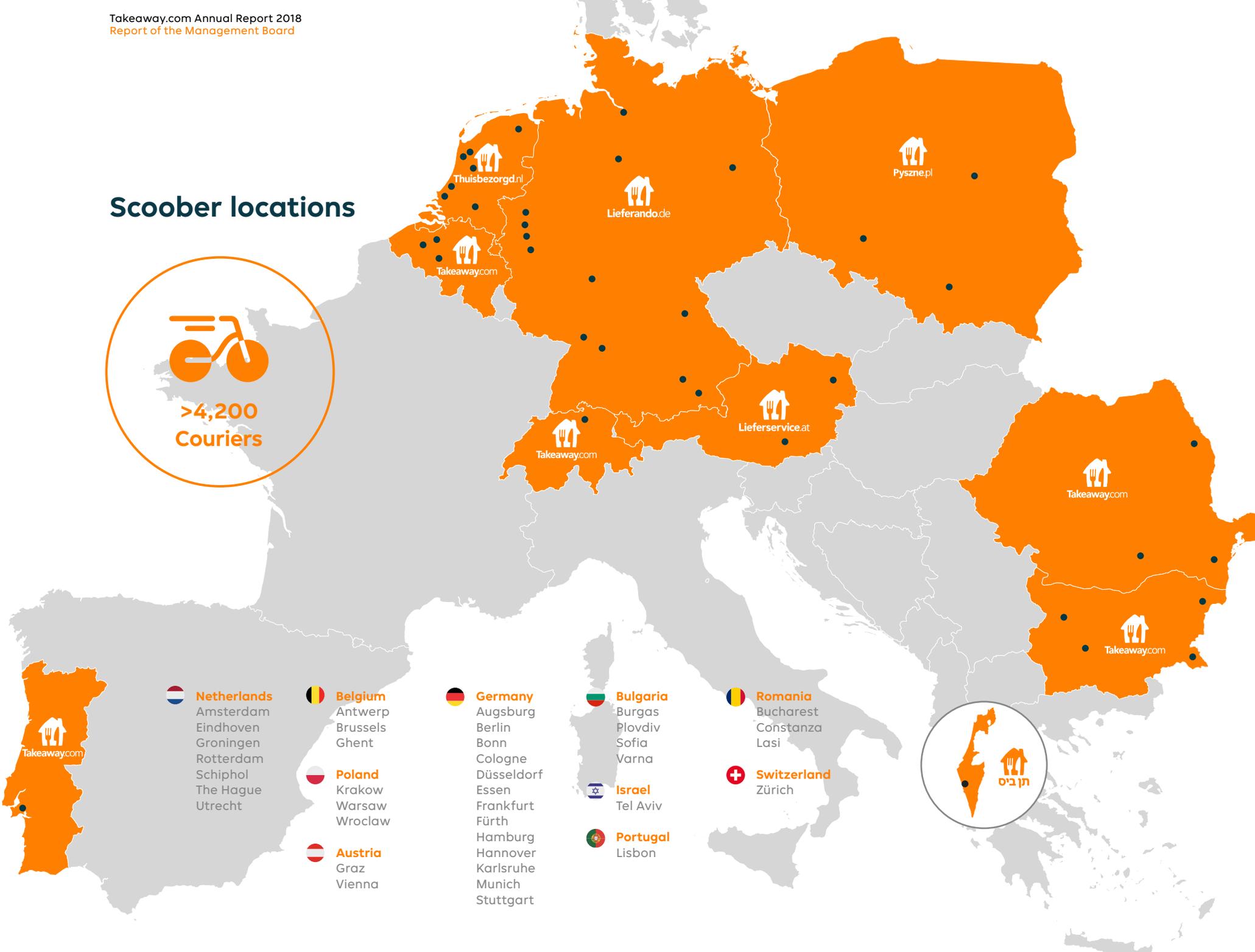
The roll-out of Scoober in selected markets fuels our network effects by further expanding our offering to consumers and restaurants. By providing our delivery service to a selective number of restaurants without their own delivery capabilities, we are able to offer an even broader selection of cuisines, such as poke bowls and salads, while we are also able to add popular chains such as Burger King, Quick and Dunkin' Donuts. These additions enhance our ability to acquire new consumers. Furthermore, our couriers create highly visible marketing on the streets.

Scoober is 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.

Scoober operated in 38 cities in 10 countries with more than 4,200 couriers, or 1,240 FTEs. Our couriers are properly employed, insured, and 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. To ensure road safety, all couriers receive proper training and are subject to applicable data protection legislation, being constantly monitored by our driver captains on the road.

Orders via Scoober amounted to 3.0% of total Orders in 2018 versus 1.4% of Orders in 2017, resulting in one of the largest logistical services in most of the cities in which we operate.

Scoober locations



Netherlands
Amsterdam
Eindhoven
Groningen
Rotterdam
Schiphol
The Hague
Utrecht

Belgium
Antwerp
Brussels
Ghent

Poland
Krakow
Warsaw
Wroclaw

Austria
Graz
Vienna

Germany
Augsburg
Berlin
Bonn
Cologne
Düsseldorf
Essen
Frankfurt
Fürth
Hamburg
Hannover
Karlsruhe
Munich
Stuttgart

Bulgaria
Burgas
Plovdiv
Sofia
Varna

Israel
Tel Aviv

Portugal
Lisbon

Romania
Bucharest
Constanza
Lasi

Switzerland
Zürich





Together we
work hard on
delivering our
promise

Our people

We believe that our people determine the success of Takeaway.com. Everyone at Takeaway.com is committed to delivering the best possible service: from food delivery couriers and colleagues in our customer services centers, to our corporate staff. Our human resources strategy is focused on hiring, engaging and inspiring talented people to ensure we are one of the most preferred employer brands.

We recognise talent as key driver to support the development of our staff to ensure the continuity of our business. The human resource investments we made in 2017, enabled us to increase our talent management efforts in 2018. Our talent programs focus on the development of specific work-related competencies, pro-actively manage behaviors and employee performances. This enables us to identify and further develop talent within our organisation. Our values serve as the base of our talent and recruitment activities.

As the labor market is competitive, we must adapt our recruitment strategy to attract the right people. As a result, we have intensified our recruitment efforts: pro-actively sourcing for all roles, organising (IT) events, increasing social media presence and communication, introducing referral programs and actively involving our senior management. When nominating a candidate for an appointment, the qualifications (such as expertise and experience) of the candidate and the specific requirements for the position to be filled prevail.

In 2018, we further improved the value proposition to our staff by advancing our compensation structure as well as other secondary benefits. This led to several initiatives, such as:

- The launch of salary grades to our job family structure, ensuring market competitive pay across all markets;
- Increasing service levels for our delivery couriers based in the Netherlands, by outsourcing certain services to our partners;
- Further roll-out of the Employee Stock Option Plan in order to secure retention of key staff at various management levels; from senior to local management as well as employees who provide specific expert knowledge or competencies;
- Improvements to our delivery courier insurances;
- Improvements to our employee benefits;
- Improvements in the safety awareness programs facilitated to couriers.

We want to provide our employees with best in class HR tools. Therefore, we further invested in this area by integrating our HRM system with our business systems which allows us to offer an improved employee experience. In addition, we launched a recruitment system for our logistical operations which substantially reduces the time-to-hire for couriers, resulting in higher conversion rates, increased efficiency and relatively low cost.

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

FTE (at year-end)	2018	2017
The Netherlands	859	511
Germany	716	427
Other Leading Markets	1,097	233
Total	2,672	1,171

FTE (at year-end)	2018	2017
Customer Services / Logistics	707	355
Sales	251	139
Marketing	160	93
Product and Technology	193	100
Management and Support functions	121	74
Total departments	1,432	761
Scoober couriers	1,240	410
Total	2,672	1,171

As part of the “One Company, One Brand and One IT Platform” approach, our business in Continental Europe is centrally organised and headquarter functions are primarily managed from our Amsterdam office.

We employ people from diverse cultures and backgrounds and with a wide range of experience. We are proud to be able to state that our staff consists of more than 50 nationalities, of which approximately 54% is male and 46% is female. The level of experience and education of our employees is also diverse.

Our diverse employee base leads to an inspiring cultural environment, and we embrace this diversity as we believe that it is good for business. It drives innovation and leads to more robust decisions and outcomes. In addition, it increases our pool of potential candidates and helps us attract and retain talent. It makes us more adaptable, helps us avoid group-think, and contributes to disrupting the status quo. We also pay attention to diversity in the composition at the various management levels, from the Management Board to management teams within countries and departments.

This is also reflected in the diversity policy that applies to our Management Board and Supervisory Board. How we wish to treat each other, considering our diverse background, is addressed in our code of conduct.

Our culture

Our culture is the basis of how we interact with each other, our customers and our stakeholders. We recognise the importance of having core values clearly defined, to ensure that our organisation is ready for the future and a place where our people can excel.

Our values represent the culture at Takeaway.com. These have been developed by actively involving our staff across our organisation. We are now in the process of enhancing these values and further embedding into our organisation. For this purpose, we will use a variety of HR instruments, such as management development programs, performance management, talent management programs and change management programs.

During 2018, we further defined the principles which should guide us in providing the best service and experience for our partners: from restaurants to consumers. However, our “One Company” approach and our focus on service and commitment to achieve optimal results will always be at core of everything we do.

We are ambitious when it comes to the implementation of these values, which is shown in our business model, our strategy, and the way in which we treat our consumers, restaurants and employees and is largely embedded in our code of conduct.

To ensure compliance with this code, we investigate and, if necessary, act on reported incidents relating to a breach of the code (or other procedures and policies within Takeaway.com).

**One Product,
one Company**



**Scalable and consistent
Speed and pragmatism**

“We strive to act pragmatically
and focus on what is essential”

Today, simplicity is mostly visible in our “One Product, One Company” approach and our urge to make our business scalable and consistent.

We are driven to provide the best experience in every market, easy and simple. That means that we support smart innovations, strive to act pragmatically and focus on what is essential.

We are market leaders because we lead in ambition and strive for simplicity.

Service oriented



**Dedicated
Accountable**

“We say what we mean,
keep our promises and treat
others with respect”

Our goal is to provide consumers and restaurants with the best service possible. Ensuring a high level of trust by keeping our promises and being respectful is crucial for a service-minded organisation.

From our people, we expect dedication to our promise to provide the best service and feel accountable for the result.

We believe that such an environment will enable us to live up to the promise that we make to participating restaurants and ordering consumers.

Committed



**Responsible
Take initiative**

“We believe in being flexible and
adaptable in order to
get the job done”

It all starts with commitment to get the job done. We believe that in a performance-based business like ours, people succeed only by delivering results.

Our aim to deliver the best results to consumers requires a result-driven culture and an action-oriented company. To achieve best results requires an inherent attitude to take responsibility and pro-active behavior.

This same mindset also holds true for both our relationships with business partners and among colleagues. Just as we always deliver to consumers in a trustworthy and reliable way, we also deliver to one another in the same manner.

Our works council
provides
constructive
contributions



Works council

A works council has been established within Takeaway.com in the Netherlands. In 2018, the works council held several meetings, at which one or more representatives of the Management Board were present. Two meetings were also attended by a representative of the Supervisory Board. These meetings were held at our headquarters in Amsterdam, as well as at our office in Enschede.

During the meetings at which a representative of the Management Board was present, general updates on Takeaway.com were provided and (expected) requests for advice or consent, as submitted by the Management Board, were discussed.

In November 2018, the works council held elections. The new works council was installed on 27 November 2018.

We realise that members of the works council invest a substantial amount of time in fulfilling their duties as an employee representative, so we are pleased to see that employees are willing to take on this responsibility. Employee engagement expressed as membership of the works council deserves particular respect. We value the open dialogue and thank the members of the works council, including our colleagues who stepped down in 2018, for their constructive contribution. We look forward to continuing the open dialogue with the new works council.

Corporate social responsibility

Throughout the year, we continued to grow a strong and steady corporate social responsibility (CSR) approach, with new and ongoing social and sustainable initiatives positively impacting all areas of the business. Our commitment, as stated in our code of conduct, is to become an integral part of the societies in which we operate and, with a tradition of sustainable entrepreneurship, make a meaningful contribution to our stakeholders and the world we live in.

With trust as a core corporate value and accountability as a driver, we continuously commit to foster a culture that conducts operations in an environmentally and socially sustainable manner, treating each other, our stakeholders, our consumers and our environment with respect.

Scoober

During 2018, we continued to grow our Scoober e-bike service. At year end, we operated in 38 cities across Europe and Israel, with over 4,200 couriers. The use of electric bikes and scooters is an integral part of our sustainability strategy as we strive to achieve a majority of electric bikes and scooters in all markets.

Moreover, as our people are our biggest asset, our couriers are employed, insured and receive proper training to ensure 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.

Recyclable disposables

Last year we continued to urge participating restaurants to stop using environmentally-unfriendly disposables by offering them our wide range of recyclable packaging, consisting of watertight and food-safe cardboard trays, cardboard cutlery, recycled paper napkins, recycled paper bags and sustainably harvested FSC-approved paper bags.

The majority (over 50%) of all bags currently in use by participating restaurants are made from recycled materials and we are looking to further increase this number by the end of 2019 as we continue to provide our Scoober restaurant partners with recycled bags free-of-charge and drive the adoption of sustainable business practices. The year 2019 will also see the introduction of recycled hamburger and meal boxes, which will add to our ever-increasing variety of environmentally-friendly disposables available through our webshop at attractive prices.





Green office initiatives reduce our global carbon footprint

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.

Pilot: Loyalty Shop

We strongly support social impact initiatives as part of our CSR 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 last year, whereby consumers received the offer to donate their loyalty points towards the humanitarian organisation Red Cross. Their loyalty points were used specifically to provide relief in the form of food packages for families affected by armed conflict in conflict regions all over the world. This test proved to be highly successful as the campaign sold out within two weeks, showing the value of CSR to our consumers, which is a lesson that we have taken into consideration for the future ahead.

Code of Conduct

Our CSR strategy reaches all corners of the business and is therefore also reflected in our code of conduct. As set out in this paragraph, our code of conduct reflects the human rights that we believe are important to our business. This shows that 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 we

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 contributing to our business (within approved guidelines), all other direct or indirect offers, solicitation or acceptance of a payment in order to obtain a commercial advantage are prohibited.

Compliance with the code of conduct and other policies is stimulated throughout Takeaway.com by offering training to our employees in various forms including workshops, e-learning programs and leaflets. During our employee summer event in 2018, which was visited by the majority of our employees, we created further awareness of code of conduct topics by organising a quiz on the contents of numerous policies.

Unfortunately, we are occasionally confronted with less desirable behavior, such as fraud. We aim to address these matters effectively, appropriately and securely, for instance by ensuring new or revised policies and procedures are put into place to mitigate dishonest occurrences in the future.

CSR strategy 2019

In 2019, we intend to implement a refreshed CSR plan that will continue to contribute to positive social and sustainable impact at scale with acceleration. We will strive to effectively further decrease our environmental footprint by reducing the use of natural resources across the organisation and seeking responsible alternatives where possible. We will also continue to champion the CSR movement by seeking out new initiatives throughout all areas of the business that will positively impact people and the planet.

Our performance in 2018

In 2018, we realised significant growth in both orders and revenue driven by our strong positions in our Leading Markets which we have developed over the years, as well as continuing to focus on our brands, product, restaurant offering and organisation. On top of our strong organic growth, acquisitions in Switzerland, Bulgaria, Romania and Israel have further enhanced our position as a leading online food delivery marketplace.

We processed 93.9 million orders in 2018, an increase of 38% from 2017, which resulted in a total gross revenue of €240.0 million. Gross revenue growth amounted to 44% in 2018 compared with 2017, thereby exceeding order growth, which was mainly driven by higher average order amounts and higher average commission rates in each of our markets. We experienced continuing benefits from the network effects inherent to our business model and believe that this will remain a structural driver of growth in the coming years.

As a result of the investments in our long-term growth strategy, we had an Adjusted EBITDA loss of €11.3 million in 2018, compared with an Adjusted EBITDA loss of €27.6 million in 2017, an improvement of €16.3 million. Our Adjusted EBITDA margin improved to minus 5% in 2018 from minus 17% in 2017. We are pleased to see that our continued top-line growth in 2018 results in clear progress towards profitability.

Below we explain how the developments in our key performance indicators contributed to our results in 2018.

Performance review

Key performance indicators

Restaurants

We believe that a successful online food delivery marketplace stands or falls with 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 are continuously investing in the acquisition of new restaurants in all our markets. For restaurants, our value proposition is to provide them access to a large consumer base who continually order on an ever more frequent basis. We aim to distinguish ourselves by having the largest possible offering in each of our markets.

Restaurants	As at 31 December				
	2018	2017	2016	2018 to 2017	2017 to 2016
				(% change)	(% change)
The Netherlands	8,084	7,433	6,811	9%	9%
Germany	15,170	12,931	10,903	17%	19%
Other Leading Markets	20,509	11,452	9,736	79%	18%
• Belgium	2,718	2,195	1,877	24%	17%
• Austria	2,427	2,161	1,862	12%	16%
• Poland	6,608	5,834	5,062	13%	15%
• Israel ¹	5,240	n.a.	n.a.	n.a.	n.a.
• Rest ²	3,516	1,262	935	179%	35%
Total	43,763	31,816	27,450	38%	16%

¹ Includes Israel as per acquisition in September 2018

² Excludes France and the United Kingdom, for which operations were discontinued in February 2018 and August 2016 respectively, to enable like-for-like comparison. Including these restaurants, the total for "Rest" would be 2017: 2,375; 2016: 2,272

We added nearly 12,000 restaurants to our platform both organically and through acquisitions in 2018. Our organic growth is primarily driven by our brand strength and sales excellence.

Active Consumers

In 2018, 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 the marketing efforts made. Our high brand awareness is crucial to attract new consumers.

Active Consumers (In thousands)	As at 31 December				
	2018	2017	2016	2018 to 2017	2017 to 2016
				(% change)	(% change)
The Netherlands	4,031	3,548	2,960	14%	20%
Germany	5,817	4,977	3,915	17%	27%
Other Leading Markets	4,268	2,946	2,000	45%	47%
• Belgium	957	783	588	22%	33%
• Austria	790	643	494	23%	30%
• Poland	1,957	1,455	883	34%	65%
• Israel ¹	247	n.a.	n.a.	n.a.	n.a.
• Rest ²	317	65	35	384%	88%
Total	14,116	11,471	8,875	23%	29%

¹ Includes Israel as per acquisition in September 2018

² Excludes France and the United Kingdom, for which operations were discontinued in February 2018 and August 2016 respectively to enable like-for-like comparison. Including these Active Consumers, the total for "Rest" would be 2017: 94; 2016: 59

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 4%-10% of the addressable population. In the Netherlands, we maintained double digit growth of Active Consumers despite the relatively high penetration and maturity stage of the market, demonstrating the potential in our most profitable market.

This demonstrates the fact that, despite the scale that online food delivery marketplaces have reached, 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 more than once in the preceding 12 months. We added 1.9 million Returning Active Consumers across our markets in 2018. The Returning Active Consumers as a percentage of Active Consumers improved by three percentage points from 59% in 2017 to 62% in 2018, reflecting improved loyalty in our consumer base. In addition to these positive developments, the order frequency of this group increased by 0.7 orders per year per Returning Active Consumer, from 10.7 times in 2017 to 11.4 times in 2018, which created a multiplier effect on our order figures. Israel was a significant contributor to this as its primarily B2B consumer base ordered more than ten times as frequently as a typical B2C consumer base.

Returning Active Consumers	As at 31 December		
	2018	2017	2016
Returning Active Consumers in millions	8.7	6.8	5.0
Returning Active Consumers as % of Active Consumers ¹	62%	59%	57%
Order frequency of Returning Active Consumers ²	11.4	10.7	10.5

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

² The 2018 Orders frequency of Returning Active Consumers without Israel would be 10.9, to enable like-for-like comparison

Orders

Takeaway.com processed 93.9 million orders in 2018, representing a 38% increase compared with 2017, 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				
	2018	2017	2016	2018 to 2017	2017 to 2016
				(% change)	(% change)
The Netherlands	32,693	27,446	21,083	19%	30%
Germany	32,629	23,946	17,341	36%	38%
Other Leading Markets	28,597	16,899	10,897	69%	55%
• Belgium	5,642	4,382	2,905	29%	51%
• Austria	5,976	4,749	3,428	26%	39%
• Poland	11,095	7,580	4,333	46%	75%
• Israel ¹	4,933	n.a.	n.a.	n.a.	n.a.
• Rest ²	951	188	231	407%	(19%)
Total	93,919	68,291	49,321	38%	38%

¹ Includes Israel as per acquisition in September 2018

² Includes France and the United Kingdom, for which operations were discontinued in February 2018 and August 2016 respectively. Excluding these orders "Rest" would be 2017: 141 thousand, 2016: 89 thousand

Average Order Value (AOV)

In all Leading Markets, the AOV increased in 2018 compared with 2017, partly caused 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		
	2018	2017	2016
The Netherlands	20.61	20.12	19.90
Germany	20.39	20.05	19.68
Other Leading Markets	15.96	16.62	16.59
• Belgium	24.07	23.40	22.93
• Austria	20.61	19.96	19.48
• Poland	10.77	10.24	9.55
• Israel ¹	12.48	n.a.	n.a.
• Rest ²	17.13	30.98	25.95
Total³	19.12	19.23	19.09

¹ Includes Israel as per acquisition in September 2018

² Includes France and the United Kingdom, for which operations were discontinued in February 2018 and August 2016 respectively. Excluding these orders the average order value for "Rest" would be 2017: €33.68; 2016: €27.11

³ Weighted average

Gross Merchandise Value

The value of total orders processed increased by 37% to €1.8 billion in 2018 from €1.3 billion in 2017. The relative growth of our GMV was slightly lower than our order growth rate due to the mix effect as Poland contributes an increasingly larger share of orders at a considerably lower AOV.

Gross Merchandise Value (In millions of €)	Year ended 31 December				
	2018	2017	2016	2018 to 2017	2017 to 2016
				(% change)	(% change)
The Netherlands	673.7	552.3	419.6	22%	32%
Germany	665.5	480.1	341.3	39%	41%
Other Leading Markets	456.3	280.8	180.8	63%	55%
• Belgium	135.8	102.6	66.6	32%	54%
• Austria	123.2	94.8	66.8	30%	42%
• Poland	119.5	77.6	41.4	54%	87%
• Israel ¹	61.6	n.a.	n.a.	n.a.	n.a.
• Rest ²	16.2	5.8	6.0	180%	(4%)
Total	1,795.5	1,313.2	941.7	37%	39%

¹ Includes Israel as per acquisition in September 2018

² Includes France and the United Kingdom, for which operations were discontinued in February 2018 and August 2016 respectively. Excluding these orders, the gross merchandise value for "Rest" would be 2017: €5.8 million (68%); 2016: €3.8 million (76%)

“We believe that having a wide restaurant selection creates a loyal customer base, driving our strong revenue-generating capability”

– Brent Wissink, CFO

Takeaway.com financial review

Revenue

Gross revenue consists of commission revenue, online payment services revenue and other revenue items such as merchandising revenue and top placement fees. The first two revenue items are driven by the number of orders and represented 97% of total gross revenue in 2018.

In 2018, we generated total gross revenue of €240.0 million, a 44% increase from €166.5 million in 2017, thereby exceeding GMV growth of 37%, mainly driven by higher average commission rates in each of our markets. Including adjustment for voucher expenses under IFRS 15, net revenue was €232.3 million in 2018.

Revenue by segment (In thousands of €)	Year ended 31 December				
	2018	2017	2016	2018 to 2017	2017 to 2016
				(% change)	(% change)
The Netherlands	98,293	74,427	55,253	32%	35%
Germany	86,040	57,859	36,809	49%	57%
Other Leading Markets	55,710	34,192	19,579	63%	75%
• Belgium	19,917	14,402	8,288	38%	74%
• Austria	14,798	10,388	6,634	42%	57%
• Poland	14,664	8,708	4,229	68%	106%
• Israel ¹	3,854	n.a.	n.a.	n.a.	n.a.
• Rest ²	2,477	694	428	257%	62%
Gross revenue	240,043	166,478	111,641	44%	49%
Vouchers	(7,729)	(3,132)	(2,945)	147%	6%
Net revenue	232,314	163,346	108,696	42%	50%

¹ Includes Israel as per acquisition in September 2018

² Includes France and the United Kingdom for which operations were discontinued in February 2018 and August 2016 respectively

The Netherlands

Gross revenue grew by 32% to €98.3 million in 2018 from €74.4 million in 2017. Gross revenue grew faster than orders as a result of an increase in the standard commission rate in 2018 and the growing share of Scoober orders, which currently represent 3% of orders. In addition, the proportion of orders paid online grew to nearly 80% of orders in 2018, driving growth in online payment fees.

Germany

Gross revenue grew by 49% to €86.0 million in 2018, from €57.9 million in 2017. Our strong gross revenue growth was above order growth of 36%, mainly driven by an increase of our standard commission rate. We also saw a significant increase in orders paid online. However, the majority of orders in Germany are still paid in cash.

Other Leading Markets

Gross revenue in Other Leading Markets grew by 63% to €55.7 million in 2018 from €34.2 million in 2017. On a like-for-like basis³, our gross revenue growth was 52%, compared with order growth of 40%. Poland was the fastest growing country in the segment, achieving the milestone of 1 million monthly orders in October. We continued to grow our gross revenue strongly in Belgium and Austria, and achieved promising results in Bulgaria and Romania. We also doubled our annual gross revenue in Switzerland. The substantial growth in gross revenue above GMV and order growth reflects the increase in average commission rate and the growth in orders.

³ Excluding partial-year gross revenue from 10bis which was consolidated per 26 September 2018

Commission

Commission revenue was €217.4 million in 2018, representing 91% of total gross revenue compared with 90% in 2017. The average commission rate for Takeaway.com increased to 12.1% in 2018 from 11.4% in 2017, mainly driven by an increase in the standard commission rate in all Leading Markets from 1 January 2018.

Online payment services

As a result of further adoption of online payments by consumers, revenue from online payments increased to €16.0 million in 2018 from €12.0 million in 2017. The percentage of orders paid online amounted to 61% of total orders in 2018, up from 54% in 2017, representing over €1 billion in GMV.

Other revenue

Other revenues grew strongly by 39% in 2018, reaching €6.7 million, driven primarily by growth in top placement fees to restaurants.

Cost of sales and gross margin

Cost of sales was €43.7 million in 2018, which was 62% higher than in 2017, driven by our Scoober expansion. Delivery expenses amounted to €23.8 million, representing more than half of our cost of sales. Excluding the impact of Scoober, cost of sales increased by 25% year-on-year, well below our order growth.

As a result of the above, we realised a gross margin of 81% in 2018 as compared to 83% in 2017.

Staff costs

Staff costs were €48.5 million in 2018, representing a 51% increase compared with 2017. On a like-for-like basis¹, staff costs grew 46%. This increase is the result of continuing investments in our organisation to execute on our growth strategy. Our investments were primarily in operational functions, where a large increase in our sales staff translated into strong growth in our restaurant offering. Over the course of 2018, our Scoober operations staff more than tripled to support our city expansion as well as the strong growth of Scoober orders. These investments do not include the 4,200 couriers, representing 1,240 FTEs, which are classified as cost of sales. Our staff, excluding couriers, increased to 1,432 FTEs as at 31 December 2018 from 761 FTEs as at 31 December 2017.

Long-term employee incentive costs

Long-term employee incentive costs relate to the fair value expense of share-based payments for employees in a particular year. Our long-term employee incentive costs were €2.6 million in 2018, up from €1.9 million in 2017. These expenses cover the Long-Term Incentive Plan (LTIP) for the Management Board, as well as the Employee Share and Option Plan (ESOP), which covers key senior and mid-level management.

¹ Excluding partial-year staff costs from 10bis which was consolidated from 26 September 2018

Other operating expenses

Other operating expenses comprise marketing expenses, depreciation and amortisation costs, housing expenses, other staff-related expenses, temporary staffing expenses, charges for doubtful debts, and other operating expenses.

Other operating expenses (In thousands of €)	2018	2017	2018 to 2017
			(% change)
Marketing expenses ¹	127,759	116,636	10%
Vouchers	(7,729)	(3,132)	147%
Marketing expenses, net	120,030	113,504	6%
Depreciation and amortisation expenses	7,948	4,972	60%
Other	43,368	21,132	105%
Total	171,346	139,608	23%

¹ Excluding partial-year staff costs from 10bis which was consolidated from 26 September 2018

Marketing expenses

The largest component of other operating expenses is 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 investment in our brand strength through (primarily) offline channels such as television, outdoor advertising, and merchandising for restaurants. In order to retain, attract and promote the platform, Takeaway.com distributes vouchers to existing consumers, to potential new consumers, restaurants, and via partner campaigns. Voucher expenses amounted to €7.7 million in 2018 and €3.1 million in 2017.

Marketing expenses increased by 10% to €127.8 million in 2018 compared with €116.6 million in 2017, 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 behavior. Marketing expenses as a percentage of revenue and on a per-order basis improved in all segments in 2018.

Marketing expenses (In thousands of €)	2018	2017	2018 to 2017
			(% change)
The Netherlands	13,839	13,101	6%
Germany	73,900	70,693	5%
Other Leading Markets	40,020	32,842	22%
Marketing expenses	127,759	116,636	10%
Vouchers	(7,729)	(3,132)	147%
Marketing expenses, net	120,030	113,504	6%

In the Netherlands, we demonstrated the marketing scale benefits that are achievable in our industry as we continued to acquire and retain consumers at the same rate as prior years, while only slightly increasing marketing spend.

In Germany, we were able to achieve strong order growth while only marginally increasing our absolute marketing spend in 2018 compared to 2017. The return on our historical marketing investments accelerated, as we achieved a €0.69 decline in the cost per order, and annual revenue exceeded total marketing expense for the first time.

In the Other Leading Markets segment, marketing expenses as a percentage of revenue improved strongly to 72% in 2018 from 96% in 2017, and 76% on a like-for-like basis¹, 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 ²	2018	2017
The Netherlands	0.42	0.48
Germany	2.26	2.95
Other Leading Markets	1.40	1.94
Total	1.36	1.71

² Not adjusted for voucher expenses under IFRS 15

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.

Depreciation and amortisation expenses

Depreciation and amortisation expenses were €7.9 million in 2018, up from €5.0 million in 2017. This related primarily to the amortisation of other intangible assets recognised as the result of acquisitions, as well as depreciation on physical assets such as offices and IT related assets.

Other

Other operating expenses were €43.4 million in 2018, an increase of 105% compared with the prior year. This increase was mainly driven by additional recruitment and other staff-related expenses to support our organisational

expansion, the growth of Scoober, legal and compliance, and professional services fees. Furthermore, it contained costs related to acquisitions amounting to €11.0 million in 2018.

Long-term employee incentive costs

Long-term employee incentive costs relate to the fair value expense of share-based payments for employees in a particular year. Our long-term employee incentive costs were €2.6 million in 2018, up from €1.9 million in 2017. These expenses cover the Long-Term Incentive Plan (LTIP) for the Management Board, as well as the Employee Share and Option Plan (ESOP), which covers key senior and mid-level management.

Finance income and expense, net

Our finance income and expense increased to €1.3 million in 2018 from €0.2 million in 2017 as a result of the execution of a €150.0 million bridge financing arrangement in connection with the 10bis acquisition.

Share of loss in joint venture

At year-end, Takeaway.com owned 66% of Takeaway.com Asia, which in turn owned 99% of the shares and voting rights of Vietnammm.com. Takeaway.com Asia was accounted for as a joint venture using the equity method of accounting given that joint control exists in terms of decision-making. Takeaway.com's share of loss in the joint venture was €0.2 million in 2018 compared with €0.2 million in 2017.

On 1 February 2019, we entered into an agreement in respect of the sale of the interest in Takeaway.com Asia. The transaction is, subject to the fulfilment of certain conditions, expected to be completed in the course of the first quarter of 2019.

¹ Excluding partial-year marketing expenses from 10bis, which was consolidated from 26 September 2018

Income tax expense

Takeaway.com's current income tax expense amounted to €7.7 million in 2018 compared with €5.4 million in 2017. In 2018, Takeaway.com recognised a deferred tax benefit amounting to €29.1 million compared with €1.0 million in 2017. As a result, the income tax benefit was €21.4 million in 2018.

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. In 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 in 2018. 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 €14.0 million in 2018, reflecting a material improvement compared with a loss of €42.0 million in 2017.

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.

Adjusted EBITDA ¹ (In thousands of €)	2018	2017	Margin 2018 ²	Margin 2017 ²
The Netherlands	53,211	43,017	54%	58%
Germany	(36,721)	(47,024)	(43%)	(81%)
Other Leading Markets	(27,768)	(23,565)	(50%)	(69%)
Total	(11,278)	(27,572)	(5%)	(17%)

¹ Non-IFRS measure

² Percent of revenue

Adjusted EBITDA for Takeaway.com was minus €11.3 million, an improvement of €16.3 million on the prior year. This improvement was driven primarily by our rapid growth, substantial efficiency improvements, which offset the increased investments in our organisation, marketing and in our Scoober offering.

In the Netherlands, our Adjusted EBITDA increased to €53.2 million in 2018 compared to €43.0 million in 2017 reflecting the increasing value we delivered to our network of consumers and restaurants. In Germany, Adjusted EBITDA improved to a loss of €36.7 million compared to €47.0 million in 2017, driven primarily by our improved marketing efficiency and demonstrating our path towards profitability. In the Other Leading Markets segment, the Adjusted EBITDA loss was €27.8 million in 2018 compared to €23.6 million in 2017, largely driven by our continuing investments in these high potential and under-penetrated markets.

In our two loss-making segments, Adjusted EBITDA as a percentage of revenue improved significantly, showing the scalable nature of our business.

(in thousands of €)	2018	2017
EBITDA	(23,347)	(30,366)
Non-recurring items	12,069	2,794
Adjusted EBITDA¹	(11,278)	(27,572)

¹ Non-IFRS financial measure

Non-recurring items mainly relate to acquisition costs (2017: acquisition costs and the expense related to the employee bonus shares).

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 €291.5 million in 2018 from €91.5 million in 2017. This increase was mainly driven by the acquisitions in Bulgaria, Romania, Switzerland and Israel that were completed during the year.

Our cash position remained relatively unchanged between the start and the end of the year, however, due to the outstanding bridge facility in place at year-end, we had a net debt position of €60.3 million. Favourable working capital movements were mainly driven by our newly-introduced transfer pricing policy which enabled us to utilise carried forward tax losses. As a result, we used net cash in operating activities of €2.7 million (2017: €36.2 million).

Net cash used in investing activities was €147.5 million, an increase of €138.8 million compared to the prior year, the difference is a result of our acquisition activities. Our financing cash flow amounted to €150.0 million due to the bridge facility which was raised in connection with the 10bis acquisition.

The €150.0 million bridge facility is reported as a current liability because it has a maximum term of one year and is therefore not included in the working capital.

Cash and cash equivalents decreased to €89.6 million at year-end 2018 from €89.8 million at year-end 2017, representing a decrease of €0.2 million. The balance includes €11.8 million of cash held on behalf of restaurants (2017: €3.1 million).

Shareholders' equity decreased to €138.8 million at year-end 2018 from €149.8 million at year-end 2017, following the allocation of the net loss for the year 2018 to shareholders' equity.

The solvency ratio, defined as total equity divided by total assets, was 33% at year-end 2018, down from 76% at year-end 2017, primarily due to the €150.0 million bridge facility. This debt facility was fully repaid with the proceeds from the share issuance in January 2019.

Non-current liabilities increased to €27.6 million in 2018 from €6.0 million in 2017, as a result of increased deferred tax liabilities, connected to our acquisitions.

Consolidated cash flows (in thousands of €)	2018 31 December	2017 31 December
Net cash used in operating activities	(2,726)	(36,167)
Net cash used in investing activities	(147,497)	(8,660)
Net cash generated by financing activities	150,044	-
Net cash and cash equivalents used	(179)	(44,827)
Effects of exchange rate changes of cash held in foreign currencies	(56)	29
Net decrease in cash and cash equivalents	(235)	(44,798)

Net cash used in operating activities

Net cash used in operating activities amounted to €2.7 million in 2018 compared with €36.2 million in 2017. The change was mainly driven by our reduced operating loss.

Net cash used in investing activities

Net cash used in investing activities was €147.5 million in 2018, mainly driven by the acquisitions in Bulgaria, Romania, Switzerland and Israel.

Net cash generated by financing activities

Net cash generated by financing activities was €150.0 million, compared with nil in 2017. We utilised a €150.0 million bridge facility in September 2018, to temporarily finance the acquisition of 10bis. This bridge facility was fully repaid with the proceeds from the capital increase in January 2019.

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

We are pleased with the significant steps we made in 2018 towards group profitability, while continuing to increase the value we create for all our stakeholders. The markets in which we operate remain significantly under-penetrated, and we will continue to invest in all markets. The acquisition of the German Delivery Hero Businesses is expected to further enhance our position as a leading online food delivery marketplace in Continental Europe and will increase our scale in Germany. In view of the Company's acquisition of the German Delivery Hero Businesses and related issuances of shares, we do not provide a specific outlook at this point in time.

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 2018.

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 2018 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 2018 does not contain any material inaccuracies;
- Based on the current state of affairs, it is justified that the financial reporting over 2018 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
CEO

Brent Wissink
CFO

Jörg Gerbig
COO



02

Governance

Report of the Supervisory Board

The year 2018 was an exciting year for Takeaway.com. A year during which Takeaway.com acquired four businesses and focused on the integration, while continuing to strengthen its internal organisation.

Introduction

As the Supervisory Board of Takeaway.com, in the first half of 2018 we focused our supervision on the internal processes of Takeaway.com; obtaining a thorough understanding of these processes and the challenges in respect of these. During the last few months of 2018, our supervision focused on the acquisition of the German Delivery Hero Businesses. Additional meetings (both physical as well as by telephone) were convened 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.

Composition Supervisory Board

The current composition of the Supervisory Board is shown on [pages 82 to 83](#). Adriaan Nühn was reappointed as member and chairman in our General Meeting held on 17 May 2018.

The composition of the Supervisory Board changed during 2018.

On 12 September 2018, Sake Bosch stepped down from the Supervisory Board. Sake Bosch had been a Supervisory Director since 1 October 2014 and was nominated by Prime Ventures. His resignation took effect on the day Prime Ventures sold its remaining stake in the Company and ceased to be a Company shareholder. The Company owes Sake Bosch gratitude for his involvement in the supervision of the Company and his contribution to discussions in the Supervisory Board.

The current composition of the Supervisory Board is in line with its profile, as published on the Company's corporate website, in terms of experience, expertise, nationality, and age. Regarding gender diversity, Takeaway.com currently has one female Supervisory Director, which equals 33.3% of the entire Supervisory Board, although the Supervisory Board currently has a vacancy for one position.

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 and all members of the Supervisory Board, are independent within the meaning of best practice provision 2.1.8 of the Code.

Pursuant to the relationship agreement between the Company and Delivery Hero, following the completion of the acquisition by Takeaway.com of the German Delivery Hero Businesses, Delivery Hero will have the right to designate one person for appointment to the Supervisory Board (provided that such person is independent). Delivery Hero has designated Johannes

Reck for such appointment and following this designation the Supervisory Board has agreed to make a binding nomination for the appointment of Mr. Reck as a member of the Supervisory Board for a four-year term of office, re-election being permitted, in accordance with articles 7.6.3 and 7.6.5 of the Articles of association. The appointment of Mr. Reck as member of the Supervisory Board is subject to (i) Delivery Hero having obtained a declaration of no-objection (verklaring van geen bezwaar) from the Dutch Central Bank and (ii) completion having occurred. As of the appointment of Mr. Reck becoming effective, the Supervisory Board shall consist of four members and there shall no longer be a vacancy for one position.

Meeting(s)

The Supervisory Board held eleven face-to-face meetings in 2018.

The majority of the meetings of the Supervisory Board were held at the Amsterdam offices of the Company. Annually, one meeting is held at one of the other offices of Takeaway.com and this year the annual offsite was held at the Tel Aviv office. During this offsite, the Supervisory Board reserved time to become acquainted with the business as conducted by the – at that time – newly acquired subsidiary, 10bis.

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 two of the formal meetings. The member who was absent informed the chairman of the Supervisory Board in advance of his views on the items on the agenda and granted a power of attorney to vote on his behalf in respect of one of the meetings.

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 and vice-chairman of the Supervisory Board each attended one of the meetings of the works council.

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 each Supervisory Board meeting, 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 2018, 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 2017 annual report, the semi-annual report 2018 and quarterly updates during 2018. These 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 offices 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 have not been installed.

Financial statements and the annual audit

This annual report includes the 2018 financial statements, which are accompanied by an unqualified independent auditor's report by Deloitte (see the independent auditor's report starting on [page 181](#)). 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 2018, the Supervisory Board, without the presence of the Management Board, discussed the draft management letter with the auditor.

In February 2019, a representative of the Supervisory Board discussed the auditor's report with the auditor without the presence of the Management Board, in preparation of the Supervisory Board meeting in which the draft financial statements were discussed with the Management Board and the auditor. The Supervisory Board discussed, among other topics, the audit approach, key audit matters, communications, timing, audit fees, composition 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 13 February 2019, the Supervisory Board discussed this annual report, including the 2018 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 Supervisory Board and Management Board signed the financial statements in accordance with section 2:101 paragraph 2 of the Dutch Civil Code. 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 2019, adopts the 2018 financial statements. In addition, the Supervisory Board requests that the AGM grants discharge to the members of the Management Board in office during the 2018 financial year for their management of the Company and its affairs during 2018, 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 2018.

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 auditor is evaluated annually by the Management Board. As the internal auditor presented his 2018 audit plan in February 2018, the Management Board intends to evaluate the internal auditor in the first half of 2019, to allow the evaluation of a full audit year.

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.

In the beginning of 2018, the Supervisory Board discussed and approved the internal budget for 2018 and focused on the preparation of the annual report 2017 as well as supervision of the audit of such report.

In another meeting, the Supervisory Board was updated on the Company's business and ongoing projects and discussed the external auditor's audit plan for 2018 as presented by Deloitte.

In addition, the Supervisory Board discussed and approved the preliminary budget 2019, 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.

IT security and internal controls

The Management Board frequently provided updates to the Supervisory Board on the implementation of Takeaway.com's risk management and internal controls. An update was given in each meeting where the Supervisory Board discussed the Company's risk framework, which was discussed in meetings held in January 2018, May 2018, September 2018 and December 2018.

In addition, the Supervisory Board discussed the Systematic Integrity Risk Assessment. 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.

During one of its meetings, which was (partially) attended by Takeaway.com's Chief Technology Officer, the Supervisory Board particularly focused on the IT controls as well as product development and obtained a better understanding of IT operations and strategy in that respect.

Strategy & long-term value creation

One of the subjects that received attention of the Supervisory Board in 2018 was Takeaway.com's strategy and long-term vision. This strategy is to be all-present in the markets it operates in. 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 management on rolling out the Company's strategy.

The Supervisory Board assessed and is closely involved in defining group values in such a way that these values contribute to and reflect Takeaway.com'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.

Takeaway.com is continuing to further shape its values, in consultation with an external advisor, after which the values will be further incorporated in Takeaway.com. Although it is believed these values are 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.

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.

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 also carefully reviewed and approved the press releases regarding the full and half year results, quarterly trading updates and acquisition announcements.

General Meeting

During the financial year 2018, two General Meetings had been convened; the AGM 2018 and in connection with the approval of the acquisition of 10bis, an additional extraordinary general meeting (EGM) was held on 18 September 2018. In respect of each of these meetings the Supervisory Board was involved in the preparation.

In preparation of the AGM 2018, the Supervisory Board evaluated the external auditor and the audit process and adopted the AGM 2018 agenda.

Acquisitions

During the financial year, Takeaway.com reached an agreement in respect of several acquisitions. 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 Board members.

The majority of the meetings held in December 2018, were spent in their entirety to discuss and assess the acquisition of the German Delivery Hero Businesses and the financing thereof.

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.

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.

Risk management

The Supervisory Board was kept well informed about developments regarding risk management. Takeaway.com's enterprise risk management framework is described in the section "Risk Management".

The Supervisory Board and the Management Board discussed risk management on various occasions in Supervisory Board meetings in February and September 2018 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 Company's Enterprise Risk Management policy & methodology were discussed in the Supervisory Board's meeting of January 2019. 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.

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 December 2018. 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.

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 build out the Takeaway.com brand and organisation.

The Supervisory Board

Adriaan Nühn
Chairman

Corinne Vigreux
Vice-chairman

Ron Teerlink



Remuneration report

In the absence of a remuneration committee, the Supervisory Board as a whole monitored the effectiveness and relevance of the remuneration policy during its meetings in 2018. The remuneration report outlines the application of the remuneration policy for members of the Management Board.

Introduction

Our current remuneration policy for members of the Management Board was adopted by the shareholders of the Company immediately prior to the listing of its shares in October 2016.

The remuneration policy includes 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.

In accordance with the Code, the remuneration granted to members of the Management Board will be put on the agenda for discussion as a separate agenda item at the same General Meeting in which the adoption of the annual report is discussed.

Remuneration policy

The remuneration of the individual Managing Directors was established immediately prior to the listing of the Company's shares in October 2016 by the Supervisory Board (in a previous composition). This remuneration has not been amended since that time and consequently complies with the remuneration policy as adopted. Arrangements for remuneration in the form of ordinary shares or rights to subscribe for ordinary shares were approved in writing by the shareholders of the Company.

The remuneration policy is aimed at attracting, motivating and retaining highly qualified executives and rewarding members of the Management Board with a balanced and competitive remuneration package that is focused on sustainable results and is aligned with Takeaway.com's strategy. Pursuant to the remuneration policy, the remuneration of the members of the Management Board 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 base salary is set around the median of remuneration levels payable within relevant markets and comparable Dutch listed and international companies in our industry, as assessed by the Supervisory Board prior to the listing of the Company's shares.

Analysis

The Supervisory Board has not yet finalised its thorough analysis of the effect of the remuneration structure. Nevertheless, the Supervisory Board does not have an indication that the level and structure of the remuneration, internal pay differentials and the performance indicators would not contribute to the long-term objectives of the Company.

The Supervisory Board is of the opinion that the current remuneration structure and elements do not encourage risk-taking that is not in line with Takeaway.com's risk profile.

Considering the rapid growth of Takeaway.com, the remuneration of the Management Board is to be more thoroughly analysed every three to four years. Therefore, 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 January 2019 and will be reported on in the Supervisory Board meeting of February 2019. Based on the analysis, it is expected that the Supervisory Board will propose certain changes to the Company's remuneration policy to be addressed and voted on in the AGM 2019.

Pay ratios within Takeaway.com

The pay ratio from our Management Board relative to the average pay of all employees, employed by our group entities, is fourteen to one in 2018 (2017: nine). This ratio is based upon total staff cost per average FTE in 2018. This calculation includes the full total compensation and benefits, such as pension schemes, long-term incentives and share-based payments, payable to our Management Board and employees. The increase of the pay ratio compared to prior years is due to the growth of Takeaway.com's FTEs by 103%, 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.

Compensation package Management Board

The compensation package for the Management Board during 2018 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.

In 2018, an amount of €1.6 million was charged to Takeaway.com for remuneration of current and former members of the Management Board, including pension charges and long-term incentive costs.

In the table below, the different components of the remuneration for each member of the Management Board are provided. 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.

€'000	Jitse Groen (CEO)	Brent Wissink (CFO)	Jörg Gerbig (COO)	2018
Base salary	400	350	325	1,075
Allowance for pension & Fringe	81	78	52	211
LTIP benefit	104	91	84	279
Total	585	519	461	1,565

No loans, advances or guarantees were granted to the Managing Directors in 2018.

Base salary

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

LTIP

To strengthen the alignment with shareholders' interests, the remuneration consists of 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 on the granting of options to individual members of the Management Board, as based on the achievement of targets set by the Supervisory 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 based on competitive market levels. On 3 October 2016, the Supervisory Board determined that the grants shall not exceed 75% of the base salary of the individual member 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.

LTIP 2017-2019

The conditional performance options granted as per 31 December 2016 and expected to vest 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 conditional performance 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 used for the vesting of the conditional performance options granted under the LTIP 2017-2019 and their relative weight are as follows:

Targets	Relative weight
Order growth to exceed 25% per annum in the medium-term > 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 to be granted to each Managing Director for the financial year 2016 are as follows:

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

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

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 members of the Management Board 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	75% * € 400,000 = € 300,000	12,340
Brent Wissink	75% * € 350,000 = € 262,500	10,798
Jörg Gerbig	75% * € 325,000 = € 243,750	10,027

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

LTIP 2019-2021

The conditional performance options estimated to be granted as per 31 December 2018 and which options are 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 is expected to result in the granting to the members of the Management Board of a total of 31,323 conditional performance options. These options are expected to be 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 to be granted to each Managing Director for the financial year 2018 are as follows:

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

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

Share ownership Managing Directors

	Jitse Groen (CEO)	Brent Wissink (CFO)	Jörg Gerbig (COO)
Number of shares held			
Number of shares held as at 31 December 2018	15,318,766	190,581	383,235
Number of conditional performance options:			
under the LTIP 2017-2019	7,225	6,322	5,870
under the LTIP 2018-2020	12,340	10,798	10,027
under the LTIP 2019-2021	11,655	10,198	9,470

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. In addition, the Managing Directors were entitled to customary fringe benefits, such as a company car, expense allowance and reimbursement of costs incurred. The allowance granted amounts to €50,000 each for the CEO and the CFO, and €40,000 for the COO.

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.

Compensation package Supervisory Board

The 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 does not provide any loans, shares or options to its Supervisory Board members.

The fixed fee for the chairman of the Supervisory Board is €65,000 and €50,000 for the other members of the Supervisory Board. No proposal to increase the annual remuneration for the members of the Supervisory Board will be submitted to the General Meeting in 2019.

Share ownership members of the Supervisory Board

As at 31 December 2018, none of the Supervisory Board members held shares in the Company.

The Supervisory Board

Adriaan Nühn	Corinne Vigreux	Ron Teerlink
Chairman	Vice-chairman	



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
Term of appointment: 2011-2020

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
Term of appointment: 2016-2022

Brent joined Takeaway.com as COO in 2011. He led the integration of Lieferando.de, Pyszne.pl and Food Express, 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 Nederland B.V.

As CFO and member of the Management Board, Brent has responsibility for Finance, 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
Term of appointment: 2016-2019

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, where he became COO. 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.



Management Board and Supervisory Board

From left to right:

Adriaan Nühn (chairman of the Supervisory Board)

Brent Wissink (CFO and member of the Management Board)

Jitse Groen (CEO and chairman of the Management Board)

Jörg Gerbig (COO and member of the Management Board)

Ron Teerlink (member of the Supervisory Board)

Corinne Vigreux (vice-chairman of the Supervisory Board)

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. End of current term at first General Meeting in 2022.

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 Procter & 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). Adriaan is also a member of Anglovaal Industries Ltd. (South Africa) and Hunter Douglas N.V. (Curacao).

Corinne Vigreux

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

Independent of Takeaway.com. End of current term at first General Meeting in 2019.

Corinne is a co-founder of TomTom N.V., 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 advisor to 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.

Ron Teerlink

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

Independent of Takeaway.com. End of current term at first General Meeting in 2020.

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 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 VU.

Governance & compliance

General

Takeaway.com N.V., a publicly listed company at Euronext Amsterdam and organised under Dutch law, is the ultimate parent company of Takeaway.com. 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.

The Company complies with all principles and best practice provisions of the Code, with exceptions 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 the management and operations of Takeaway.com, subject to the supervision by the Supervisory Board. 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 their duties, the Managing Directors are required to be guided by the interests of the Company and its business enterprise, taking into consideration the interests of the Company’s stakeholders.

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 companies 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 with regard 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. The Management Board currently consists 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:

- a) With a qualified majority of two thirds (2/3) of the votes cast, representing more than one half (1/2) of the issued share capital; or
- b) With an absolute majority of the votes cast, representing more than one third (1/3) of the issued share capital.

Subparagraph a) has lapsed as per 1 January 2019.

Subparagraph b) is applicable as from that date.

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 2018, 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. Takeaway.com meets the criteria of a large Dutch company and all Managing Directors comply 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 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.

During 2018, Prime Ventures decreased its interest in the Company to 11.21% in March and to 5.65% in May. In September, Prime Ventures sold its remaining stake in the Company and ceased to be a Company shareholder. Consequently, its statutory right to make a binding nomination for the appointment of one Supervisory Director lapsed.

Pursuant to the relationship agreement between the Company and Delivery Hero, following the transfer of the German Delivery Hero Businesses, Delivery Hero will have the right to designate one person for appointment to

the Supervisory Board subject to certain conditions (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 a qualified majority of two thirds (2/3) of the votes cast, representing more than one half (1/2) of the issued ordinary share capital; or
- With an absolute majority of the votes cast, representing more than one third (1/3) of the issued ordinary share capital.

The first bullet point lapsed as of 1 January 2019. The second bullet point applies as from that date.

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, Supervisory Directors are 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 2018, 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 2018 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.

Due to the resignation of one of its members, the Supervisory Board temporarily consists of three members, two males (66.7%) and one female (33.3%).

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.

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

Takeaway.com 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 ordinary shares.

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 Takeaway.com's shares 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 Takeaway.com's shares 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 comprising 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 multilateral trading facility or a comparable system, 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".

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 2018, 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. As per 1 January 2019, the Company is fully compliance with the Code in this read.

With respect to the dismissal of Managing Directors and Supervisory Directors, the Company believes that it was important to ensure that the current Management Board and Supervisory Board – for the immediate future after the IPO – could duly execute their strategy. Therefore, until 1 January 2019, if the dismissal or suspension of a Managing Director or Supervisory Director was not proposed by the Supervisory Board the General Meeting could only suspend or dismiss a Managing Director or Supervisory Director with a qualified majority of two-thirds of the votes cast, representing at least half of the Company's issued and outstanding share capital. As of 1 January 2019, the procedure of suspension or dismissal of Managing Directors and Supervisory Directors is fully compliant with the Code in this regard.

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. During 2018, the specific nomination right of former Company shareholder Prime Ventures to nominate one Supervisory Director until Prime Ventures holds less than 10% of the issued ordinary shares has ceased to exist. In addition, subject to certain conditions and following the transfer of the German Delivery Hero Businesses, Delivery Hero will have the right to designate one person for appointment to the Supervisory Board subject to certain conditions (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 Corporate Governance section of the corporate website.

These regulations concern:

- The Articles of association;
- The code of conduct;
- The Charter of the Management Board;
- The Charter of the Supervisory Board;
- The whistleblowers’ policy.

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 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

The authorised capital of the Company amounts 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 2018, the issued capital amounted to €1,728,729,36 divided into 43,218,234 ordinary shares. 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 2018, 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.

Each Managing Director (either individually or through his entity holding shares in the Company owned by him, as applicable) is subject to lock-up undertakings ending 90 calendar days after issuance of the New Shares. Other than these lock-up undertakings, the Company is not aware of the existence of any agreement pursuant to which the transfer of ordinary shares in the share capital of the Company is restricted.

Protective measures

The main point of Takeaway.com's protection against a hostile takeover depends 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 2018, consisted of three members, Henk Rottinghuis, Jan Willem Meeuwis and Joost Schutte who are independent from the Company. As of 22 January 2019, two members of the Foundation Continuity resigned; Jan Willem Meeuwis and Joost Schutte resigned, allowing Sietze Hepkema and Lex Kloosterman to be appointed as of that same date.

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 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 plan.

In 2017, the Company implemented an employee share option plan.

Pursuant to this plan, 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 17 May 2018, 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 is limited to the following percentages of the issued ordinary shares: (i) 10% for general corporate purposes, (ii) an additional 10% in connection with or on the occasion of mergers, acquisitions and/or strategic alliances and (iii) an additional 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 17 May 2018.

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 17 May 2018, 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 10% of the issued ordinary shares for (i) general corporate purposes, (ii) an additional 10% in connection with or on the occasion of mergers, acquisitions and/or strategic alliances, and (iii) an additional 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 17 May 2018.

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 17 May 2018, 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 17 May 2018, therefore ending on 18 November 2019.

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 2018, we invested significantly in further enhancing and formalising our risk and control framework.

Introduction

Takeaway.com is an entrepreneurial company by nature, having achieved success over 18 years through conscious risk-taking. As we have grown in scale and complexity, we have also matured in our approach towards risk management and internal control. We will continue to invest in appropriate risk management structures and efficient risk mitigating processes and controls to allow our staff to continue to act with agility and win in rapidly-evolving markets.

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 to Takeaway.com's operational staff. The Management Board presents periodically to the Supervisory Board on the identification and development of key risks. The Management Board assesses the operating effectiveness of the overall ERM system annually and reports to the Supervisory Board thereon.

In 2018, we also further enhanced our risk and internal control framework as part of our continuing development as a publicly-listed company. Among other things, the Company obtained an unqualified opinion dated 19 December 2018 from Deloitte Risk Advisory B.V. on our type I (design and implementation) ISAE 3402 report. This report covers key controls in the Order to Cash process as well as in the IT process, primarily for the benefit of restaurants and Takeaway.com Payments B.V. The Company will seek an unqualified opinion on our type II (operational effectiveness) ISAE 3402 report towards the end of 2019. Furthermore, a number of other business processes (e.g. record to report, procure to pay, controls related to the general data protection regulation) have been audited by our Internal Audit department.

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

Strategy and business objectives

Risk management starts with our strategy. 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, geopolitical developments, and laws and regulations. We consider all these factors, and our internal strengths, when developing our strategy and objectives.

Identification

On a continuous basis, management updates and identifies new key risks which may threaten the achievement of our strategic objectives. Takeaway.com; risk management program defines five broad risk categories:

- **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 marketing, restaurant and consumer acquisition, order processing, delivery (Scoober), restaurant invoicing, and restaurant payment, and the staff that execute these processes. In addition, it relates to the ability to attract and retain (senior) staff and key personnel.

- **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, such as the risks related to the implementation of the revised payment services directive as well as allergen and general data protection regulations.
- **Financial:** Risks related to the effective and efficient management of capital, debt, and liquidity, as well as risks related to financial misstatement due to error or fraud.
- **IT:** 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.
- **Strategic:** Strategic choices create risks in all other categories, and we also face strategic risks related to macro factors such as government, regulatory or sociological changes, decisions by competitors, stakeholders, as well as mergers & acquisitions and divestitures.

Assessment

After the key risks have been identified, all risks are assessed for likelihood and impact and compared to the expressed risk appetite (likelihood and impact) by the Management Board. Through this process, the key risks are prioritised according to our risk appetite and we highlight the risks requiring the most management attention.

Response

Gaps between the current net 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. Our primary tools to manage this in a structured way are the Internal Control Framework (ICF) and policies and procedures. For risks that are not covered by these tools, we determine specific mitigating actions in order to reduce the likelihood and/or impact to the expressed risk appetite levels.

Our ICF covers the following key processes: Procure to Pay; Record to Report; Order to Cash; Hire to Retire; Tax; GDPR; and IT. We identified well over 100 risks and mitigating controls across these processes. Specific control owners are responsible for the design, implementation, and operational effectiveness of the assigned controls. Mitigating actions required in case of identified deficiencies are discussed between the risk management function and the respective control owners, and realistic deadlines are set for implementation of revised or new controls.

We also have a number of policies and procedures which serve as entity-level controls to reduce the likelihood and/or impact of key risks. These policies include, among others, the following:

- Code of conduct;
- Whistleblowers' policy;
- Insider dealing policy; and
- Policy regarding bilateral contacts with shareholders.

We also have charters for the Management Board and for the Supervisory Board outlining the roles, responsibilities and rights of the members of each group individually and as a group.

In addition, where effective mitigation is dependent on human or financial resource investments, these are incorporated into the annual budgeting process.

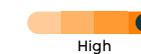
Based on the process described, we have identified a non-exhaustive list of our top risks. Below we have described the development of these risks over 2018 and the mitigating actions we have taken:

Risk	Development of risk vs 2017	MB owner	Main countermeasures and development vs prior year	Potential impact	Risk appetite
Market leadership and profitability	✓	CEO	We continue to face challenges from well-funded competitors but have expanded our #1 position in each Leading Market through increasing investments in our brands and our product as well as through various acquisitions including the German Delivery Hero Businesses (to be completed in 2019).	We view market leadership as key to long-term success in our industry, and sustainable profitability, we believe, is only achievable from a position of market leadership.	
Long-term developments	⟨⟩	CEO	No disruptive innovation has been introduced into our markets and the growth in our network of both consumers and restaurants demonstrates the continuing and increasing strength of our value proposition. We continue to invest in the functionality of our product to make the consumer experience as smooth as possible.	Disruptive innovation or competitors (including new entrants) with a superior offering could affect our ability to retain consumers which drives our business, results of operations, financial condition and prospects.	

✓ Severity of risk, considering mitigating actions, is lower in 2018 than 2017

⟨⟩ No change to severity of risk in 2018 compared to 2017

∧ Severity of risk, considering mitigating actions, is higher in 2018 than 2017

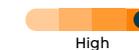


Risk	Development of risk vs 2017	MB owner	Main countermeasures and development vs prior year	Potential impact	Risk appetite
Reputation and consumer awareness of our single brand in each market		MB	We continued to improve our top-of-mind brand awareness in each market. As we continue to grow in size and additional countries, we face increasing press coverage in relation to our business which we constantly monitor and, where appropriate, take effective media response actions.	Top-of-mind brand awareness is critical to market leadership which in turn drives long-term profitability and sustainability of our operations.	
Retention of management and other key employees		CFO	Competitive employment benefit plans (including option plans for the Management Board and key employees) are in place to ensure they remain with Takeaway.com. Only one member of the senior management team left Takeaway.com during 2018.	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.	
High IT dependency		CEO	The nature of our business implies high dependency on certain IT systems and IT employees in the Netherland, Germany and Israel. However, the certified IT application and general IT controls further reduce the risk of any IT-related failure.	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 mitigating actions, is lower in 2018 than 2017

⟷ No change to severity of risk in 2018 compared to 2017

∧ Severity of risk, considering mitigating actions, is higher in 2018 than 2017

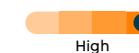
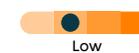


Risk	Development of risk vs 2017	MB owner	Main countermeasures and development vs prior year	Potential impact	Risk appetite
Compliance with laws and regulations		CFO	We face increasing (future) regulations given our license application to the Dutch Central Bank (De Nederlandsche Bank: DNB) to operate as a payment service provider in the European Union. As a result, we have strengthened our risk, compliance, and internal audit functions, as well as corporate policies and procedures. Also, we introduced specific policies and procedures to address allergen, and new general data protection regulations. Increasing regulation remains a key risk to the achievement of our strategic objectives.	Non-compliance could lead to Takeaway.com not obtaining the license to operate as a payment service provider, or (in case of having obtained the license) regulatory intervention, fines, and revocation of the license causing a material adverse impact on our reputation, business, results of operations, financial condition, and prospects.	
Fraud		MB	We have a detailed fraud risk assessment 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. Furthermore, the acquisitions completed in 2018 led to more decentralised functions, new cultures and a broader span of managements' control.	Fraud could result in a material adverse impact on our reputation, business, results of operations, financial condition, and prospects.	

✓ Severity of risk, considering mitigating actions, is lower in 2018 than 2017

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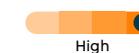
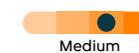


Risk	Development of risk vs 2017	MB owner	Main countermeasures and development vs prior year	Potential impact	Risk appetite
IT security	✓	CEO	IT governance and IT security controls have been further embedded within the organisation. Also, key IT application and general IT controls have been independently certified for design and implementation to further enhance IT governance and IT security.	IT security failures could adversely affect our competitive position, relationships with restaurants, consumers, and suppliers and therefore our business, financial condition and results of operations. Also, we may incur significant additional costs to further protect against or repair the damage caused by IT security breaches, particularly in light of new general data protection regulation.	
Financial reporting	✓	CFO	We further enhanced the ICF. Also, the Record to Report process was tested by our Internal Audit function. We also introduced a new financial system (Workday) at the start of 2018 across the organisation with strong embedded segregation of duties and functionalities. A number of finance-related controls were certified as part of the type I ISAE 3402 report (design and implementation).	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.	
Intellectual property	⟨⟩	CEO	Our existing intellectual property (IP) is adequately protected. Further, we acquired additional IP through acquisitions during 2018 such as the B2B intellectual property of 10bis in Israel which was assessed during the legal due diligence and considered to be sufficiently protected.	Our inability to protect our intellectual property or infringements could adversely affect our relationships with restaurants and consumers and therefore our business, results of operations, and financial condition.	

✓ Severity of risk, considering mitigating actions, is lower in 2018 than 2017

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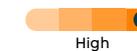


Risk	Development of risk vs 2017	MB owner	Main countermeasures and development vs prior year	Potential impact	Risk appetite
Geopolitical		MB	We recently acquired businesses in new countries, leading to geopolitical risks. We have conducted an impact assessment during the due diligence process to assess the risk and we maintain a diversified global footprint.	A particular adverse (economic, violent or political) event could adversely and materially impact our business, results of operations, financial condition, and prospects	
Integration of acquisitions	New	MB	We acquired businesses in Bulgaria, Israel, Romania, and Switzerland during 2018, and are in the process of completing the acquisition of the German Delivery Hero Businesses. We have proven controls in place to achieve a successful and efficient integration of the new businesses with the existing operations.	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 mitigating actions, is lower in 2018 than 2017

 No change to severity of risk in 2018 compared to 2017

 Severity of risk, considering mitigating actions, is higher in 2018 than 2017



Monitoring

For all key risks, one member of the Management Board, 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 ICF is 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 operational effectiveness of the assigned controls. Senior management and other personnel discuss the effectiveness and efficiency of controls with one of the members of the Management Board 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, implementation, and operational effectiveness of selected processes and controls is periodically assessed by our Internal Audit department in accordance with the Internal Audit plan, as well as by other assigned risk and control personnel.

We also updated our 2017 fraud risk assessment in the last quarter of 2018. Takeaway.com has zero-tolerance for fraud. 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 2018, we further improved our compliance with the EU General Data Protection Regulation.

Introduction

Takeaway.com takes the privacy and data protection of all data subjects of whom it processes data very seriously. Takeaway.com therefore used the new General Data Protection Regulation (GDPR) in May 2018 to reassess and improve its privacy approach. The key elements of Takeaway.com's privacy compliance strategy for 2018 were awareness, transparency and processes. The privacy compliance of Takeaway.com is overseen by a newly installed cross functional Privacy Council.

Awareness

Takeaway.com believes privacy awareness within its organisation is the key to compliance and made it a goal for 2018 to create privacy awareness among all employees. Takeaway.com set up an internal privacy (e-learning) training for all employees. Furthermore, Takeaway.com set up an ambassador network to have a first point of privacy contact for every department and location within Takeaway.com. The testing of the operational effectiveness of this ambassador network is a priority for 2019.

Transparency

It is important to Takeaway.com that its data subjects have the opportunity to see how Takeaway.com deals with their personal data. Takeaway.com therefore created clear and simple privacy statements for all categories of data subjects that explain what data is being processed by Takeaway.com and for which purposes. In addition, each data subject can ask questions and make requests via a dedicated privacy email address.

Processes

Finally, Takeaway.com has amended and implemented various GDPR-compliant privacy processes and policies such as implementing a record of processing, concluding data protection agreements with all suppliers that process personal data, improving data breach protocols, implementing a data privacy assessment procedure and the improvement of procedures that effectuate the rights of data subjects under the GDPR.

Objectives

In 2019, Takeaway.com wants to further enhance privacy awareness by the operational effectiveness of the ambassador network and focus on a new privacy control framework.

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 Investor Relations website 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. Takeaway.com is currently not profitable.

AMX-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. has been included in the AMX-Index at Euronext Amsterdam since 19 March 2017. The inclusion is based on free-float adjusted market capitalisation and liquidity. The AMX-Index is the index for midcap companies listed on Euronext Amsterdam. It contains the 25 largest and most actively traded companies listed on Euronext Amsterdam following the companies included in the AEX and is the most widely used midcap indicator of the Dutch stock market.

Takeaway.com share price performance

Since the beginning of 2018, the development of Takeaway.com's share price is as follows:

Data per share



The average daily trading volume in Takeaway.com N.V. shares on Euronext Amsterdam between 1 January 2018 and 31 December 2018 was 54,361 shares (source: Euronext Amsterdam).

On the basis of the total number of 43,218,234 issued ordinary shares, the market capitalisation as at 31 December 2018 was €2.5 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.

In 2018, the shareholder base of the Company diversified further.

In September, Prime Ventures – our first external investor in 2011 – sold its remaining stake in the Company through an accelerated bookbuild offering. New major shareholders include Cat Rock Capital Management and Capital Research and Management Company.

According to the AFM register as at 12 February 2019, 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.

Capital events 2019

Accelerated bookbuild (ABB) 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 ABB placement was completed on 22 January 2019, so as of that date the total number of issued shares in Takeaway.com N.V. amounted to 51,646,266 ordinary shares.

Convertible bond offering

On 18 January 2019, concurrent with the ABB 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 will be used to pay the cash portion of the acquisition of German Delivery Hero Businesses and Takeaway.com fully repaid the bridge financing in connection with the 10bis acquisition.

Financial calendar 2019

- 10 April 2019: Q1 2019 Trading Update;
- 14 May 2019: Annual General Meeting;
- 31 July 2019: Semi-annual 2019 Results;
- 9 October 2019: Q3 2019 Trading Update.

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

Manager Investor Relations

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03

Financial Statements

Consolidated statement of profit or loss and other comprehensive loss

for the year ended 31 December

€'000	Note	2018	2017
Revenue	<u>3</u>	232,314	163,346
Cost of sales	<u>4</u>	(43,726)	(26,973)
Gross profit		188,588	136,373
Staff costs	<u>5</u>	(48,537)	(32,103)
Other operating expenses	<u>6</u>	(171,346)	(139,608)
Long-term employee incentive costs	<u>20</u>	(2,615)	(1,913)
Finance income and expense, net	<u>7</u>	(1,294)	(198)
Share of loss of joint ventures	<u>8</u>	(170)	(189)
Loss before income tax		(35,374)	(37,638)
Income tax benefit / (expense)	<u>9</u>	21,357	(4,386)
Loss for the period		(14,017)	(42,024)
Other comprehensive (loss) / income			
Foreign currency translation (loss) / gain related to foreign operations, net		257	(594)
Other comprehensive (loss) / income for the period		257	(594)
Total comprehensive loss for the period		(13,760)	(42,618)
Loss attributable to:			
Owners of the Company		(14,017)	(42,024)
Total comprehensive loss attributable to:			
Owners of the Company		(13,760)	(42,618)
Loss per share			
Basic loss per share	<u>21</u>	(0.32)	(0.97)
Diluted loss per share	<u>21</u>	(0.32)	(0.97)

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

Consolidated statement of financial position

as at 31 December

€'000	Note	2018	2017
Assets			
Goodwill	<u>11</u>	128,225	62,269
Other intangible assets	<u>12</u>	126,783	24,100
Property and equipment	<u>13</u>	7,053	3,964
Other non-current assets	<u>14</u>	720	-
Joint ventures	<u>15</u>	102	263
Deferred tax asset	<u>9</u>	26,913	-
Loans carried at amortised cost	<u>16</u>	1,747	859
Total non-current assets		291,543	91,455
Trade receivables online payment service providers	<u>17</u>	7,941	6,968
Trade receivables restaurants	<u>17</u>	971	1,726
Prepaid expenses and other receivables	<u>17</u>	22,447	6,328
Current tax asset	<u>9</u>	499	-
Inventories	<u>18</u>	4,132	1,644
Cash and cash equivalents	<u>19</u>	89,558	89,793
Total current assets		125,548	106,459
Total assets		417,091	197,914

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

Consolidated statement of financial position (continued)

as at 31 December

€'000	Note	2018	2017
Shareholders' equity			
Ordinary share capital	<u>20</u>	1,729	1,727
Share premium	<u>20</u>	249,838	249,534
Equity-settled employee benefits reserve	<u>20</u>	4,665	2,161
Foreign currency translation reserve	<u>20</u>	(106)	(363)
Accumulated deficits	<u>20</u>	(117,297)	(103,280)
Total shareholders' equity		138,829	149,779
Deferred tax liabilities	<u>9</u>	27,607	5,962
Total non-current liabilities		27,607	5,962
Borrowings	<u>22</u>	149,850	-
Trade payables	<u>23</u>	6,036	12,067
Amounts due to restaurants	<u>23</u>	51,864	13,800
Current tax liabilities	<u>9</u>	7,485	4,457
Other liabilities	<u>24</u>	35,420	11,849
Total current liabilities		250,655	42,173
Total liabilities		278,262	48,135
Total shareholders' equity and liabilities		417,091	197,914

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	Foreign currency translation reserve	Accumulated deficits	Total shareholders' equity
Balance at 31 December 2016		1,727	249,534	1,076	231	(64,818)	187,750
Loss for the period		-	-	-	-	(42,024)	(42,024)
Other comprehensive loss							
Foreign currency translation loss related to foreign operations, net		-	-	-	(594)	-	(594)
Other comprehensive loss for the period		-	-	-	(594)	-	(594)
Total comprehensive loss for the period		-	-	-	(594)	(42,024)	(42,618)
Transactions with owners of the company							
Settlement of employee bonus shares	<u>5</u>	-	-	(3,562)	-	3,562	-
Share-based payments	<u>20</u>	-	-	4,647	-	-	4,647
Balance at 31 December 2017		1,727	249,534	2,161	(363)	(103,280)	149,779
Loss for the period		-	-	-	-	(14,017)	(14,017)
Other comprehensive income							
Foreign currency translation gain related to foreign operations, net		-	-	-	257	-	257
Other comprehensive income for the period		-	-	-	257	-	257
Total comprehensive income / (loss) for the period		-	-	-	257	(14,017)	(13,760)
Transactions with owners of the Company							
Issuance of shares	<u>20</u>	2	193	-	-	-	195
Vesting of share-based payments	<u>20</u>	0	111	(111)	-	-	0
Share-based payments	<u>20</u>	-	-	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 cash flows

for the year ended 31 December

€'000	Note	2018	2017
Loss for the year		(14,017)	(42,024)
Adjustments:			
Depreciation and amortisation	<u>6</u>	7,948	4,972
Share of loss in joint ventures	<u>8</u>	170	189
Expense related to share-based payments	<u>5, 20</u>	2,615	4,647
Finance costs recognised in profit or loss	<u>7</u>	2,082	412
Net foreign exchange gain	<u>7</u>	(531)	(764)
Charge for doubtful debt	<u>6, 17</u>	422	1,091
Income tax (benefit) / expense recognised in profit or loss	<u>9</u>	(21,357)	4,386
		(22,668)	(27,091)
Movement in working capital			
Increase in inventories	<u>18</u>	(2,494)	(819)
Decrease / (increase) in trade and other receivables	<u>17</u>	2,020	(6,437)
Increase in trade and other payables	<u>23</u>	6,027	1,766
Increase / (decrease) in other liabilities	<u>24</u>	20,684	(1,958)
Cash generated by / (used in) operations		3,569	(34,539)
Interest paid, net		(1,294)	(198)
Income taxes paid, net	<u>9</u>	(5,001)	(1,430)
Net cash used in operating activities		(2,726)	(36,167)

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	2018	2017
Cash flows from investing activities			
Investment in other intangible assets	<u>12</u>	(899)	(1,710)
Investment in property and equipment	<u>13</u>	(3,607)	(2,062)
Investment in loans carried at amortised cost	<u>16</u>	(888)	(14)
Cash outflow on acquisition, net of cash acquired	<u>11</u>	(124,769)	(4,455)
Repayment of the loans related to acquisitions	<u>11</u>	(17,326)	-
Investment to joint ventures	<u>15</u>	(8)	(419)
Net cash used in investing activities		(147,497)	(8,660)
Cash flows from financing activities			
Proceeds from issue of ordinary shares	<u>20</u>	194	-
Proceeds from borrowings	<u>22</u>	149,850	-
Net cash generated by financing activities		150,044	-
Net decrease in cash and cash equivalents		(179)	(44,827)
Cash and cash equivalents at beginning of year	<u>19</u>	89,793	134,591
Effects of exchange rate changes of cash held in foreign currencies		(56)	29
Cash and cash equivalents at end of year	<u>19</u>	89,558	89,793

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

Notes to the consolidated financial statements

1 General

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 as otherwise stated.

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

Takeaway.com N.V. 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). Takeaway.com N.V. is registered at the Commercial Register of the Chamber of Commerce in Amsterdam, the Netherlands under number 08142836.

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS and its interpretations, prevailing as at 31 December 2018, as endorsed for use in the European Union by the European Commission.

The financial statements were authorised for issue by the Management Board and Supervisory Board on 13 February 2019. The adoption of these financial statements, including the adoption of the proposed allocation of the net loss for the year ended 31 December 2018, is reserved for the shareholders in the General Meeting on 14 May 2019.

Consolidated financial statements

The consolidated financial statements of Takeaway.com as at and for the year ended 31 December 2018 comprise the Company and its subsidiaries. The significant accounting policies applied in the preparation of these consolidated financial statements are set out in the respective detailed notes. These policies have consistently been applied by the group entities.

New accounting standards, developments and early adoption

In the current year, Takeaway.com has mandatorily adopted IFRS 9 and a number of amendments to IFRSs issued by the IASB that are effective for the current accounting period.

IFRS 9 requires, among others, Takeaway.com to recognise a loss allowance for expected credit losses on a financial asset. Under IAS 39, credit losses were recognised only once there had been an incurred loss event and entities were prohibited from taking into consideration expectations of future credit losses. Under IFRS 9, Takeaway.com is required to consider historic, current and forward-looking information (including macro-economic data). This results in the earlier recognition of credit losses as it is no longer appropriate for Takeaway.com to wait for an incurred loss event to have occurred before credit losses are recognised. The adoption of IFRS 9 did not have a significant impact given that the majority of Takeaway.com's receivables are settled directly via the online payment service. Financial assets classified as loans and receivables under IAS 39 that were measured at amortised cost continue to be measured at amortised cost under IFRS 9 as they are held within the business model to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

The amendments adopted in 2018 relate to amendments to IFRS 2, IFRS 10 and IAS 28 as included in the Annual Improvements to IFRSs 2014-2016 Cycle. The adoption of the amendments to IFRS 2 and IAS 28 had no impact on Takeaway.com. Other amendments adopted in 2018 are not applicable for Takeaway.com.

Takeaway.com has not applied the following new and revised IFRSs that have been in issue but are not yet effective:

- IFRS 16;
- IFRIC 23;
- Amendments to IFRS 9;
- Amendments to IAS 28;
- Amendments to IFRSs (Annual Improvements to IFRS Standards 2015-2017 Cycle (IFRS 3, IFRS 11, IAS 12, IAS 23)).

Takeaway.com has finalised its assessment of the potential impact on the consolidated financial statements resulting from the full application of IFRS 16 "Leases". IFRS 16 must be adopted for periods beginning on or after 1 January 2019. IFRS 16 requires most leases to be recognised on-balance, eliminating the distinction between operating and finance leases. Under IFRS 16, a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets at cost and is depreciated accordingly. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease or the incremental borrowing rate as appropriate. The liability accrues interest. The nature of expenses related to those leases will change under IFRS 16 as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. This shall be

applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, 1 January 2019.

Takeaway.com had €22.3 million in off-balance operating lease obligations as at 31 December 2018. The impact as of the transition date of 1 January 2019 on the consolidated financial position is expected to be as follows:

€'000	Adoption of IFRS 16
Right-of-use assets increase	20,827
Lease liabilities (increase)	(20,944)
Shareholders' equity decrease	117

The impact as of the transition date of 1 January 2019 on the consolidated statement of profit or loss and other comprehensive loss is expected to be as follows:

€'000	Adoption of IFRS 16
Depreciation expense increase	5,220
Interest expense increase	345
Other operating expenses (decrease)	(5,565)

The estimated impact of adoption as at 1 January 2019 may be subject to change until Takeaway.com presents its consolidated financial statements under the new standards.

IFRIC 23 sets out how to determine the accounting tax position when there is uncertainty over income tax treatments. The Interpretation requires an entity to determine whether uncertain tax positions are assessed separately or as a group and assess whether it is probable that a tax authority will accept an uncertain tax treatment used, or proposed to be used, by Takeaway.com in its income tax filings:

- If yes, Takeaway.com should determine its accounting tax position consistently with the tax treatment used or planned to be used in its income tax filings.
- If no, Takeaway.com should reflect the effect of uncertainty in determining its accounting tax position.

The Interpretation is effective for annual periods beginning on or after 1 January 2019. Takeaway.com can apply the interpretation with either full retrospective application or modified retrospective application without restatement of comparatives retrospectively or prospectively. The Managing Directors do not anticipate that the application of the amendments in the future will have an impact on Takeaway.com's consolidated financial statements.

The amendments to IFRS 9 and IAS 28, and the amendments covered by the Annual Improvements to IFRS Standards 2015-2017 Cycles are expected to have no significant impact as of the transition date.

2 Basis of preparation

The financial statements have been prepared on the historical cost basis. 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.

Functional and presentation currency

The financial statements are presented in euros, which is the Company's functional and presentation currency. Financial information has been rounded to the nearest thousand except for per share (financial) information and when otherwise indicated.

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 about the ability of Takeaway.com to continue in operation within the next reporting period. This conclusion is drawn based on knowledge of Takeaway.com, the estimated economic outlook and identified risks and uncertainties in relation thereto. Furthermore, the conclusion is based on 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 reclassifications have been made to the prior-year financial information and the notes thereto to conform to the current year presentation and to improve insights to stakeholders.

In line with emerging interpretations of IFRS 15, voucher expenses have been reclassified from marketing expenses to revenue. As a result the 2017 revenues and marketing expenses have been retrospectively adjusted in order to align with the current year treatment of the voucher expenses. As vouchers continue to serve a strictly marketing purpose, Takeaway.com will disclose voucher expenses separately for comparison reasons going forward.

Basis of consolidation

Subsidiaries

The consolidated financial statements incorporate the financial statements of Takeaway.com N.V. and entities controlled by Takeaway.com N.V. (its subsidiaries).

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 in/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 owners of the Company.

Foreign currencies

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.

For the purposes of these consolidated financial statements, the assets and liabilities of Takeaway.com's foreign operations 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 shareholders' equity.

Impairment

The carrying amounts of the assets of Takeaway.com are reviewed at each reporting date 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 to not enter into derivative financial instruments. As at 31 December 2018, 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 operating activities, 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 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.

Capital expenditure consists of purchases of property and equipment less sales value of disposals and purchases of other intangible assets less sales value of disposals.

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.

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 and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expense. 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.

Critical judgements in applying accounting policies

The Management Board made critical judgement in the process of applying Takeaway.com's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements (see also the notes to the consolidated financial statements).

The critical judgements are:

Recognition of unused tax losses

The recognition of deferred tax assets is based upon the extent to which it is probable that sufficient and suitable future taxable profits will be available against which the reversal of temporary differences (unused tax losses) can be deducted. Relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits in the foreseeable future. Recognition of deferred tax assets therefore involves judgement regarding the future financial performance of Yourdelivery, Takeaway Express and Sto2 for which the deferred tax asset has been recognised. 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 and senior management 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 options that will vest and of the fair value of the options granted to the Managing Directors and senior management.

The vesting 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 input into the share option value model, continued employment, and the realisation of the non-market performance conditions over the 2-3 year period. See note 20 for details of the key assumptions used.

Key sources of estimation uncertainty

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 2018 was €128.2 million (31 December 2017: €62.3 million). No impairment loss was recognised during 2018 (2017: 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 2018 and 31 December 2017, 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 2018, there were no indicators of impairment in relation to the intangible assets other than goodwill as these assets also form part of the CGU as described under the heading impairment of goodwill. The carrying amount of intangible assets other than goodwill as at 31 December 2018 was €126.8 million (31 December 2017: €24.1 million). No impairment loss was recognised during 2018 (2017: nil).

Business combinations and purchase price allocations

On 26 March 2018, Takeaway.com fully acquired Hello Hungry AD and its subsidiaries BG Menu EOOD (Bulgaria) and Hello Hungry SA (Romania). In 2018, the total consideration of €9.1 million was paid. Takeaway.com has determined the purchase price allocation for this business combination leading to the recognition of goodwill of €7.3 million, other intangible assets of €3.3 million and negative net working capital of €1.5 million.

On 21 June 2018, Takeaway.com acquired the Swiss operations of Delivery Hero Germany GmbH through the purchase of the entire share capital of Foodarena AG.

On 26 September 2018, Takeaway.com acquired 100% of the shares in 10bis.co.il Ltd via the acquisition of Biscuit Holdings Ltd., which owns 80% of the shares in 10bis.co.il Ltd and via the acquisition of 20% of the shares from the former owner. An aggregate consideration of €121.9 was paid for this business combination (including €6.5 million in contingent consideration). Takeaway.com has provisionally determined the purchase price allocation for this business combination leading to the recognition of goodwill of €58.1 million, other intangible assets of €103.3 million, and negative net working capital of €39.5 million (including a deferred tax liability of €23.8 million).

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 Managing Directors believe that the assumptions used in the provisional purchase price allocation are appropriate as at 31 December 2018.

Useful lives of non-current assets

The useful lives have to be determined for goodwill, 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.

Accounting for income taxes

For each group entity, the current income tax expense is calculated and 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.

A deferred tax asset is recognised for deductible temporary differences, carry-back / forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. 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. The assessment relies on estimates and assumptions and may involve series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax assets and liabilities. Such changes to tax assets and liabilities will impact the income tax benefits/expenses in the consolidated statement of profit or loss and other comprehensive income in the period that such a determination is made. The key assumption is that it is probable to recognise deferred tax assets for the unused tax losses in Germany and Poland given the recent corporate restructuring and the estimated probable taxable profits in the foreseeable future.

Share-based payments

The Company has issued share options to the Managing Directors and senior management under the LTIP and ESOP, respectively. In estimating the fair values of the share options granted to the Managing Directors and senior management, the Company uses observable market data to the extent it is available for the share option pricing models. Reference is made to note 20 for further details.

The Managing Directors believe that the share option pricing models and related allocations of the expenses, taking into consideration the expected forfeitures, over the vesting period are appropriate as at 31 December 2018 and 31 December 2017, respectively.

Non-IFRS financial measures

Certain parts of the annual report contain non-IFRS financial measures, such as the Adjusted EBITDA and Adjusted EBITDA margin (Consolidated and per reporting segment). These are not recognised measures of financial performance or liquidity under IFRS. They are presented as Takeaway.com believes that they and similar measures are widely used in the industry in which Takeaway.com operates as a means of evaluating operating performance and liquidity. Takeaway.com believes the non-IFRS measures present within the annual report, when read together with Takeaway.com's financial statements, provide meaningful supplemental information for the investing public. This enables them to evaluate Takeaway.com's businesses after eliminating the impact of amortisation, depreciation, long-term employee incentive costs, finance income and expenses, non-recurring items and tax, as a whole, as well as across the main reporting segments. However, the non-IFRS financial measures presented herein may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in the annual report and they should not be considered as a substitute for operating loss, loss for the year, cash flow or other financial measures computed in accordance with IFRS.

The reconciliations of the non-IFRS measures to the most comparable IFRS measures are presented in note 10 of the consolidated financial statements.

Specific notes to the consolidated financial statements

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.

€'000	2018	2017
Commission revenue	217,393	149,705
Online payment services revenue	15,964	11,970
Other revenue	6,686	4,803
Gross revenue	240,043	166,478
Vouchers	(7,729)	(3,132)
Net revenue	232,314	163,346

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.

In line with emerging interpretations of IFRS 15, voucher expenses have been reclassified from marketing expenses to revenue €7.7 million in 2018 (2017: €3.1 million). Including adjustment for voucher expenses under IFRS 15, net revenue was €232.3 million in 2018 (2017: €163.3 million). As vouchers continue to serve a strictly marketing purpose, Takeaway.com will disclose voucher expenses separately for comparison reasons going forward.

Due to Takeaway.com’s highly fragmented participating restaurant base, no single restaurant contributed 10% or more to Takeaway.com’s revenue in either 2018 or 2017.

4 Cost of sales

Cost of sales comprises directly attributable costs of goods and services sold and is expensed in line with the related revenue.

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 production cost of merchandise sold and costs related to the delivery couriers. The increase in

cost of sales is primarily related to 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 and dispatch staff.

€'000	2018	2017
Delivery expenses	23,832	11,227
Online payment services costs	11,545	8,918
Order management costs	7,293	6,597
Merchandise costs	1,056	231
Total cost of sales	43,726	26,973

5 Staff costs

Staff costs comprise directly attributable costs of staff (excluding Scoober delivery staff), social security charges, employee bonus shares and pension premium contributions.

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	2018	2017
Wages and salaries	40,482	24,618
Social security charges	7,272	4,415
Employee bonus shares	-	2,734
Pension premium contributions	783	336
Total staff costs	48,537	32,103

For details on the employee bonus shares, we make reference to note 20.

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 (FTE) per operating segment and per department:

FTE (average)	2018	2017
The Netherlands	701	410
Germany	580	387
Other Leading Markets	732	181
Total	2,013	978

FTE (average)	2018	2017
Customer Services / Logistics	605	287
Sales	225	119
Marketing	139	73
Product and Technology	160	92
Management and Support	105	61
Total departments	1,234	632
Scoober (couriers)	779	346
Total	2,013	978

As at 31 December 2018, Takeaway.com had in total 2,672 FTEs (2017: 1,171). This can be split into 1,432 FTEs across all markets and headquarters (2017: 761), and 1,240 Scoober couriers in FTEs (2017: 410). During 2018, 65% of employees worked outside the Netherlands (2017: 58%). The increase in our average number of FTEs is mainly driven by acquisitions, continued investments in the organisation to support our growth, as well as the addition of a large number of Scoober couriers.

6 Other operating expenses

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

€'000	2018	2017
Marketing expenses, net ¹	120,030	113,504
Depreciation and amortisation expenses	7,948	4,972
Temporary staff expenses	4,807	2,988
Housing and other staff related expenses	4,201	2,884
Charge for doubtful debts	422	1,091
Other operating expenses	33,938	14,169
Total operating expenses	171,346	139,608

¹ Adjusted for voucher expenses under IFRS 15

A total of €1.1 million in earn-out arrangement is included in other operating expenses (2017: €1.1 million). This earn-out arrangement is related to the acquisition of Hello Hungry in Bulgaria and Romania and 10bis in Israel (2017: related to Yourdelivery (including Sto2) and cancelled in 2017 in lieu of share options and shares under the ESOP).

Operating lease expenses in 2018 are recognised in other operating expenses and amounted to €4.9 million (2017: €2.9 million).

7 Finance income and expenses, net

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

€'000	2018	2017
Interest income	12	20
Other finance income	-	-
Total finance income	12	20
Interest expenses	(205)	-
Other finance cost	(1,101)	(218)
Total finance expenses	(1,306)	(218)
Finance income and expenses, net	(1,294)	(198)

Finance income consists of interest income on current accounts with credit institutions. Finance expenses consist of interest and other charges related to the €150.0 million bridge facility entered into for the purpose of acquiring 10bis in Israel.

The weighted average capitalisation rate on funds borrowed in 2018 is 0% per annum as Takeaway.com did not capitalise borrowing costs (2017: nil).

8 Share of loss of joint ventures

The Group's share of the net profit or loss and other comprehensive income of the joint venture, after adjustments to align the accounting policies with those of the Group, are recognised using the equity method. When the share of losses exceeds the interest in a joint venture, the carrying amount is reduced to zero, and recognition of further losses is discontinued unless the Group has an obligation or has made payments on behalf of the investee.

The Group's share of loss from the joint venture Takeaway.com Asia in 2018 amounted to €0.2 million (2017: €0.2 million).

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.

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. Takeaway.com N.V. is part of the fiscal unity in the Netherlands of which Takeaway.com N.V. is the parent. Takeaway.com N.V. files a consolidated tax return on behalf of the fiscal unity. No fiscal unity exists in other countries.

Income tax recognised directly in profit or loss

€'000	2018	2017
Current tax expenses	(7,729)	(5,354)
Deferred tax benefits	29,086	968
Total tax recognised directly in profit and loss	21,357	(4,386)

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. In 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 in 2018. The non-Dutch entities reported a profit overall, which has been partly offset with the tax losses carried forward in those non-Dutch countries.

The current tax expense €7.7 million relates entirely to the taxable result of the non-Dutch entities of Takeaway.com and represent the tax charges on profits for the current year. The deferred tax benefits of €29.1 million relate to the capitalisation of the tax losses in Germany and Poland and temporary differences in amortisation of other intangible assets.

The tax paid in 2018 was €5.0 million compared to €1.4 million in 2017. The difference between the tax cash paid in 2018 with the tax charge of €7.7 million is mainly attributable to the 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, 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	2018	%	2017	%
Loss before income tax	(35,374)		(37,638)	
Income tax benefit calculated at 25% Dutch income tax	(8,844)	25.0%	(9,410)	25.0%
Effect of tax losses not capitalised	19,425	(54.9%)	-	-
Effect of carry forward tax losses utilised	(11,740)	33.2%	-	-
Effect of tax losses foreign operations	7,727	(21.8%)	12,678	(33.7%)
Non-deductible employee bonus shares	-	0.0%	675	(1.8%)
Effect of deferred tax assets not previously recognised benefit	(26,825)	75.8%	-	-
Effect of deferred tax liabilities	(2,260)	6.4%	-	-
Effect of non-deductible expenses	1,228	(3.5%)	490	(1.3%)
Effect of tax rate differentials expense	(68)	0.2%	(47)	0.1%
Income tax (benefit) / expense recognised in profit or loss	(21,357)	60.4%	4,386	(11.7%)

The income tax benefit of €21.4 million in 2018 (2017: income tax expense of €4.4 million) represents an ETR of 60.4% (2017: (11.7)%). This ETR is primarily impacted by the effect of the remeasurement of our deferred tax assets and liabilities and the effect of capitalising tax losses carried forward generated in Germany and Poland.

Current tax asset

€'000	2018	2017
Opening balance	-	-
Current tax expense	(250)	-
Income tax from business combinations	199	-
Income taxes paid	550	-
Balance at 31 December	499	-

Current tax liabilities

€'000	2018	2017
Opening balance	4,457	533
Current tax expense	7,479	5,354
Income taxes paid	(4,451)	(1,430)
Balance at 31 December	7,485	4,457

The net current tax expense of €7.7 million relates entirely to the taxable result of the non-Dutch entities of Takeaway.com and represent the tax charges on profits for the current year. The net tax paid in 2018 was €5.0 million.

Deferred tax assets

€'000	2018	2017
Opening balance	-	-
Additions from business combinations	88	-
Additions	26,825	-
Balance at 31 December	26,913	-

The in 2018, recognised deferred tax asset of €26.9 million relates to the accumulated unused tax losses in Germany and Poland.

Deferred tax liabilities

€'000	2018	2017
Opening balance	5,962	6,930
Additions	23,905	-
Movement during the year	(2,260)	(968)
Balance at 31 December	27,607	5,962

The deferred tax liability additions are recognised in relation to the other intangible assets from the acquisitions closed during the year.

The movement during the year includes the release of the deferred liability for the current year of €1.3 million. The remaining movement is relating to a prior year correction for recognised deferred tax liabilities in the amount of €0.9 million. According to IAS8, this prior year correction is deemed not to be material and therefore corrected prospectively in the current year.

Unused tax losses

€'000	2018	2017
Takeaway.com N.V. (fiscal unity)	77,699	-
yd.Yourdelivery GmbH	77,329	113,811
Sto2 Sp. z.o.o.	15,663	26,010
Takeaway Express GmbH	2,131	2,635
Other	1,032	-
Balance at 31 December	173,854	142,456

Following the further integration of Takeaway.com's operations in 2018, the non-Dutch entities and branches reported a profit overall, which partly has been offset with losses carried forward. A total of €0.2 million unused tax losses in Poland will expire in 2019. The unused tax losses of Yourdelivery and Takeaway Express have no statutory expiration.

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 countries (being the operating segments) in which we operate. 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".

Takeaway.com has three operating 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 operating segment" given the relatively small size of its revenue in relation to the consolidated revenue.

Segment Adjusted EBITDA 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 consolidated basis.

€'000	2018	2017
Revenue		
The Netherlands	98,293	74,427
Germany	86,040	57,859
Other Leading Markets	55,710	34,192
Gross revenue¹	240,043	166,478
Vouchers	(7,729)	(3,132)
Net revenue	232,314	163,346
Marketing expenses		
The Netherlands	(13,839)	(13,101)
Germany	(73,900)	(70,693)
Other Leading Markets	(40,020)	(32,842)
Marketing expenses¹	(127,759)	(116,636)
Vouchers	7,729	3,132
Marketing expenses, net	(120,030)	(113,504)
Adjusted EBITDA²		
The Netherlands	53,211	43,017
Germany	(36,721)	(47,024)
Other Leading Markets	(27,768)	(23,565)
Total Adjusted EBITDA²	(11,278)	(27,572)

¹ Not adjusted for voucher expenses under IFRS 15

² Non-IFRS financial measure

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

€'000	2018	2017
Loss before income tax	(35,374)	(37,638)
Add back items not included in Adjusted EBITDA ¹ :		
• Finance income and expenses	1,294	198
• Long-term employee incentive costs	2,615	1,913
• Share of loss of joint ventures	170	189
• Depreciation and amorisation expenses	7,948	4,972
• Non-recurring items	12,069	2,794
Segment Adjusted EBITDA¹	(11,278)	(27,572)

¹ Non-IFRS financial measure

Non-recurring items mainly relate to acquisition costs (2017: acquisition costs and the expense related to the employee bonus shares).

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. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9, or IAS 37, as appropriate, with the corresponding gain or loss being 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.

€'000	2018	2017
Cost	62,269	62,119
Additions	65,956	150
Balance at 31 December	128,225	62,269

Business combinations acquired

On 26 March 2018, the Group fully acquired Hello Hungry AD and its subsidiaries BG Menu EOOD (Bulgaria) and Hello Hungry SA (Romania). Hello Hungry AD operates a portal for the online ordering of takeaway meals and beverages with restaurants in Bulgaria and Romania. In 2018, the total consideration of €9.1 million was paid. Takeaway.com has provisionally determined the purchase price allocation for this business combination leading to the recognition of goodwill of €7.3 million, other intangible assets of €3.3 million, and negative net working capital of €1.5 million. A loan related to Hello Hungry AD acquisition of €1.3 million was repaid. The measurement period will end on 26 March 2019 and so far no changes were made to the provisional amounts recorded.

On 21 June 2018, the Group acquired the Swiss operations of Delivery Hero Germany GmbH through the purchase of the entire share capital of Foodarena AG. The measurement period will end on 21 June 2019 and no changes were made to the provisional amounts recorded.

On 26 September 2018, the Group acquired 100% of the shares in 10bis.co.il Ltd via the acquisition of Biscuit Holdings Ltd., which owns 80% of the shares in 10bis.co.il Ltd and via the acquisition of 20% of the shares from the former owner. 10bis is a leading online food marketplace that provides employee meal benefits plans to corporations. An aggregate consideration of €121.9 was paid for this business combination. Takeaway.com has provisionally determined the purchase price allocation for this business combination leading to the recognition of goodwill of €58.1 million, other intangible assets of €103.3 million, and negative net working capital of €39.5 million (including a deferred tax liability of €23.8 million). Loan related to 10bis acquisition of €16.0 million has been repaid. The measurement period ends on 26 September 2019 and no changes were made so far to the provisional amounts recorded.

Goodwill recorded in connection with the 2018 acquisitions represents future economic benefits specific to Takeaway.com arising from assets that do not qualify for separate recognition as intangible assets. Goodwill has been determined based on the value in use method. The goodwill is not deductible for tax purposes.

The primary reason for the significant business combinations is to further strengthen Takeaway.com's market share in Switzerland and to expand the business to Israel, Romania and Bulgaria. Furthermore, 10bis has proven B2B technology which will be integrated with the Takeaway.com offering to unlock a significant new addressable market in Europe.

Aggregation of business combinations acquired

The following tables provide information in aggregate for all business combinations in 2018.

€'000	10bis	Other	Total
Consideration paid in cash	121,888	10,844	132,732
Contingent consideration	-	100	100
Total consideration	121,888	10,944	132,832
Intangible assets	103,326	4,789	108,115
Other assets and liabilities, net	(47,057)	(2,170)	(49,227)
Cash and cash equivalents	7,532	456	7,988
Total fair value of net identifiable assets and (liabilities)	63,801	3,075	66,876
Goodwill on acquisitions	58,087	7,869	65,956

Contribution of acquisitions

Shortly after acquisition, the websites foodarena.ch, bgmenu.com and oliviera.ro were integrated into Takeaway.com.

From the acquisition date, the revenue of 10bis amounts to €3.8 million and the net income of 10bis amounts to €0.7 million. The revenue of Hello Hungry and its subsidiaries amounts to €1.5 million from the acquisition date and the loss amounts to €0.2 million from the acquisition date. The results of Foodarena could not be separated. The combined revenue and loss of Takeaway.com and the acquired businesses would have amounted to €251.3 million and €10.2 million respectively, if the acquisition date for all business combinations that occurred during the year had been 1 January 2018.

Total acquisition costs for the completed and announced acquisitions in 2018, amounted to €11.0 million (2017: €0.1 million).

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. Subsequent changes in purchase price accounting for the 2018 and 2017 acquisitions were not material.

Contingent considerations

Acquisitions completed in 2018 resulted in a maximum achievable undiscounted contingent consideration of €0.1 million (2017: none). The fair values of the 2018 contingent considerations amount to €0.1 million as at 31 December 2018 (2017: none).

The initial accounting is incomplete as the final settlement date for provisional amounts is June 2019 (Foodarena) and September 2019 (10bis). This relates primarily for Foodarena to keeping of certain restaurant relationships and for 10bis primarily to any losses from liabilities due to claims or other losses. The estimated outcome is accounted for in the fair value of the contingent considerations.

Cash flows on acquisitions

The cash flows on acquisitions were related to consideration (excluding contingent considerations) paid for the following acquisitions:

€'000	2018	2017
10bis	121,888	-
Just Eat Benelux	-	4,155
Other	10,844	300
Total	132,732	4,455

Allocation of goodwill to CGUs and assumptions applied

Goodwill has been allocated for impairment testing purposes to three CGUs being Germany, The Netherlands, and Other Leading Markets (in line with segments). The allocation of the carrying value of goodwill to the respective CGUs is as follows:

€'000	2018	2017
CGU the Netherlands	7,019	7,019
CGU Germany	45,431	45,431
CGU Other Leading Markets	75,775	9,819
Total	128,225	62,269

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 and CGU Other Leading Markets), and a five-year period (CGU the Netherlands). The key assumptions on which these budgets are based are as follows:

	The Netherlands	Germany	Other Leading Markets
Forecast period	5 years	10 years	10 years
Revenue growth per annum in the first five years of planning period (CAGR)	9.6%	24.0%	25.9%
Revenue growth per annum in the second five years of planning period (CAGR)	n.a.	4.9%	4.2%
Long-run marketing as % of sales	13.0%	25.0%	27.9%
Perpetual growth rate (%)	1.2%	1.3%	1.2%
WACC (%)	9.9%	11.0%	10.5%

IAS 36.33 suggests a five-year forecast period unless a longer period can be justified. In the case of the CGU Germany and CGU Other Leading Markets, we believe the business will not reach a steady state within five years, given the businesses exhibit high growth rates and operates in an under-penetrated, immature market. Hence, a ten-year forecast period is used and justifiable for the CGU Germany and CGU Other Leading Markets.

Revenue growth is determined based on either detailed planning on consumer cohort level, consistent with past experience (first three years) or 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 30%, the revenue growth estimates applied in the long-run are conservative.

Apart from revenue growth, the key determinant of profit in the long-run is the development of marketing expenses. In the Netherlands, marketing expenses are currently 14% of revenue, compared to 86% in Germany and 72% in Other Leading Markets. This is primarily related to the relative competitive intensity in each market and our market share in those markets. The majority of Takeaway.com's marketing expenses in Germany and Other Leading Markets are currently focused on acquiring new consumers. As Takeaway.com's brand awareness and Takeaway.com's base of Active Consumers grows, the amount of marketing on a per order basis is expected to decline as more orders will come from returning rather than new consumers. As the business model is relatively new, there are limited examples of the long-run marketing cost in comparable markets, therefore we apply a higher level in Germany and Other Leading Markets than the current level in the Netherlands due to the higher level of competition in Germany and Other Leading Markets.

The WACC is determined based on a target capital structure of 100% equity (2017: 100%). The main inputs are the risk-free rate of 1.3% for CGU Germany (2017: 1.3%), 1.2% for CGU the Netherlands (2017: 0.5%) and 1.2% for CGU Other Leading Markets, a market risk premium of between 5.5% and 6.9% (2017: between 5.8% and 6.5%) and an estimated beta of 1.3 (2017: 1.5). Takeaway.com does not apply a company-specific risk premium.

Takeaway.com does cross-check the WACC with market estimates which reconcile to Takeaway.com's enterprise value. A higher WACC has been applied to CGU Germany and CGU Other Leading Markets compared to CGU the Netherlands, due to the greater risk associated with the cash flows in Germany and the Other Leading Markets segments.

The cash flows beyond the ten-year and five-year periods have been extrapolated using a perpetual growth rate of 1.3% per annum for CGU Germany (2017: 1.3% per annum), 1.2% for CGU the Netherlands (2017: 0.5%) and 1.2% for CGU Other Leading Markets.

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. A negative variance of 1% on the perpetual growth rate, or an increase in the WACC of 3%, would not cause the recoverable amount to end below 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.

Software under development is carried at cost 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 10 years
- Trade names, restaurant database, and software 3-20 years
- Consumer list 6-18 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 2016	1,250	10,440	24,192	157	36,039
Additions	52	928	53	677	1,710
Reclassifications	-	157	-	(157)	-
Disposals	-	(64)	-	-	(64)
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	-	466	31	-	497
Reclassifications	(20)	697	-	(677)	-
Balance at 31 December 2018	1,282	61,608	84,285	-	147,175
Accumulated amortisation					
Balance at 31 December 2016	(613)	(1,441)	(7,799)	-	(9,853)
Amortisation expense	(124)	(730)	(2,942)	-	(3,796)
Reversal of accumulated amortisation on disposals	-	64	-	-	64
Balance at 31 December 2017	(737)	(2,107)	(10,741)	-	(13,585)
Amortisation expense	(126)	(2,225)	(3,980)	-	(6,331)
Accumulated amortisation from acquisitions	-	(456)	(20)	-	(476)
Balance at 31 December 2018	(863)	(4,788)	(14,741)	-	(20,392)
Carrying value at 31 December 2017	565	9,354	13,504	677	24,100
Carrying value at 31 December 2018	419	56,820	69,544	-	126,783

Trade names, restaurant database and the consumer list relate primarily to the acquired assets of Yourdelivery Germany and Poland, Just Eat Benelux, Hello Hungry Bulgaria and Romania, Foodarena Switzerland 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 2018, 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 2018 was €126.8 million (31 December 2017: €24.1 million). No impairment loss was recognised during 2018 (2017: 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:

- Leasehold improvements 5 years
- Other equipment 5 years

The economic useful lives of the leasehold improvements have been aligned with the lease period agreed with the landlords.

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	Leasehold Improvements	Other Equipment	Total
Cost			
Balance at 31 December 2016	2,060	2,848	4,908
Additions	856	1,206	2,062
Disposals	(1)	(435)	(436)
Balance at 31 December 2017	2,915	3,619	6,534
Additions	1,006	2,622	3,628
Additions from business combinations	737	682	1,419
Disposals	-	(12)	(12)
Balance at 31 December 2018	4,658	6,911	11,569
Accumulated depreciation			
Balance at 31 December 2016	(517)	(1,313)	(1,830)
Depreciation expense	(460)	(716)	(1,176)
Reversal of accumulated depreciation on disposals	1	435	436
Balance at 31 December 2017	(976)	(1,594)	(2,570)
Depreciation expense	(732)	(885)	(1,617)
Accumulated depreciation of business combinations	(24)	(317)	(341)
Reversal of accumulated depreciation on disposals	-	12	12
Balance at 31 December 2018	(1,732)	(2,784)	(4,516)
Carrying value at 31 December 2017	1,939	2,025	3,964
Carrying value at 31 December 2018	2,926	4,127	7,053

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 of €0.6 million (31 December 2017: nil) and prepaid expenses exceeding one year.

15 Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. When Takeaway.com's share of losses of a joint venture exceeds Takeaway.com's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of Takeaway.com's net investment in the joint venture), Takeaway.com discontinues recognising its share of further losses. Additional losses are recognised only to the extent that Takeaway.com has incurred legal or constructive obligations or made payments on behalf of the joint venture.

€'000	2018	2017
Opening balance	263	34
Increase in share capital	8	419
Share of loss for the year	(170)	(189)
Foreign currency exchange gain	1	(1)
Balance at 31 December	102	263

As at 31 December 2018, the Group holds 66% of the shares of Takeaway.com Asia, which owns 99% of the shares and voting rights in Vietnammm, a food delivery company operating in Vietnam (31 December 2017: 66% and 99% respectively).

On 1 February 2019, Takeaway.com entered into an agreement in respect of the sale of the interest in Takeaway.com Asia. The transaction is, subject to the fulfilment of certain conditions, expected to be completed in the course of the first quarter of 2019.

16 Loans carried at amortised cost

Reference is made to the accounting policy receivables in note 17.

€'000	2018	2017
Opening balance	859	845
Additions	888	14
Closing balance	1,747	859

Loans carried at amortised cost are fully related to Takeaway.com Asia. The interest rate is 3%, there are no fixed repayment obligations.

17 Receivables

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. A provision for impairment of receivables is established based on the “expected loss model”. 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.

€'000	2018	2017
Trade receivables online payment service providers	7,941	6,968
Trade receivables restaurants	971	1,726
Deposits, prepaid expenses and other receivables	22,447	6,328
Closing balance	31,359	15,022

Trade receivables online payment service providers are related to online payments (credit cards, PayPal, etc.) of orders by consumers settled through intermediary online payment service providers.

Other receivables mainly relate to B2B receivables, which increased due to the acquisition of 10bis.

The closing balance of the trade receivables restaurants is as follows:

€'000	2018	2017
Gross trade receivables restaurants	1,481	2,561
Allowance for doubtful debts	(510)	(835)
Closing balance	971	1,726

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

€'000	2018	2017
Opening balance	835	1,326
Additions	422	1,091
Write-offs	(747)	(1,582)
Closing balance	510	835

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 2018 (31 December 2017: nil).

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 been that receivables that are past due beyond 365 days are not recoverable.

Receivables disclosed above include amounts (see below for ageing analysis) that are past due at the end of the reporting period for which Takeaway.com has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the

amounts are still considered recoverable. Age of receivables past due but not impaired as at 31 December are specified as follows:

€'000	2018	2017
31-90 days	361	271
91-180 days	216	375
181-365 days	142	280
Total	719	926
Average age (in days)	61	58

In determining the recoverability of a receivable, Takeaway.com considers any change in the credit quality of the receivable from the date credit was initially granted up to the end of the reporting period. Concentration of credit risk is limited due to the fact that the restaurant base is large and unrelated.

There were no individually impaired receivables in 2018 and 2017 which have been placed under liquidation.

The expected credit loss is calculated as follows:

Category	Allowance
Not overdue	5%
31-60 days	5%
61-90 days	15%
91-180 days	30%
181-365 days	70%
over 365 days	100%

18 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	2018	2017
GPRS terminals	1,219	767
Merchandise	2,913	877
Closing balance	4,132	1,644

Inventory includes inventory in transit for €2.0 million (31 December 2017: nil). No write-down of inventories was deemed necessary as at 31 December 2018 and 31 December 2017, respectively.

19 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 balance sheet date) that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

€'000	2018	2017
Bank balances	89,558	89,793
Closing balance	89,558	89,793

As at 31 December 2018, the Group had issued bank guarantees amounting to €0.6 million (31 December 2017: €0.3 million), and had issued no letters of credit (31 December 2017: €0.2 million). At 31 December 2018, the balance held by the Stichting Derdengelden Takeaway.com of €11.8 million (2017: €3.1 million) has been presented as cash and cash equivalents.

Cash and cash equivalents are not restricted in relation to cross-border cash movements or repatriation due to tax complications.

20 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.

Share-based payment arrangements

Equity-settled share-based payments to employees 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 ordinary shares 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 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.

Authorised share capital

The authorised share capital as at 31 December 2018 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 43,218,234 ordinary shares at nominal value €0.04, amounting to €1.7 million as at 31 December 2018 (31 December 2017: 43,183,176 ordinary shares at nominal value €0.04, amounting to €1.7 million). All ordinary shares have been issued and paid-in.

The movement is due to the exercise of shares and share options for which new shares were issued.

Preference share capital

The Company had no outstanding preference shares as at 31 December 2018 and 2017.

Call option cumulative preference shares

The Company has 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 is therefore not accounted for in the financial statements, nor is any additional information, as meant in IAS 32 and IFRS 9, provided.

Share premium

The share premium reserve amounts to €249.8 million as at 31 December 2018 (31 December 2017: €249.5 million). The movement is due to the exercise of share options paid in premium on the new issued shares involved.

Equity-settled employee benefits reserve

The equity-settled employee benefits reserve as at 31 December 2018 relates to share options granted by the Company to each of the Managing Directors under the LTIPs and senior management under the ESOP. Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the Managing Directors and senior management, respectively. The share options 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.

STAK

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

- ESOP for senior management and certain other employees (equity-settled share-based payment arrangement);
- Employee bonus shares plan to qualifying employees.

LTIP 2017-2019

The Company has an equity-settled performance-based LTIP 2017-2019 in place for the Management Board. Under this LTIP, conditional performance options are awarded to the Managing Directors. These options shall vest after three years. The vesting of these conditional performance options is subject to a service condition (continued employment) as well as five (non-market) performance conditions to be assessed over a three-year period.

The targets used for vesting of the conditional performance options granted under the LTIP 2017-2019 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 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

There are no market conditions related to the LTIP 2017-2019.

The maximum number of conditional performance options granted is calculated as 75% of the base salary of each Managing Director over the three-year 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 end of the three-year period of the LTIP 2017-2019 at the vesting date 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 LTIP. 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 share 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 LTIP 2017-2019, the final result of the performance conditions will decide the ultimate number of conditional performance options to vest for each of the Managing Directors.

Fair value of conditional performance options under the LTIP 2017-2019 granted in the year

The weighted average fair value of the conditional performance options under the LTIP 2017-2019 granted as at 31 December 2016 was €0.1 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:

	Overall grant date 31 December 2016
Grant date share price	€ 23.50
Exercise price	€ 23.37
Expected volatility	33.99%
Expected dividend yield	0%
Risk-free rate	1.041%
Vesting period	3 years
Assumed life of share options	10 years

The assumptions for the LTIP 2017-2019 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 shares in the five days preceding the grant date;
- Expected volatility is based on the share price development of the Company on an annualised 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 exercise of the share options is expected;
- It is expected that each of the Managing Directors will remain in service (no forfeitures).

Based on the inputs to the Black-Scholes model, the fair value at grant date is €10.38 per conditional share option.

LTIP 2018-2020

The Company has an equity-settled performance-based LTIP 2018-2020 in place for the Management Board. Under this LTIP, conditional performance options are awarded to the Managing Directors. These options shall vest after three years. The vesting of these conditional performance options is subject to a service condition (continued employment) as well as five (non-market) performance conditions to be assessed over a three-year period.

The targets used for vesting of the conditional performance options granted under the LTIP 2018-2020 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 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 amended the medium-term objective for the Netherlands from “Netherlands EBITDA margin to continue to increase” to “Netherlands EBITDA to continue to increase”

There are no market conditions related to the LTIP 2018-2020.

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 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 end of the three-year period of the LTIP 2018-2020 at the vesting date 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 LTIP 2018-2020. 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. Changes in estimates in the achievement of these performance conditions are – different from the (legal) grant – adjusted in the current year by means of accumulative catch-up. Only at the end of the LTIP 2018-2020, the final result of the performance conditions will decide the ultimate number of conditional performance options to vest for each of the Managing Directors.

Fair value of conditional performance options under the LTIP 2018-2020 granted in the year

The weighted average fair value of the conditional performance options under the LTIP 2018-2020 granted as at 31 December 2017 is €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:

	Overall grant date 31 December 2017
Grant date share price	€ 50.88
Exercise price	€ 49.06
Expected volatility	38.08%
Expected dividend yield	0%
Risk-free rate	0.551%
Vesting period	3 years
Assumed life of share options	10 years

The assumptions for the LTIP 2018-2020 are based upon publicly available market data and internal information and are as follows:

- The maximum number of conditional share 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 shares in the five days preceding the grant date;
- Because the Company has limited trading history as a public company, the estimated volatility of Takeaway.com's share price is based on published historical volatilities of comparable publicly-traded companies in our 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 exercise of the conditional performance options is expected;
- It is expected that each of the Managing Directors will remain in service (no forfeitures).

Based on the inputs to the Black-Scholes model, the fair value at grant date is €24.31 per conditional share option.

LTIP 2019-2021

The Company has an equity-settled performance-based LTIP 2019-2021 in place for the Management Board. Under this LTIP, conditional performance options are awarded to the Managing Directors. These options shall vest after three years. The vesting of these conditional performance options is subject to a service condition (continued employment) as well as five (non-market) performance conditions to be assessed over a three-year period.

The targets used for vesting of the conditional performance options granted under the LTIP 2019-2021 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 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 amended the medium-term objective for the Netherlands from "Netherlands EBITDA margin to continue to increase" to "Netherlands EBITDA to continue to increase"

There are no market conditions related to the LTIP 2019-2021.

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 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 end of the three-year period of the LTIP 2019-2021 at the vesting date 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 LTIP 2019-2021. 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. Changes in estimates in the achievement of these performance conditions are – different from the (legal) grant – adjusted in the current year by means of accumulative catch-up. Only at the end of the LTIP 2019-2021, the final result of the performance conditions will decide the ultimate number of conditional performance options to vest for each of the Managing Directors.

Fair value of conditional performance options under the LTIP 2019-2021 granted in the year

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

	Overall grant date 31 December 2018
Grant date share price	€ 58.80
Exercise price	€ 54.62
Expected volatility	33.69%
Expected dividend yield	0%
Risk-free rate	0.334%
Vesting period	3 years
Assumed life of share options	10 years

The assumptions for the LTIP 2019-2021 are based upon publicly available market data and internal information and are as follows:

- The maximum number of conditional share 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 shares in the five days preceding the grant date;
- Because the Company has limited trading history as a public company, the estimated volatility of Takeaway.com's share price is based on published historical volatilities of comparable publicly-traded companies in our 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 exercise of the conditional performance options is expected;
- It is expected that each of the Managing Directors will remain in service (no forfeitures).

Based on the inputs to the Black-Scholes model, the fair value at grant date is €25.74 per conditional share option.

ESOP for senior management

The Company has an equity-settled ESOP for senior management and certain other employees. Under this ESOP, shares and share options are awarded to senior management and certain employees 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 following share options under the ESOP for senior management were in existence as at 31 December 2018:

Option series	Number of share options granted	Grant date	Expiry date	Exercise price (in €)	Fair value at grant date (in €)
1	101,804	1 January 2017	1 January 2027	23.37	10.38
2	19,510	1 May 2017	1 May 2027	30.86	13.11
3	2,461	1 September 2017	1 September 2027	37.50	15.13
4	1,846	1 September 2018	1 September 2028	61.31	29.80

Share series	Number of shares granted	Grant date	Expiry date	Fair value at grant date (in €)
1	123,369	1 January 2017	1 January 2027	23.37
2	24,244	1 May 2017	1 May 2027	30.86
3	2,454	1 September 2017	1 September 2027	37.50
4	3,247	1 September 2018	1 September 2028	67.76

The vesting of the share options (option series 1-4) 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 employee must remain in service, the long-term incentive costs are spread equally over the vesting period.

Fair value of share options under the ESOP granted in the year

The weighted average fair value of the share options under the ESOP granted during 2018 is €2.3 million (2017: 2.0 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:

	Series 1	Series 2	Series 3	Series 4
Grant date share price	€ 23.50	€ 30.92	€ 39.00	€ 68.10
Exercise price	€ 23.37	€ 30.86	€ 37.50	€ 67.76
Expected volatility	33.99%	32.10%	30.59%	30.59%
Expected dividend yield	0%	0%	0%	0%
Risk-free rate	1.041%	1.147%	0.134%	0.100%
Vesting period	3 years	3 years	3 years	3 years
Assumed life of share options	10 years	10 years	10 years	10 years

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

- The maximum number of share options to be granted to the senior management 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 shares in the five days preceding the grant date;
- Expected volatility is based on the share price development of the Company on an annualised 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 exercise of the share options is expected.

ESOP (COO)

The equity-settled ESOP for the COO held 30,040 share options which were granted in April 2014. These share options vested at the end of March 2017 and were exercised in August 2018. The exercise price of these share options was €6.46. The fair value of these share options was €2.00.

The personal income tax in the amount of €0.6 million regarding this transaction is a receivable on the COO as the Company has to settle these taxes on behalf of the COO.

Movements in share options during the year

The following reconciles all share options (LTIP and ESOP) outstanding at the beginning and end of the year:

€'000	2018 Number of share options	2018 Weighted-average Exercise price (in €)	2017 Number of share options	2017 Weighted-average Exercise price (in €)
Opening balance	208,913	25.84	44,215	11.88
Grants during the year:				
• LTIP 2017-2019 ¹	-	-	5,242	23.37
• LTIP 2018-2020 ¹	-	-	33,165	49.06
• LTIP 2019-2021 ¹	31,323	54.62	-	-
• ESOPs	3,144	52.53	126,291	24.73
Forfeitures during the year:				
• ESOPs	(3,814)	23.37	-	-
Exercised during the year:				
• ESOPs	(30,040)	6.46	-	-
Balance at 31 December	209,526	36.07	208,913	25.84

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

Share options exercised during the year

The 30,040 ESOP share options granted to the COO were exercised in 2018 (2017: none).

Share options forfeited during the year

In 2018, 3,814 ESOP shares options were forfeited (2017: none) as a result of voluntary terminations.

Weighted average exercise price of outstanding share options

The share options outstanding as at 31 December 2018 had a weighted average exercise price of €36.07 (31 December 2017: €25.84) and a weighted average remaining assumed life of 8 years (2017: 9 years).

Long-term employee incentive costs

The long-term employee incentive costs for the year ended 31 December can be specified as follows:

€'000	2018	2017
LTIP 2017-2019	45	(102)
LTIP 2018-2020	234	-
ESOPs	2,336	2,015
Total long-term employee incentive costs	2,615	1,913

Cash flow

The adjustments in the consolidated statement of cash flows can be specified as follows:

€'000	2018	2017
LTIP and ESOPs	2,615	1,913
Employee bonus shares	-	2,734
Balance at 31 December	2,615	4,647

Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency translation differences arising from the translation of the financial statements of foreign operations. 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 based on decisions taken at the General Meeting.

21 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.

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 ordinary shares used in the calculation of basic and diluted loss per share are as follows:

	2018	2017
For the purpose of basic loss per share	43,213,216	43,183,176
For the purpose of diluted loss per share	43,218,234	43,213,216

Basic and diluted loss per share

The loss used in the calculation of basic and diluted loss per share are as follows:

	2018	2017
Loss used in the calculation	(14,017)	(42,024)

22 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	2018	2017
Borrowings	149,850	-
Closing balance	149,850	-

The borrowings mainly relate to the bridge facility agreement. As at 31 December 2018, an undiscounted cashflow amount of €150.0 million is due within one year (31 December 2017: nil). The bridge facility agreement matures on September 2019. The interest is in line with market conditions and is 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 average interest paid on borrowings in 2018 was 0.38% (2017: nil).

23 Payables

Payables are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities on initial recognition.

€'000	2018	2017
Trade payables	6,036	12,067
Amounts due to restaurants	51,864	13,800
Closing balance	57,900	25,867

Takeaway.com has a policy in place to ensure that all payables are paid within the pre-agreed credit terms.

24 Other liabilities

€'000	2018	2017
Accrued staff expenses	4,489	1,556
VAT, wage tax and social security liabilities	6,983	2,265
Other liabilities	23,948	8,028
Closing balance	35,420	11,849

VAT, wage tax and social security liabilities are divided per country and type of tax as follows:

€'000	Value added tax	Wage tax and social security liabilities
the Netherlands	825	1,312
Germany	2,790	179
Other	1,230	647
Closing balance	4,845	2,138

25 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 2017.

The capital structure of the Company consists of shareholders' equity (comprising issued ordinary and preference capital, reserves, and accumulated deficits as detailed in note 20), deferred tax liabilities and short-term payables and other liabilities. The Company agreed upon a

bridge facility to finance the acquisition of 10bis which should be repaid on 24 March 2019 (or after extension 24 September 2019). The repayment of the loan was refinanced in January 2019.

The Management Board reviews the capital structure of the Company on a semi-annual basis. As part of this review, the Management Board considers the cost of capital and the risks associated with each class of capital.

Solvency ratio

The solvency ratio, defined as total shareholders' equity divided by total assets, was 33% as at 31 December 2018 (31 December 2017: 76%).

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 (i.e. currency risk, and other price risk), compliance risk, credit risk and liquidity risk based on charters and (in)formal policies. Takeaway.com does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. As at 31 December 2018, the Group had a short term borrowing with a financial institution.

Takeaway.com's international activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates.

Takeaway.com benefits from the natural hedge of foreign currency denominated short-term assets being generally matched with short-term liabilities. 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. The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. During 2018, exchange rate exposure regarding the acquisition of 10bis (paid in US Dollars) was managed by a foreign exchange contract. Other exchange rate exposures are not managed by foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at 31 December 2018 were €34.5 million (2017: €0.3 million), and €33.8 million (2017: €0.3 million), respectively. The Group is mainly exposed to the Swiss Franc, the Polish Zloty, the Israeli New Shekel, the Bulgarian Lev and the Romanian Leu. Due to the limited financial assets and liabilities held in these currencies, the Group's sensitivity to changes in the relevant exchange rates is minor.

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 subject to frequent review. The Management Board periodically discusses the level of credit exposure by restaurants at its periodic meetings. Takeaway.com usually collects trade receivable within seven days.

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 2018 (2017: did not exceed).

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 18 October 2018) (31 December 2017: one financial institution, long-term A rating with a stable outlook). The risk classes of monetary assets and liabilities as at 31 December are:

€'000	A rated	Not rated	2018	A rated	Not rated	2017
Trade and other receivables	-	31,359	31,359	-	15,022	15,022
Income tax receivables	-	499	499	-	-	-
Inventories	-	4,132	4,132	-	1,644	1,644
Cash	89,558	-	89,558	89,793	-	89,793
Total monetary assets	89,558	35,990	125,548	89,793	16,666	106,459
Trade and other payables	-	57,900	57,900	-	25,867	25,867
Current tax liabilities	-	7,485	7,485	-	4,457	4,457
Other liabilities	-	35,420	35,420	-	11,849	11,849
Total monetary liabilities	-	100,805	100,805	-	42,173	42,173

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. All financial assets and liabilities as at 31 December 2018 and 31 December 2017 are for periods of less than three months respectively. As at 31 December 2018, there is liquidity risk in relation to the bridge facility in place, which has a duration of nine months

before refinancing is required. Takeaway.com has subsequently refinanced and repaid this bridge facility in January 2019.

Fair value measurements

The Managing Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values due to their short nature.

26 Subsidiaries

Takeaway.com N.V. wholly-owns the following (in)direct subsidiaries:

Entity	Country of incorporation	Nature of business	Proportion of voting rights held in 2018	Proportion of voting rights held in 2017
Takeaway.com Group B.V.	The Netherlands	Holding	100%	100%
• Tante Bep B.V.	The Netherlands	Liquidated	n.a.	100%
• yd.Yourdelivery GmbH	Germany	Operating	100%	100%
• Sto2 Sp. z o.o.	Poland	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	-
• Takeaway.com European Operations B.V. Austria branch	Austria	Operating	Branch	-
• Takeaway.com European Operations B.V. Switzerland branch	Switzerland	Operating	Branch	-
• Takeaway.com European Operations B.V. Portugal branch	Portugal	Operating	Branch	-
• Foodarena AG	Switzerland	Dormant	100%	-
• Takeaway.com Belgium BVBA	Belgium	Dormant	100%	100%
• Takeaway.com JE B.V.	The Netherlands	Dormant	100%	100%
• Hello Hungry AD	Bulgaria	Holding	100%	-
• BG Menu EOOD	Bulgaria	Operating	100%	-
• HH Delivery EOOD	Bulgaria	Operating	100%	-
• Hello Hungry SA	Romania	Operating	100%	-
• Hellohungry Delivery Srl	Romania	Operating	100%	-
• Takeaway.com Payments B.V.	The Netherlands	Dormant	100%	100%
• Biscuit Holdings Israel Ltd.	Israel	Holding	100%	-
• 10bis.co.il Ltd	Israel	Operating	100%	-
• Online Ordering Ltd.	Israel	Operating	100%	-
• Scoober TLV Ltd.	Israel	Operating	100%	-

All entities have a similar year-end reporting date. Foodarena, Hello Hungry and Biscuit Holdings (10bis) were acquired in 2018. Takeaway.com Payments and Takeaway.com European Operations were established in 2017. Takeaway.com liquidated Tante Bep B.V. as per 13 December 2018 and did not dispose of other subsidiaries in 2018 (2017: no disposals).

27 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 takes into account the substance as well as the legal form.

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 2018, the Group did not enter into significant transactions with related parties that are not members of the Group (2017: 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 2018, the Group did not enter into loans with related parties that are not members of the Group (2017: none).

Loans from related parties

There are no loans from related parties as at 31 December 2018 (31 December 2017: 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. For details on their remuneration and interests held in the Company, reference is made to note 40. During 2018 (and 2017), no transactions involving conflicts of interest for members of the Management or Supervisory Board occurred.

Other transactions

A total of €1.1 million in earn-out arrangements is included in other operating expenses (2017: €1.1 million). These earn-out arrangements are related to the acquisition of Hello Hungry in Bulgaria and Romania and 10bis in Israel (2017: related to Yourdelivery (including Sto2) and was cancelled in 2017 in lieu of share options and shares under the ESOP).

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. At 31 December 2018, the balance held by the Stichting Derdengelden Takeaway.com amounts to €11.8 million (2017: €3.1 million).

28 Off-balance sheet commitments

Operating lease arrangements

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Operating leases relate to leases of office buildings and other tangible assets with lease terms of between 1 and 8 years. Takeaway.com does not have an option to purchase the leased properties at the expiry of the lease periods. Non-cancellable operating lease arrangements as at 31 December can be specified as follows:

€'000	2018	2017
Not later than one year	5,363	2,129
Between one and five years	12,534	5,337
More than five years	4,413	-
Closing balance	22,310	7,466

Commitments for expenditure

The Group had commitments for expenditure as at 31 December 2018 of €0.1 million (31 December 2017: €0.7 million) related to media contracts, sponsoring and equipment investments.

29 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.

On 21 December 2018, we announced the signing of an agreement to acquire the food delivery operations in Germany of Delivery Hero for a total consideration of approximately €930 million. The acquisition will further enhance our position as a leading online food delivery marketplace in Continental Europe and enhance our growth in Germany, which will enable progress towards profitability. The transaction is anticipated to complete on 1 April 2019.

On 18 January 2019, Takeaway.com successfully raised €680 million through an accelerated bookbuild offering of new shares and convertible bonds. The Company placed 8.35 million new ordinary shares of the Company (the "New Shares"), representing approximately 19% of the Company's outstanding share capital, raising approximately €430 million through an accelerated bookbuild offering at an issue price of €51.50 per New Share, as well as a concurrent offering of convertible bonds in the aggregate principal amount of €250 million due January 2024. The Convertible Bonds were issued 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 minimum denomination of €100,000 each.

The initial conversion price of the Convertible Bonds was set at €69.525, representing a conversion premium of 35% above the issue price per New Share.

On 22 January 2019, Takeaway.com published the convocation for the Extraordinary General Meeting (EGM), including the agenda, an explanation of the agenda items and instructions for attending the meeting to be held on Tuesday 5 March 2019.

On 13 February, Takeaway.com announced that on 1 February 2019 Takeaway.com entered into an agreement in respect of the sale of its interest in Takeaway.com Asia to Woowa Brothers, operators of the Korean market leader “Baedal Minjok”. The transaction is, subject to certain conditions, expected to be completed in the course of the first quarter of 2019. Takeaway.com will acquire a shareholding of approximately 0.25% in Woowa Brothers Corp. in return for its part of the purchase price. Further financial details will not be disclosed.

Company statement of profit or loss

for the year ended 31 December

€'000	Note	2018	2017
Management fee		20	20
Finance income		-	35
Staff costs	<u>20, 40</u>	(1,490)	(4,167)
Other operating expenses		(1,869)	(1,214)
Long-term employee incentive costs	<u>20</u>	(279)	92
Finance costs		1,608	(25)
Share of result of subsidiary, net of tax	<u>31</u>	(12,007)	(37,401)
Loss before income tax		(14,017)	(42,660)
Income tax benefit		-	636
Loss for the year		(14,017)	(42,024)

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	2018	2017
Assets			
Participations in associated companies	31	233,861	72,927
Total non-current assets		233,861	72,927
Receivables on group companies	32	4,055	5,992
Prepaid expenses and other receivables		696	99
Cash and cash equivalents		51,057	75,850
Total current assets		55,808	81,941
Total assets		289,669	154,868
Shareholders' equity			
Ordinary share capital	33 , 20	1,729	1,727
Share premium	33 , 20	249,838	249,534
Equity-settled employee benefits reserve	33 , 20	4,665	2,161
Foreign currency translation reserve	33 , 20	(106)	(363)
Accumulated deficits	33 , 20	(117,297)	(103,280)
Total shareholders' equity		138,829	149,779
Borrowings	34	149,850	-
Trade and other payables	35	438	268
Current tax liabilities	36	133	4,459
Other liabilities	37	419	362
Total current liabilities		150,840	5,089
Total shareholders' equity and liabilities		289,669	154,868

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

Notes to the Company financial statements

30 Summary of significant accounting policies

The financial statements of the Company are prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. Section 362(8) Book 2 of the Dutch Civil Code allows companies that apply IFRS as endorsed by the European Union in their consolidated financial statements to use the same measurement principles in the Company financial statements.

Takeaway.com has prepared the Company financial statements using this provision.

31 Participations in associated companies

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	2018	2017
Opening balance	72,927	63,072
Capital contribution	172,684	47,850
Share of loss for the year	(12,007)	(37,401)
Foreign currency exchange gain / (loss)	257	(594)
Closing balance	233,861	72,927

For details regarding our participations in associated companies (our subsidiaries), reference is made to note 26 of the consolidated financial statements.

32 Receivables on group companies

€'000	2018	2017
Receivables on group companies	4,055	5,992
Balance at 31 December	4,055	5,992

The receivables on group companies mainly relate to short-term financing by means of current accounts.

33 Shareholders' equity

Reference is made to the consolidated statement of changes in equity and note 20 of the consolidated financial statements.

34 Borrowings

€'000	2018	2017
Borrowings	149,850	-
Balance at 31 December	149,850	-

The borrowings mainly relate to the bridge facility agreement. As at 31 December 2018 an amount of €150.0 million had been drawn (31 December 2017: nil). The bridge facility agreement term is from September 2018 till September 2019. The interest is in line with market conditions and is 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 average interest paid on borrowings in 2018 was 0.38% (2017: nil). The borrowing was repaid in January 2019, following the capital raise on 18 January 2019.

35 Payables

€'000	2018	2017
Accounts payable	438	268
Balance at 31 December	438	268

36 Current tax liabilities

The current tax liability amounts to €0.1 million (2017: €4.5 million) and relates to the fiscal unity.

37 Other liabilities

€'000	2018	2017
Other liabilities	419	362
Balance at 31 December	419	362

The other liabilities mainly relate to accrued remuneration of the members of the Management Board and the Supervisory Board.

38 Employees

The Company had no employees in 2018 (2017: none). The Managing directors are: Jitse Groen (CEO), Brent Wissink (CFO) and Jörg Gerbig (COO).

39 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	2018	2017
Audit services	344	238
Audit-related services	19	-
Total	363	238

The total remuneration to Deloitte for the statutory audit of 2018 for the Group amounted to €0.4 million (Deloitte 2017: €0.2 million).

40 Remuneration Management Board

The remuneration policy for members of the Management Board was developed by the Supervisory Board (in a previous composition) and approved and adopted 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)	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

€'000	Jitse Groen (CEO)	Brent Wissink (CFO)	Jörg Gerbig (COO)	2017
Short-term benefits	432	378	337	1,147
Post-employment benefits	50	50	40	140
Share based payments	(38)	(33)	(31)	(102)
Total	444	395	346	1,185

The total remuneration of the Supervisory Board is as follows:

€'000	2018	2017
Adriaan Nühn (Chairman)	65	65
Corine Vigreux	50	50
Ron Teerlink	50	50
Sake Bosch	35	50
Total	200	215

No loans, advances or guarantees were granted to members of the Management and Supervisory Board in 2018 (2017: none).

Reference is made to the remuneration report for more details.

41 Loans, prepayments and guarantees by subsidiaries

As at 31 December 2018, there were no loans, prepayments or guarantees provided by subsidiaries (31 December 2017: none).

42 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.

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 2018. 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.

43 Proposed loss allocation

The Management Board proposes to allocate the net loss 2018 of €14.0 million to accumulated deficits, which has already been reflected in the financial statements.

Amsterdam, 13 February 2019

The Management Board

Jitse Groen	Brent Wissink	Jörg Gerbig
CEO	CFO	COO

The Supervisory Board

Adriaan Nühn	Corinne Vigreux	Ron Teerlink
Chairman	Vice-chairman	

04

Other Information

Statutory provision with respect to appropriation of result

According to 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.

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 Takeaway.com N.V.

Report on the audit of the financial statements 2018 included in the annual report

Our opinion

We have audited the accompanying financial statements 2018 of 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 Takeaway.com N.V. as at 31 December 2018, and of its result and its cash flows for 2018 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 Takeaway.com N.V. as at 31 December 2018, and of its result for 2018 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 2018.
2. The following statements for 2018: the consolidated statement of profit or loss and other comprehensive income, changes in equity and 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 2018.
2. The company statement of profit or loss for 2018.
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 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 2,000,000 (2017: EUR 1,400,000). The materiality is based on 0,9% of revenues and is higher compared to last year due to increased 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.

We agreed with the Supervisory Board that misstatements in excess of EUR 100,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Takeaway.com N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Takeaway.com N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities in terms of size and financial interests or where significant risks or complex activities were present, leading to a full scope audit for 3 components (Netherlands,

Germany and Poland) and specified audit procedures in Israel. We have performed audit procedures ourselves at group entities and for the operations in the Netherlands, including foreign operations that were administered and driven on the IT system in the Netherlands. Furthermore, we performed audit procedures at group level on areas such as consolidation, disclosures, goodwill, revenues and intangible assets. Specialists were involved amongst others in areas of IT, financial reporting, tax and valuation testing.

Full scope audits were performed on the German and Polish operations, which account for respectively 36% and 5% of revenues. The group audit team provided detailed written instructions to the German and Polish component audit team. The instructions comprised the requirements for the component audit teams, and detailed significant audit areas and information obtained centrally but also relevant to the audit of the component. Further, we developed a plan for overseeing the work of the component audit team. This included procedures such as visiting the component throughout the year, performing file reviews, holding conference calls, attending meetings, and reviewing component audit team deliverables to gain sufficient understanding of the work performed.

We have:

- Performed audit procedures ourselves at group entities in the Netherlands.
- Used the work of other auditors when auditing the German, Israeli and Polish components.
- Performed review procedures or specific audit procedures at other foreign group entities.

By performing the procedures mentioned above at group entities, 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.

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.

Last year we included revenue recognition as a key audit matter in relation to the centralisation of the revenue accounting. Since this was a one time event during 2017, this key audit matter is not relevant for our 2018 audit. In prior year we also included valuation of goodwill as a key audit matter, we have reassessed this and we have no longer included the key audit matter in the current year.

Key audit matter – Corporate restructuring and service fees

In 2018 the company implemented a new legal structure to reflect the centralized management and operating model of the company. Subsequently the transfer pricing policy has been aligned accordingly. Tax specialists were involved to support us in our understanding of the tax environment and the related new service pricing arrangement of the

company. The company operates across a number of different tax jurisdictions during the normal course of business.

How the key audit matter was addressed in the audit

During our procedures, we challenged management's assumptions used in the service pricing model. Based on our procedures performed we consider management's key assumptions to be within a reasonable range. Our conclusion is that the service pricing model ensures that company charges and receives at arm's length remunerations for the functions the company performs. Finally, we have assessed the adequacy of the company's disclosure note 9 with regards to Income taxes.

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 – acquisition of 10bis

In 2018, the company acquired the business of 10bis. The accounting for acquisitions is complex due to judgments taken in the application of accounting standards, for example the valuation of the businesses, the recognition and valuation of consideration, the identification and valuation of intangible assets. Due to the size and complexity of the 10bis acquisition, our risk regarding acquisitions has been focused on this transaction.

How the key audit matter was addressed in the audit

For our audit we obtained and reviewed the purchase agreements, due diligence reports and associated contractual agreements for the acquisition and understood the terms and conditions of the transaction in order to assess compliance with IFRS 3 Business Combinations. We tested the initial consideration, through cash, to the signed purchase agreement and to the bank statements and assessed the appropriateness of the fair value of the total consideration determined by management.

We assessed the valuation models prepared by management to value the business and the intangible assets identified in the acquisition.

We engaged fair value specialists to challenge the assumptions and methodology used by management. Further, we examined and assessed the inputs within the valuation models, including 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.

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 Takeaway.com N.V. on November 1, 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 skepticism 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, 13 February 2019

Deloitte Accountants B.V.

Initials for identification purposes:

I.A. Buitendijk

Three-year key figures

These figures are derived from the annual report of the related years.

€'000 unless stated otherwise

Key Financial Indicators

	2018	2017	2016
Gross revenue ¹	240,043	166,478	111,641
• Netherlands	98,293	74,427	55,253
• Germany	86,040	57,859	36,809
• Other Leading Markets	55,710	34,192	19,579
Gross profit ¹	188,588	136,373	93,087
Marketing expenses ¹	127,759	(116,636)	(82,600)
Adjusted EBITDA	(11,278)	(27,572)	(18,276)
• Netherlands	53,211	43,017	34,746
• Germany	(36,721)	(47,024)	(39,402)
• Other Leading Markets	(27,768)	(23,565)	(13,620)
Loss for the period	(14,017)	(42,024)	(30,887)

Key Performance Indicators

Restaurants	43,763	31,816	27,450
Active Consumers ('000s)	14,116	11,471	8,875
Orders ('000s)	93,919	68,291	49,321
• Netherlands	32,693	27,446	21,083
• Germany	32,629	23,946	17,341
• Other Leading Markets	28,597	16,899	10,897
Returning Active Consumers as % of Active Consumers	62%	59%	57%
Orders per Returning Active Consumer	11.4	10.7	10.5
Average Order Value (€)	19.12	19.23	19.09
GMV (in millions €)	1,796	1,313	942

¹ Not adjusted for voucher expenses under IFRS 15

Three-year key figures (continued)

€'000 unless stated otherwise

Capital employed

Total assets

417,091

197,914

237,302

Total shareholders' equity

138,829

149,779

187,750

Cash flows

Net cash generated / (used) in operating activities

6,361

(36,167)

(3,385)

Net cash used in investing activities

(156,584)

(8,660)

(32,124)

Net cash generated by financing activities

150,044

-

165,659

Net (decrease) / increase in cash and cash equivalents

(179)

(44,827)

130,150

Data per share (in thousands)

Weighted average shares outstanding as at 31 December

43,213,216

43,183,176

36,653,760

Personnel

FTE at year-end

2,672

1,171

720

Takeaway.com addresses

Head office

Takeaway.com N.V.

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Internet: www.takeaway.com
Twitter: [@takeaway](https://twitter.com/takeaway)

Chamber of Commerce Amsterdam,
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Trade registry no. 08142836
VAT no NL815697661B01

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Havenlaan 86C
1000 Brussels
Belgium

yd.yourdelivery GmbH

Am Karlsbad 16
10785 Berlin
Germany

sto2 Sp. z.o.o.

ul. Rybacka 9
53-656 Wrocław
Poland

BGmenu

111 Bulgaria Blvd., Embassy Suits
1404 Sofia
Bulgaria

Hello Hungry

Octavian Goga Blvd, nr. 21st , district 43
Bucharest
Romania

10bis

Derech Menachem Begin 144
Tel Aviv-Yafo
Israel

Glossary

10bis 10 bis.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.coms 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 EBITDA as a percentage of revenue for the relevant period

Addressable Population Population in a country aged 16 years 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

Average order value (AOV) The GMV divided by the number of orders in a particular period

B2B Business to business

B2C Business to Active Consumer

BGmenu BG Menu EOOD

CEO Chief Executive Officer of the Company

CFO Chief Financial Officer of the Company

CGCM Dutch Corporate Governance Code Monitoring Committee

CGU Cash-generating unit

Charter of the Management Board The charter of the Management Board as amended from time to time

Charter of the Supervisory Board The charter of the Supervisory Board as amended from time to time

Code Dutch Corporate Governance Code, as amended

Company Takeaway.com N.V.

Company financial statements Financial statements of the Company for the year ended 31 December 2018

Consolidated financial statements Consolidated financial statements of the Group for the year ended 31 December 2018

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

ETR Effective Tax Rate

€ Euro

Financial statements The consolidated financial statements of the Group and Company financial statements of the company

Food Tracker® Realtime 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 Delivery Hero Businesses The German businesses of Delivery Hero, consisting of Delivery Hero Germany GmbH and Foodora GmbH, which operate 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 Takeaway.com N.V. 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

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 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

New Shares 8.35 million ordinary shares in the Company's share capital issued on 22 January 2019 in accelerated bookbuild offering

OCI Other comprehensive income / (loss)

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 segments 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.

Prime Ventures PTV III Holding 17 B.V. together with Prime III Co-Investment Vehicle I B.V., with registered business address at Museumplein 5A, 1071 DJ Amsterdam, the Netherlands

Restaurants The total number of restaurants listed on the Group's platform as at a particular date

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 Takeaway.com N.V. together with its direct and indirect subsidiaries

Takeaway.com Asia Takeaway.com Asia B.V.

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 Express Takeaway Express GmbH (operating under the trade name Food Express)

Takeaway.com Group Takeaway.com Group B.V.

Takeaway.com JE Takeaway.com JE B.V.

Takeaway.com Payments Takeaway.com Payments B.V.

Tante Bep Tante Bep B.V.

Vietnammm Vietnam MM Co. Ltd.

WACC Weighted Average Cost of Capital

Yourdelivery yd.yourdelivery GmbH

Colophon

Takeaway.com N.V.

Oosterdoksstraat 80
1011 DK Amsterdam
The Netherlands

Realisation:

Takeaway.com N.V. /
Domani B.V., The Hague

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 contains 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.

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.

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.



Takeaway.com

Takeaway.com N.V.

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The Netherlands