



Takeaway.com



ANNUAL REPORT 2016



**Takeaway.com**

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# Highlights 2016

- Processed **49.3 million orders** from **8.9 million consumers**
- Expanded **leadership positions** in our 5 Leading Markets
- Launched **restaurant delivery services** in 17 cities across 5 countries
- **4 acquisitions**
- Listed at Euronext Amsterdam, **raising €175 million** for the company



**Takeaway.com**

## At a glance



**28.8 thousand**  
**+15%** online restaurants  
 2015: 25.0 thousand<sup>1</sup>



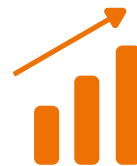
**8.9 million**  
**+32%** active consumers  
 2015: 6.7 million<sup>1</sup>



**49.3 million**  
**+46%** orders  
 2015: 33.7 million



**€941.7 million**  
**+45%** GMV  
 2015: €651.3 million



**€111.6 million**  
**+45%** revenue  
 2015: €76.7 million



**63%**  
 adjusted EBITDA margin  
 in the Netherlands  
 2015: 63%



**720 FTEs**  
 as per year-end  
 2015: 400



**Headquarters  
 in Amsterdam**

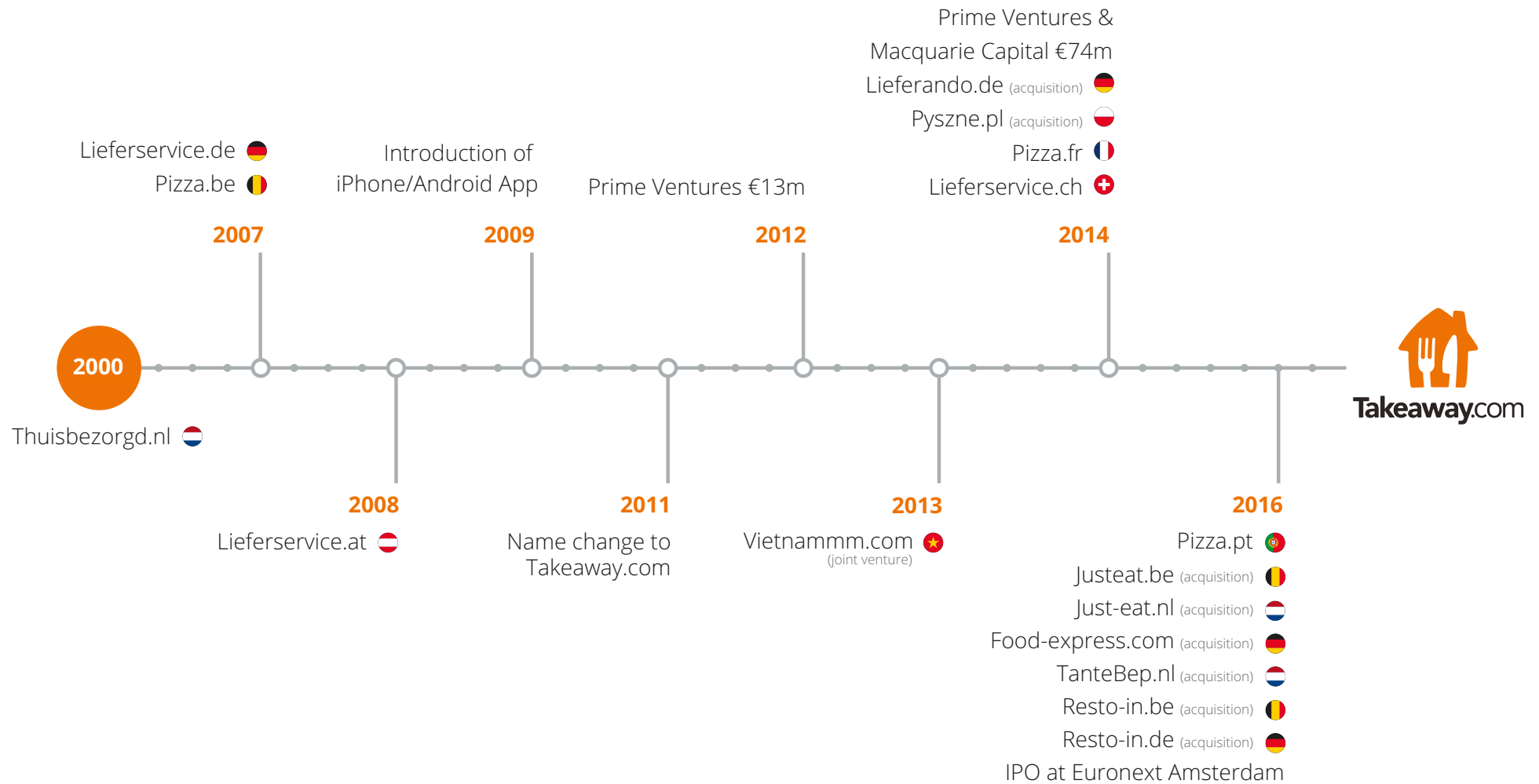


Active in  
**10 countries**

<sup>1</sup> Excluding UK



# History





Villacher

LIANA

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the Burgers	
100% BB's Rindfleisch	
+ CLASSIC	7,90€
+ CHEESE	8,90€
+ JAM	9,90€
+ ITALY	9,90€
+ LA MANCHA	8,90€
+ ALICI	7,90€
+ SKINNY	8,90€
+ HOT CHIC	7,90€
+ VEGGIE	7,90€

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# Company profile

## Who we are

Takeaway.com is an online food delivery marketplace connecting millions of consumers in nine European countries with nearly 29 thousand 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.

Started in 2000 by our founder and current CEO, Jitse Groen, Takeaway.com has become the leading online food delivery marketplace in continental Europe, with market leading positions (in terms of number of restaurants, orders and GMV) in each of our Leading Markets of the Netherlands, Germany, Belgium, Austria and Poland. Today Takeaway.com has over 700 FTE across 5 offices in Europe and processed near €1 billion worth of orders for our restaurant partners in the last year. We also successfully listed our shares at the Euronext Amsterdam stock exchange on 30 September 2016.

## Our business model

We derive our revenue principally from commissions based on Gross Merchandise Value (GMV) of the food ordered through our platform and, to a lesser extent, from online payment services fees. The company's core business model relies on participating restaurants to deliver food themselves, with the Takeaway.com platform serving as a source of orders for restaurants and facilitating online payment processes (Fig. 1).

Historically, restaurants were dependent on local marketing, primarily by means of distributing flyers and paper menus, thereby limiting their reach. Takeaway.com offers restaurants access to a wider consumer-base and provides publicity at a relatively low cost, which generally can be expected to result in an increase in orders. In addition, Takeaway.com also provides restaurant delivery services ("Scoober") in 17 European cities for restaurants that do not deliver themselves.



Fig. 1. Takeaway.com business model

We are focused on delivering a superior consumer experience as well as clear benefits to restaurants on our platform, thereby promoting network effects that drive further growth and profitability. Our platform connects consumers and restaurants by enabling consumers through their mobile devices or personal computers to browse, select, order and pay for food delivery from participating restaurants 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, and provides a large and varied selection of cuisines, broad restaurant choice, seamless payment processes, and transparent order tracking features. Our platform is designed to offer consumers an efficient means to order food, allowing them to discover and compare multiple restaurants offering their desired cuisines nearly instantaneously, as opposed to the alternative of having to run separate searches for individual restaurants.

We benefit from powerful network effects as the number of consumers and restaurants on our platform grows (Fig. 2). As the number of consumers increases, more orders and higher GMV are generated, attracting more restaurants to our platform, which enhances and diversifies the offering, in turn attracting more consumers. The self-reinforcing nature of these network effects helps us to sustain our market leadership and ultimately enhances profitability.

We believe that we operate in a “winner takes most” industry. Once an online food delivery marketplace achieves clear market leadership, network effects generally not only provide the leader with a strong and defensible position vis-à-vis its competitors but also drive revenue growth without a required linear increase in costs. We believe that leading market positions, in conjunction with an attractive platform, enable higher operating leverage and lead to higher operating margins than what competitors with lower market share are able to achieve.

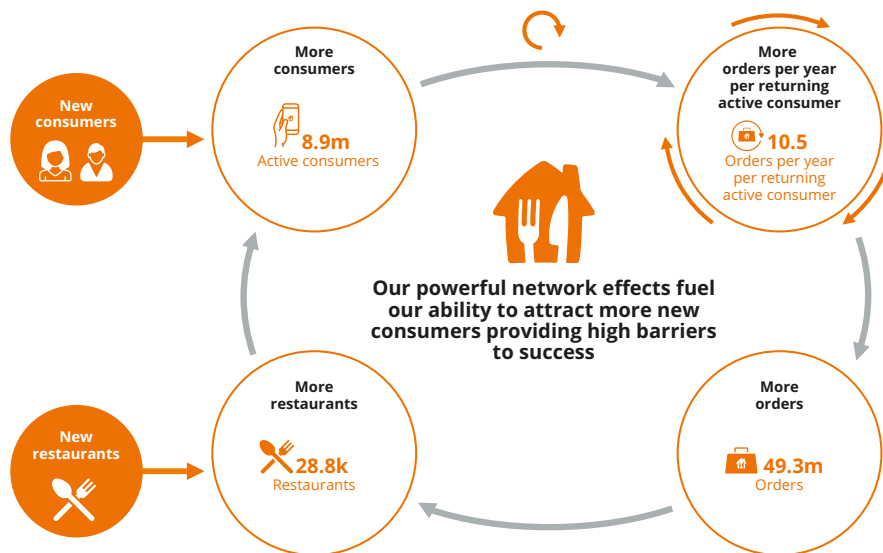
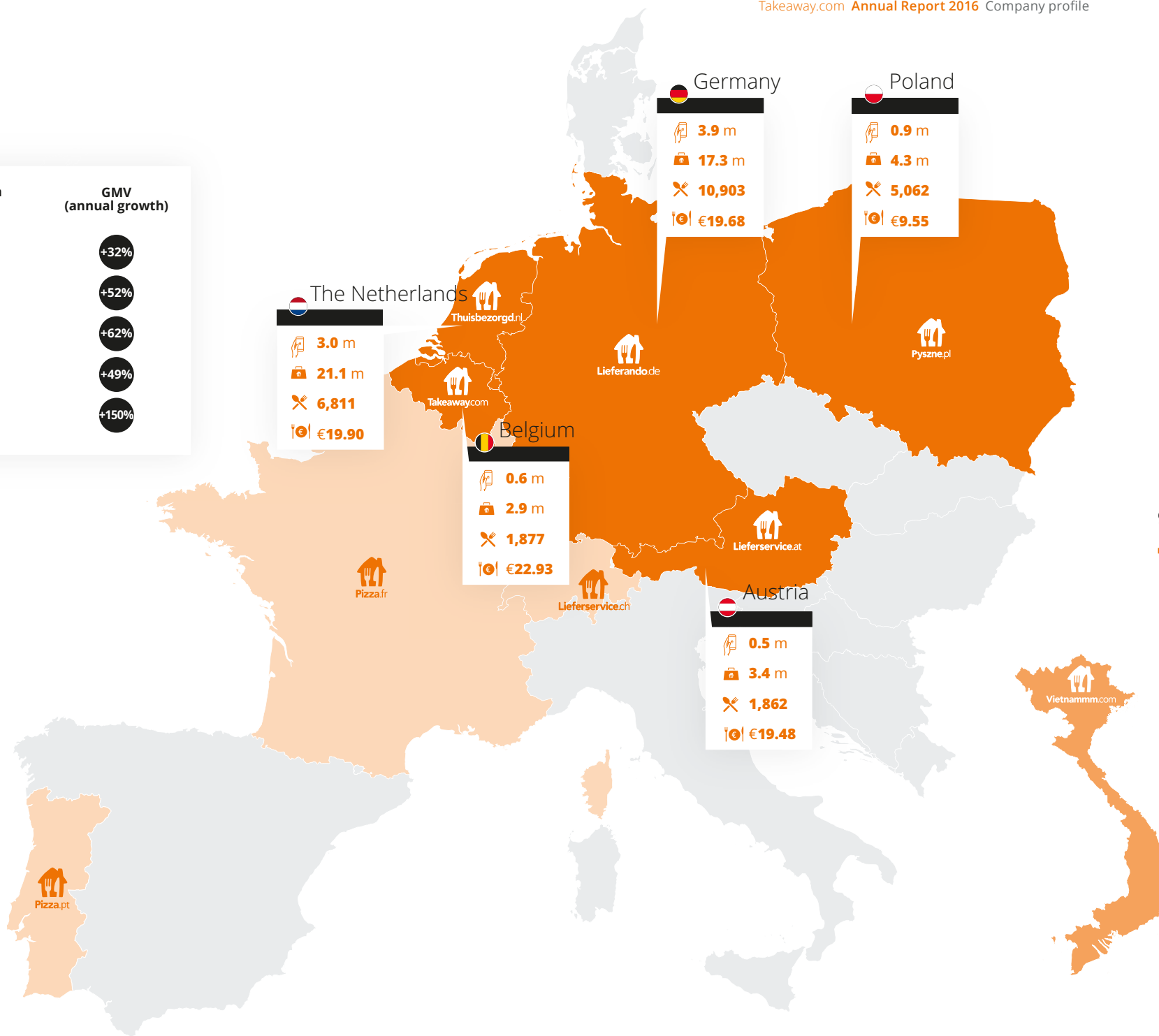


Fig. 2. Network effects of online food delivery marketplace



	Takeaway.com GMV (€m)	GMV (annual growth)
The Netherlands	420	+32%
Germany	341	+52%
Austria	67	+62%
Belgium	67	+49%
Poland	41	+150%

- Leading position
- Top 3 position
- Joint venture
- Number of active consumers
- Number of orders
- Number of restaurants
- Average order value



## Our markets

We operate in nine European countries and through a joint venture in Vietnam<sup>1</sup>. Our European markets represent a population of over 240 million people spending an estimated €13 billion on food delivery annually (Fig. 3). In our five Leading Markets, where we have the strongest presence, we estimate our penetration at less than 10% for each country apart from the Netherlands, demonstrating the considerable upside potential that remains (Fig. 4). We believe that the majority of takeaway food is still ordered by phoning the restaurant, so our growth is driven primarily by a shift from phone to web-based ordering as well as by growth in the overall takeaway food market.

<sup>1</sup> Accounted for using the equity method, operational and financial information not consolidated

We divide our business into three operating segments:

- The Netherlands;
- Germany;
- Other (Poland, Belgium, Austria, Switzerland, France, Luxembourg and Portugal).

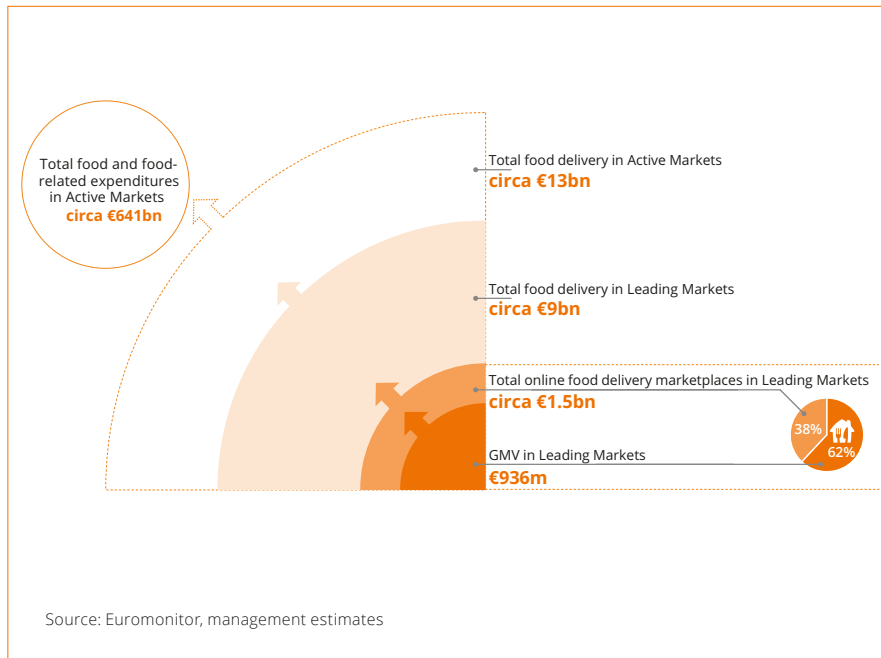


Fig. 3. Our potential market

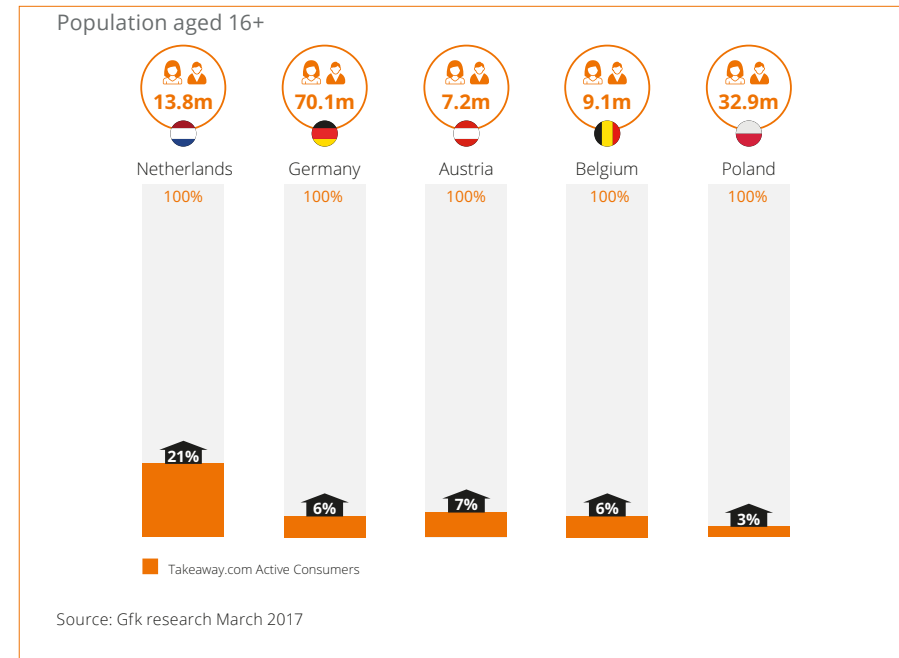


Fig. 4. Takeaway.com penetration into Leading Markets





\* Pizza.be rebranded to Takeaway.com

Fig. 5. Takeaway.com brands

More than 99% of our revenue is generated in our five Leading Markets – the Netherlands, Germany, Poland, Belgium and Austria. In 2016, we discontinued operations in the United Kingdom and commenced operations in Portugal. In all of our markets, we are running a single brand strategy. This means we are focusing all our efforts on only one brand per country (Fig. 5).

In all of our Leading Markets, our brands have the highest top of mind (unaided) brand awareness of all food delivery websites, including the chain restaurants.



## The Netherlands

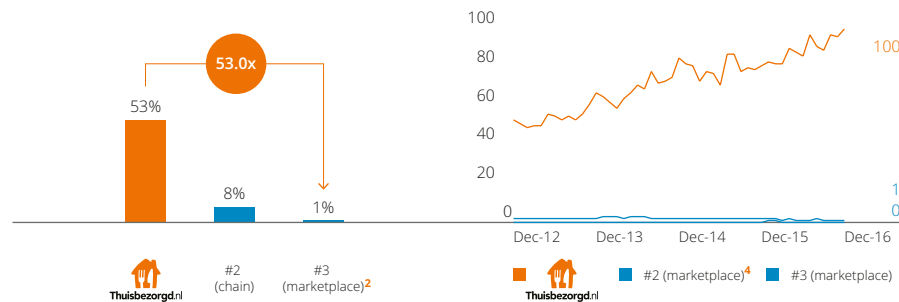
The Netherlands is our home market, our most developed market and our largest market in terms of orders processed. We have been active here for more than fifteen years and are proud to have one of the most recognised brands in the country. More than one-fifth of the population<sup>1</sup> used our service in 2016 and we continue to attract new consumers to the platform. Our position was strengthened by two acquisitions – Just Eat Netherlands and Tante Bep – and we launched our restaurant delivery service in four cities, further broadening our restaurant offering. Our management team is mostly located in our headquarters in Amsterdam and we also have a large portion of IT, Customer Service and Sales staff working from our office in Enschede, the Netherlands.

## Germany

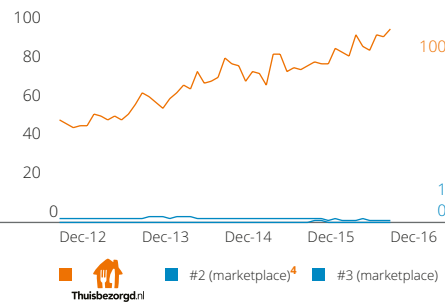
Germany remains our key growth market. We have a very strong presence in Germany with 310 FTE based in the country at the end of 2016. Our Lieferando.de brand successfully reached the number one position in Germany and now has a market share in terms of orders approximately as large as that of the number two and number three websites combined, with Takeaway.com growing at a much faster pace than the competition. This is a key milestone for us and is a reward for the discipline and execution that we have demonstrated in Germany, in particular since the Yourdelivery acquisition in 2014. We launched our restaurant delivery service in nine cities which was supported by the acquisition of Food Express (January 2016) and Resto-In (December 2016, effective 1 January 2017).

### The Netherlands

#1 Top of mind brand awareness<sup>2</sup>

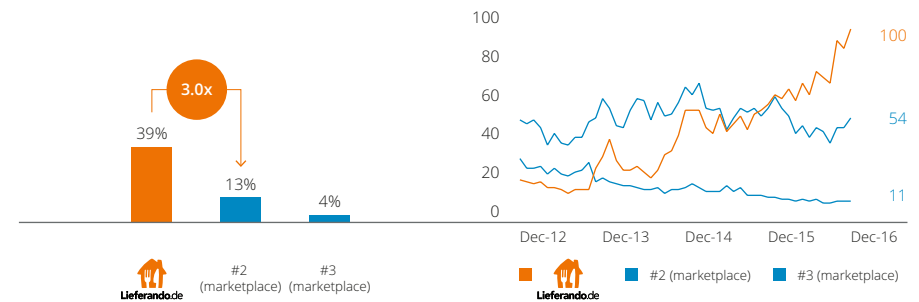


Google trends web search interest<sup>3</sup>

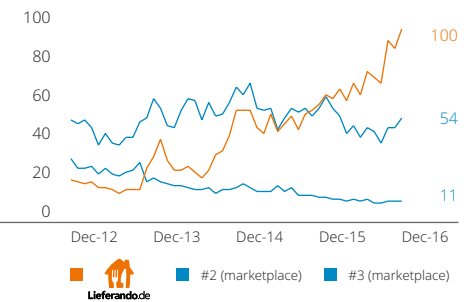


### Germany

#1 Top of mind brand awareness<sup>2</sup>



Google trends web search interest<sup>3</sup>



<sup>1</sup> Population aged 16 and over  
<sup>2</sup> Source: GfK March 2017, % of respondents answering "Now please think about the first website or app in your mind that enables you to order food for delivery. Which brand do you think of?"  
<sup>3</sup> Brand search requests, indexed to 100 at the highest point during the period  
<sup>4</sup> Acquired in August 2016

## Poland

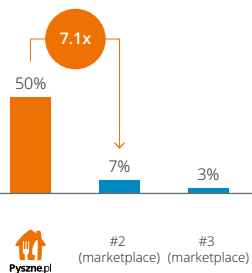
Poland continues to be our fastest growing market delivering another year of triple digit order growth. The local brand, Pyszne.pl, started in 2010 and two of the three founders are still with Takeaway.com. It was acquired in 2012 by Yourdelivery and became part of the Takeaway.com group in 2014. Since then, we have achieved twelve times order growth in Poland and cemented ourselves as the clear number one in a fast-growing market. Our brand is multiple times larger than the number two based on orders. Poland is also home to our fourth largest office, situated in Wroclaw. Our Polish business became our third largest market in 2016.

## Belgium

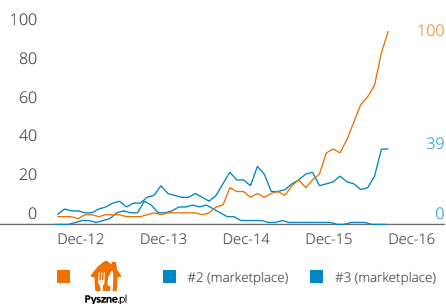
Our Belgian business has grown steadily since we launched Pizza.be in 2011. The acquisition of Just Eat Belgium (August 2016) drove significant growth in Belgium in the second half of the year and we were highly satisfied with the conversion of Just Eat consumers to our platform. We also added 138 restaurants to our platform as a result of the acquisition. In December 2016 (effective 1 January 2017), we acquired the Belgian assets of Resto-In, adding further scale to our growing Scoober offering in Belgium.

### Poland

#1 Top of mind brand awareness<sup>1</sup>

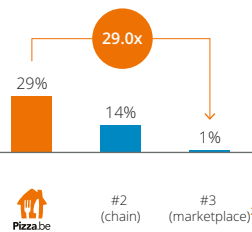


Google trends web search interest<sup>2</sup>

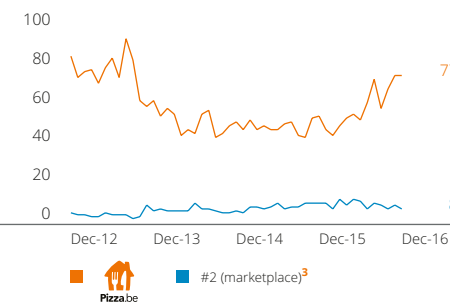


### Belgium

#1 Top of mind brand awareness<sup>1</sup>



Google trends web search interest<sup>2</sup>



<sup>1</sup> Source: GfK March 2017, % of respondents answering "Now please think about the first website or app in your mind that enables you to order food for delivery. Which brand do you think of?"  
<sup>2</sup> Brand search requests, indexed to 100 at the highest point during the period  
<sup>3</sup> Acquired in August 2016



## Austria

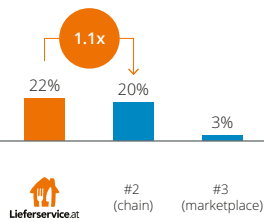
In Austria, we continued to build on our leadership position in 2016 and it remains the second-fastest growing of our Leading Market in terms of orders. We now have approximately twice the number of restaurants than our competitor in Austria.

## Switzerland, France, Luxembourg and Portugal

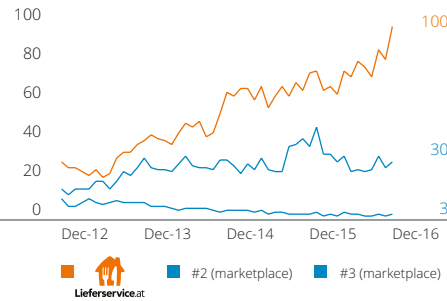
Our remaining countries represent less than 1% of our revenue but all have prospects to grow further. In total, we grew by over 100% in these markets, though from a low base.

### Austria

#1 Top of mind brand awareness<sup>1</sup>



Google trends web search interest<sup>2</sup>



<sup>1</sup> Source: GfK March 2017, % of respondents answering "Now please think about the first website or app in your mind that enables you to order food for delivery. Which brand do you think of?"  
<sup>2</sup> Brand search requests, indexed to 100 at the highest point during the period

*"Enhancing our brand awareness across countries"*



# Best restaurant of the Netherlands

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## Quality is the key to success

When we asked owner Fatih Atalan why his restaurant finished first, he answered very resolutely: "Our quality! Quality in our fast delivery service and good tasty food."

## Dare to listen

Through the direct feedback from customer reviews on [Thuisbezorgd.nl](http://Thuisbezorgd.nl), Fatih exactly knows which parts of his business he can improve on. Therefore, his golden tip for other delivery restaurants is to listen carefully to the clients and to take their suggestion into your business model.

## 2017 will be a great year

If Angelo's Pizza can claim the top spot in 2017 again is still too early to say. But thanks to his newly won e-scooter he'll be able to reach more customers and deliver them faster. We wish Fatih and his team the best and hope that more restaurants will follow in his example. 2017 promises to be a great year.

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# Message from the CEO

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*“We are confident we can deliver on the medium-term objectives as set at the time of the IPO, and we are determined to do much more over the long-term”*

## Dear stakeholder,

First of all, let me take this moment to thank you for reading this message. This is the first time I address you as the CEO of a listed entity. While this is our first annual report after the IPO, Takeaway.com has been in operation for sixteen years now.

Our team has been able to grow the company from one single order back in the year 2000 to 49.3 million orders processed in 2016. Most of this has been accomplished organically. The first investment round in Takeaway.com only took place some twelve years after I had the simple idea of “sending an order” to a restaurant somewhere in the Netherlands.

When a whole company is built around the idea of sending an order, this means that we have refined our systems and processes, and are dedicated to the only thing that really

matters: the single order that a single consumer places on our platform. I believe that this defines the success of our company.

The first material acquisition (Lieferando.de, 2014) took place after fourteen years. Not because we did not see earlier opportunities, but mainly because we are extremely careful with money, and because we focus on value creation, for you as a shareholder, but also for our millions of customers and our staff.

As you would understand, it has been an important year for Takeaway.com. A couple of events stand out.

In January, with the takeover of Food Express in Germany, we launched Scoober in our Leading Markets, which we further expanded into the Netherlands, Poland, Belgium and Austria. Later during the year the company also acquired the Belgian and German business of Resto-in to enhance our logistical presence in Berlin, Hamburg and Brussels. While this business is operationally challenging, we do think it is important for our company to offer these services to both consumers and restaurants to further fuel our network effects.

Unfortunately, in August we had to close the United Kingdom operation. The same network effects that support our growth in our Leading Markets finally forced us to leave this country. As an entrepreneur, I say this with regret, as a businessman though, I think it was the only logical decision.

In August, we made an important step with Takeaway.com buying Just Eat’s Benelux business. This transaction further cemented our already sizeable positions in the Netherlands and Belgium. The effect was particularly visible in Belgium, where we are now materially larger than we were prior to the acquisition.

Our IPO in September was a major milestone in the almost surreal story that a Dutch, or European student for that matter, can create a company of this size, and I am grateful to the people that have worked with me to make this possible. The IPO was a success and will further support us in executing our strategy.

I am thrilled that we have managed to put together such an experienced and complementary Supervisory Board. Our chairman, Adriaan Nühn, and both Corinne Vigreux and Ron Teerlink, bring to us a wealth of experience with listed companies. Sake Bosch, having been involved with the company for six years, complements the Supervisory Board having founded one of the most successful Venture Capital investment funds in the Netherlands.

Besides that, there was a continuation of our sixteen year-long organic growth story. Naturally, we remain very proud of this, especially given the relatively low amount of investments we have made compared to our peers. It is also not straightforward that a company, given the distractions of IPO preparations can maintain such high growth, but needless to say I am glad that our team managed to do just that.

One of the advantages of our company is that we run it as one entity, with one team supporting the entire operation. Our one company, one brand approach allows us to compete with our full weight in each of our countries and not just with a local entity. This makes it very difficult to compete with us, and we strive to build on this advantage further during 2017.

Yes, the team is young, which poses certain challenges, but which at the same time ensures that this company is extremely awake, agile and quick on its feet. We cherish the international culture of Takeaway.com, and we will make sure that this culture is further enriched, both by being as diverse as we can and by being simply a great company to work in.

Looking ahead to 2017, we understand it is important to stay relevant, always reinvent ourselves and to stay vigilant for changing circumstances. We are confident we can deliver on the medium-term objectives as set at the time of the IPO, and we are determined to do much more over the long-term.

We aim to build the absolute best food delivery marketplace, providing the best services to both restaurants and consumers. Obviously, given where we came from, and taking into account what we have already achieved with relatively limited means, there is no limit to what we can accomplish.

### Jitse Groen

CEO and founder

*Takeaway.com*







# Report of the Management Board

## Our performance in 2016

2016 was a successful year for Takeaway.com as we again delivered significant top-line growth supported by fresh capital and a number of strategic acquisitions.

We processed 49.3 million orders, an increase of 46% from 2015, which resulted in revenue of €111.6 million (+45% vs 2015). We continued to benefit from the network effects inherent in our business model and believe that this will be a structural driver of growth for us in the coming years. We once again demonstrated the benefits of market leadership, which we believe is the only way to achieve strong margins in any “winner takes most” environment.

## Performance review

### Key performance indicators

#### Restaurants

We believe that a successful online food delivery marketplace starts with an optimal coverage of participating restaurants. This allows us to offer the broadest choice and variety of restaurants to consumers which leads to continuous improvement in conversion. Looking at the restaurant coverage of Takeaway.com in all Leading Markets compared to (local) competition, it can be concluded that we distinguish ourselves by (i) having more restaurants than the competition and (ii) our unique offering, defined as restaurants that are solely available on our platform.

As at 31 December

Restaurants	2016	2015	2014	2016 to 2015 (% change)	2015 to 2014 (% change)
The Netherlands	6,811	6,029	5,183	13%	16%
Germany	10,903	9,809	8,962	11%	9%
Other	11,073	9,108	6,934	22%	31%
• Belgium	1,877	1,485	1,308	26%	14%
• Austria	1,862	1,668	1,407	12%	19%
• Poland	5,062	3,939	2,385	29%	65%
• Rest <sup>1</sup>	2,272	2,016	1,834	13%	10%
<b>Total</b>	<b>28,787</b>	<b>24,946</b>	<b>21,079</b>	<b>15%</b>	<b>18%</b>

<sup>1</sup> Excludes United Kingdom, for which operations were discontinued in August 2016, to enable like-for-like comparison. Including these restaurants, the total for 'Rest' would be 2016: 2,272; 2015: 5,784; 2014: 8,902

In all our Leading Markets, the number of participating restaurants on the Takeaway.com platform increased in 2016 compared to 2015. This growth was caused by both organic acquisition of restaurants by our sales staff and by new restaurants that came with the acquisitions made in 2016. In particular in Belgium, the Just Eat acquisition contributed materially to the increase of participating restaurants.

## Active Consumers

Active Consumers (In thousands)	As at 31 December				
	2016	2015	2014	2016 to 2015 (% change)	2015 to 2014 (% change)
The Netherlands	2,960	2,471	1,965	20%	26%
Germany	3,915	3,051	2,087	28%	46%
Other	2,024	1,210	690	67%	75%
• Belgium	588	421	320	40%	32%
• Austria	494	365	201	35%	82%
• Poland	883	388	146	128%	166%
• Rest <sup>1</sup>	59	36	23	64%	57%
<b>Total</b>	<b>8,899</b>	<b>6,732</b>	<b>4,742</b>	<b>32%</b>	<b>42%</b>

<sup>1</sup> Excludes United Kingdom, for which operations were discontinued in August 2016, to enable like-for-like comparison. Including these active consumers, the total for 'Rest' would be 2016: 59; 2015: 110; 2014: 114

In 2016, we continued to acquire new consumers which led to an increase in the number of Active consumers in all Leading Markets. The growth is caused by the strength of our local brands in these countries which is driven by the high density of our restaurant base and associated network effects, our product, as well as the material marketing efforts we have made in recent years allowing us to achieve market-leading positions, thereby attracting the most new consumers.

A comparison of our Active Consumer base in each Leading Market in relation to the potential target group that may order food reveals significant penetration differences in our Leading Markets. We believe that such penetration percentages are strong indicators of the maturity of each market (see "Our Markets" on [page 10](#)). Given the low penetration combined with our market leadership in these markets, we believe that none of our Leading Markets has reached maturity, demonstrating the potential which remains untapped.

## Returning Active Consumers

The number of Returning Active Consumers increased in 2016 compared to 2015 across our Leading Markets.

Returning Active Consumers <sup>3</sup>	As at 31 December		
	2016	2015	2014
Returning Active Consumers in millions <sup>1</sup>	5.0	3.6	2.4
Returning Active Consumers as % of Active Consumers <sup>2</sup>	57%	53%	51%
Order frequency of Returning Active Consumers <sup>3</sup>	10.5	10.1	9.7

<sup>1</sup> Consumers that ordered more than once during the preceding twelve months

<sup>2</sup> Excludes United Kingdom, for which operations were discontinued in August 2016, to enable like-for-like comparison. Including these Returning Active Consumers, the total would be 2016: 57%; 2015: 53%; 2014: 50%

<sup>3</sup> Orders made by Returning Active Consumers, divided by average number of Returning Active Consumers

Apart from the growth of Returning Active Customers, the Returning Active Consumers as a percentage of Active Consumers also improved by 4% in 2016 which reflects greater loyalty in our customer base, further increasing the value of our network. In addition to these positive developments, we experienced a further increase of the annual orders made by Returning Active Consumers – from 10.1 orders in 2015 to 10.5 orders in 2016 – resulting in a multiplier effect on our order figures.



## Orders

Driven by the improvement in all our KPIs, the number of orders we processed across our brands increased in 2016 to 49.3 million compared with 33.7 million in 2015.

Year ended 31 December					
Orders	2016	2015	2014 <sup>1</sup>	2016 to 2015	2015 to 2014
(In thousands)				(% change)	(% change)
The Netherlands	21,083	15,946	11,640	32%	37%
Germany	17,341	11,693	7,061	48%	66%
Other	10,897	6,072	3,273	79%	86%
• Belgium	2,905	1,935	1,422	50%	36%
• Austria	3,428	2,145	976	60%	120%
• Poland	4,333	1,756	641	147%	174%
• Rest <sup>2</sup>	231	236	234	(2)%	1%
<b>Total</b>	<b>49,321</b>	<b>33,711</b>	<b>21,974</b>	<b>46%</b>	<b>53%</b>
White label <sup>3</sup>	424	923	301	(54)%	207%

<sup>1</sup> Aggregated to include full year orders for the acquired websites Lieferando.de and Pyszne.pl to allow like-for-like comparison

<sup>2</sup> Includes United Kingdom, for which operations were discontinued in August 2016. Excluding these orders 'Rest' would be for 2016: 142 thousand (+100%); 2015: 71 thousand (+51%); 2014: 47 thousand

<sup>3</sup> White label orders have not been included in total number of orders

Apart from Belgium, where the acquisition of the Just Eat activities contributed significantly to our growth in the second half of the year, the growth in the other countries was almost fully organic.

## Average Order Value

There are significant variations in the average order value across our markets, however, on average the order value is relatively stable in each market and is largely a function of general economic conditions and other factors specific to each market which are, for the most part, outside of our control. Nevertheless, the Average Order Value increased in all Leading Markets.

Year ended 31 December			
Average Order Value	2016	2015	2014 <sup>1</sup>
(In €)			
The Netherlands	19.90	19.90	19.83
Germany	19.68	19.25	18.49
Other	16.59	17.93	18.79
• Belgium	22.93	23.12	22.19
• Austria	19.48	19.20	19.04
• Poland	9.55	9.43	9.17
• Rest <sup>2</sup>	25.95	27.09	23.43
<b>Total<sup>3</sup></b>	<b>19.09</b>	<b>19.32</b>	<b>19.24</b>

<sup>1</sup> Aggregated to include full year orders for the acquired websites Lieferando.de and Pyszne.pl to allow like-for-like comparison

<sup>2</sup> Includes United Kingdom, for which operations were discontinued in August 2016. Excluding these orders the average order value for 'Rest' would be 2016: €27.11; 2015: €30.72; 2014: €27.24

<sup>3</sup> Weighted average

The significant growth of our Polish business (in which country the average order size is approximately half of that in our other countries) caused the average order value in our Other segment to decrease.

## Gross Merchandise Value

The value of total orders processed (GMV) increased to €941.7 million in 2016 from €651.3 million in 2015 representing a 45% annual increase. This is slightly lower than our overall order growth, mainly caused by the increasing share of orders in our Polish business which has a lower average order value.



## Year ended 31 December

Gross Merchandise Value	2016	2015	2014 <sup>1</sup>	2016 to 2015	2015 to 2014
(In millions of €)				(% change)	(% change)
The Netherlands	419.6	317.3	230.8	32%	37%
Germany	341.3	225.1	130.6	52%	72%
Other	180.8	108.9	61.5	66%	77%
• Belgium	66.6	44.7	31.6	49%	42%
• Austria	66.8	41.2	18.6	62%	122%
• Poland	41.4	16.6	5.9	150%	182%
• Rest <sup>2</sup>	6.0	6.4	5.5	(6)%	17%
<b>Total</b>	<b>941.7</b>	<b>651.3</b>	<b>422.9</b>	<b>45%</b>	<b>54%</b>

<sup>1</sup> Aggregated to include full year orders for the acquired websites Lieferando.de and Pyszne.pl to allow like-for-like comparison

<sup>2</sup> Includes United Kingdom, for which operations were discontinued in August 2016. Excluding these orders the gross merchandise value for 'Rest' would be 2016: €3.8 million (+76%); 2015: €2.2 million (+72%); 2014: €1.3 million

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## Our strategy

In 2017, Takeaway.com will continue to expand its footprint in the European food delivery sector, focusing on further expanding the strong positions we currently hold in our Leading Markets. We will do so by continued investments in our brand, professionalisation of the organisation, our Scoober network expansion and product development.

In our Leading Markets, most of the population can spontaneously mention our brand, and the aided brand-awareness is among the highest of e-commerce brands in the Leading Markets. Naturally, we will work on further improving the brand awareness. To this goal, in February 2017 we have launched our new campaign, in which we primarily focus on brand building. Whereas our prior campaigns were predominantly aimed at increasing the brand awareness in itself, the "Your Time" campaign positions our brand as the positive choice for every moment. It enables our customers to have a valuable time. Takeaway.com is a brand for anyone, anywhere at any time. The campaign connects everyday moments to this brand promise.

We will further professionalise our company in order to manage our rapidly increasing scale, and the challenges that come with our expansion.

The company will further increase its investments in the Scoober network. While the cost structure makes it inherently difficult to achieve profitability with this business model, we believe the greater restaurant diversity adds significant value to our customers and therefore to our marketplace.

During the upcoming year we will roll out some exciting new product improvements. Technological advancements should help us increase customer satisfaction and thus order frequency.

Takeaway.com will monitor "greenfield" opportunities to enter into new geographical markets that offer attractive long-term growth potential. We understand that consolidation in the sector will continue in the future, and as such we may selectively pursue strategic acquisition opportunities that facilitate growth and support our market leadership in existing and new markets.

## Acquisitions

On 2 August 2016, we acquired the Dutch and Belgian operations of Just Eat Holding Limited through the purchase of the entire share capital of Just-Eat Benelux B.V. and Just-Eat België BVBA for a total (fixed and contingent) consideration of €22.5 million. As a result of the acquisition, we strengthened our position in the Benelux region, in line with our strategy to further expand our leadership positions in our leading markets.

In addition to the acquisition above, we also acquired Tante Bep, Food Express, and the Belgian and German businesses of Resto-In in 2016. These acquisitions were critical in enabling us to quickly scale up our restaurant delivery service offering.

## Our people

Takeaway.com recognises its diverse and talented workforce as its most valuable asset. The combined efforts and dedication of our employees help deliver on a commitment to restaurants and consumers to make online food ordering easier and more effective.

We attract agile and adaptable people, capable of effectively dealing with growth and responding rapidly to changing circumstances. Our commitment to our staff is to provide a work environment that inspires us to be proud of who we are, to support our people with the right tools to work effectively, and help them develop their skills and careers at Takeaway.com. Our human resource strategy is focused on the above and our organisational growth.

The geographic spread of the number of our employees (in FTE) at year-end can be depicted as follows:

FTE	FTE at year-end	
	2016	2015
The Netherlands	291	203
Germany	310	125
Other	119	72
<b>Total</b>	<b>720</b>	<b>400</b>



The functional spread of the number of our employees (in FTE) at year-end can be depicted as follows:

FTE	FTE at year-end	
	2016	2015
Customer Services	204	166
Sales	74	65
Marketing	42	43
Technology	74	64
Product	21	23
Restaurant Services	7	7
Delivery Services	256	0
Management and Support	42	32
<b>Total</b>	<b>720</b>	<b>400</b>

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As part of the “One Company, One Brand and One IT Platform” approach, our business in continental Europe is centrally organised and primarily managed from our Amsterdam headquarters.

Employees based in our geographical markets in continental Europe are principally local sales and customer service representatives who are able to operate in the relevant local language.

## Corporate social responsibility

At Takeaway.com, we are committed to having a strong, positive social and sustainable impact everywhere we operate. We are striving to effectively manage our environmental footprint by reducing our use of natural resources and seeking green alternatives where possible.

Takeaway.com is highly centralised with a limited number of offices (5), our staff use video-conferencing as much as possible instead of travelling, and we are a paper-low company resulting in a lower global footprint. In addition, we encourage the use of public transport by providing transport passes to our employees. The majority of our relatively limited car fleet utilises low emission vehicles.

Our 1,000+ Scoober delivery drivers are provided with e-bikes. Through our partner services we lower the barrier for our partner restaurants to lease e-bikes, electronic scooters and electronic cars.

Takeaway.com practices social responsibility by donating to national and local charities. As part of our initial public offering and to assist in addressing food waste and hunger, we donated €25,000 to the Federation of Food Banks in the Netherlands. In Germany, consumers could donate their loyalty points for a good cause. As such we made donations to a number of charity organisations, most recently a donation of €21,000 to “Brot für die Welt”.



*“In 2016, we demonstrated the sustainability of our high margins in the Netherlands – and we’re still growing. We continued to invest efficiently in our other Leading Markets, as we progressed toward achievement of our medium-term objectives.” – Brent Wissink, CFO*

## Group financial review

### Revenue

Revenue consists of commission revenue, online payment services revenue and other revenue items such as merchandising revenue and white label revenue. In particular, the first two revenue items are fully driven by an increasing number of orders combined with increased average commission rates, as well as continued adoption of online payment methods by consumers.

In 2016, we generated revenue of €111.6 million, a 45% increase from €76.7 million in 2015. The increase in revenue in 2016 was the result of growth in orders in each of our Leading Markets as well as the higher average commission rate in the Netherlands and Austria. In addition to the order growth, revenue growth was largely achieved organically during this period and reflected the results of our marketing initiatives and improved market positions in Germany and Poland in particular.

### Year ended 31 December

Revenue by segment	2016	2015	2014 <sup>1</sup>	2016 to 2015	2015 to 2014
(In thousands of €)				(% change)	(% change)
The Netherlands	55,253	41,871	28,618	32%	46%
Germany	36,809	24,085	15,042	53%	60%
Other	19,579	10,780	5,953	82%	81%
• Belgium	8,288	5,200	3,480	59%	49%
• Austria	6,634	3,266	1,376	103%	137%
• Poland	4,229	1,667	585	154%	185%
• Rest <sup>2</sup>	428	647	512	(34)%	26%
<b>Total</b>	<b>111,641</b>	<b>76,736</b>	<b>49,613</b>	<b>45%</b>	<b>55%</b>

<sup>1</sup> Aggregated to include full year orders for the acquired websites Lieferando.de and Pyszne.pl to allow like-for-like comparison

<sup>2</sup> Includes the United Kingdom for which operations were discontinued in August 2016

### The Netherlands

Revenue grew by 32% from €41.9 million in 2015 to €55.3 million in 2016. This increase was principally the result of a 32% increase in the number of orders during this period and higher average commission rate in 2016 compared with 2015. In particular the increase of the average commission rate was due to a commission rate increase in 2016 and the introduction of an administrative fee of €0.19 per order which we also include as part of commission revenue (and hence the average commission rate). The increased commission revenue more than offset the reduction in online payment services revenue between 2016 and 2015 which was caused by a reduction in online payment charges for the various payment methods in 2016. The reduction in these charges had a positive impact on the number of orders paid online which is beneficial for our receivable collections.





### Germany

Revenue in 2016 grew to €36.8 million, a 53% increase from €24.1 million in 2015.

Revenue growth during this period was slightly above our GMV growth of 52% due to the growth in Scoober orders for which we earn substantially higher commissions.

This more than offsets the decrease in other revenue components in Germany which arose from the cancellation of subscription legacy contracts with restaurants entered into prior to the group's acquisition of Yourdelivery.

### Other

Revenue in Takeaway.com's segment Other (which includes Belgium, Austria, Poland, France, Luxembourg, Portugal, Switzerland and the United Kingdom until August 2016) grew to €19.6 million in 2016 from €10.8 million in 2015, an 82% increase.

All geographies contributed to the growth due to increasing orders and the increase in the proportion of orders paid for online which led to an increase in online payment service revenues as well as slight increases of average order size. In Austria, revenue was positively impacted by an increase in the average commission rate.

### Commission

Commission revenue in 2016 was €99.9 million representing 89% of the total revenue.

In 2016 the increasing share of commission revenue was caused by the introduction of the €0.19 administrative fee per order in the Netherlands (classed as commission revenue) and the reduction in online payment services revenues due to reduced charges implemented per January 1, as well as commission rate increases in the Netherlands and Austria. The average commission rate for the group increased to 10.6% in 2016 from 9.5% in 2015.

## Year ended 31 December

Average commission rate per country	2016	2015	2014
(in %)			
The Netherlands	12.1%	10.2%	9.5%
Germany	9.3%	8.8%	8.6%
Other	9.7%	8.8%	8.5%
• Belgium	10.8%	10.2%	9.7%
• Austria	9.7%	7.5%	6.9%
• Poland	8.8%	8.7%	8.4%
• Rest <sup>1</sup>	5.5%	4.6%	7.5%
<b>Total</b>	<b>10.6%</b>	<b>9.5%</b>	<b>9.1%</b>

<sup>1</sup> Includes the United Kingdom for which operations were discontinued in August 2016

Each year we assess the commission rates which are being charged in each country and determine whether to maintain or update our commission rates. We occasionally increase our commission rates to reflect the continuous improvement in our value proposition to restaurants, including our investments in marketing and technology as well as our ever-expanding network of both consumers and restaurants. Apart from the Netherlands and Austria, commission rates remained the same in all countries in 2016. In the Netherlands, the introduction of the administrative fee combined with an increase in the commission rate resulted in the increase of the average commission rate to 12.1% in 2016. In Austria, the commission rate was also increased per the beginning of 2016 which resulted in an average commission rate of 9.7% in 2016.

### Online payment services revenue and other revenue items

Despite the fact that the percentage of orders paid online increased to 51% in 2016 from 46% in 2015, revenue from online payments decreased to €8.1 million in 2016 from €12.0 million in 2015. This drop was fully caused by the reduction of the online payment charges in the Netherlands which were implemented at the beginning of 2016.

Other revenues are relatively limited and include sales of goods to restaurants, such as merchandise, GPRS printers, subscription fees and service fees charged to restaurants with respect to its white label business. Revenue from other revenue items grew to €3.6 million in 2016 from €3.0 million in 2015. Compared with the growth of total revenue of 45%, revenue from other revenue items was slower and is attributable to Germany where revenue from these items decreased due to the cancellation of subscription legacy contracts with restaurants entered into prior to the group's acquisition of Yourdelivery.

### Cost of sales

The group's cost of sales was €15.6 million in 2016, which represented a 112% increase from €7.4 million in 2015. The increase in cost of sales was significantly higher than the growth in orders and was largely the result of the roll-out of our own delivery model, which added €4.5 million to the cost of sales in 2016. Excluding the impact of the delivery business, cost of sales increased by 51% year on year, which was broadly in line with revenue growth.

### Gross margin

Our gross margin declined to 86% in 2016 from 90% in 2015 mainly due to expenditures incurred following the launch of Scoober. Excluding the impact of Scoober, the gross margin would have remained constant at 90%.

### Staff costs

Staff costs (excluding the employee bonus share expense of €0.8 million) were €19.9 million in 2016, which represented a 43% increase from €13.9 million in 2015. The increase in staff costs in 2016 was driven by continued hiring of staff across all our countries. In order to manage our growth and to prepare for the IPO and for our future as a listed entity, we had to expand our staff and further professionalise our teams with more senior staff. As a result, excluding drivers (the costs of whom are captured in Cost of Sales) staff costs rose faster than FTEs in 2016.

The employee bonus share expense of €0.8 million relates to shares granted by a number of shareholders to employees.

### 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 €227 thousand in 2016, which represented an 86% increase from €122 thousand in 2015. Expenses recognised in 2016 relate to the existing options arrangements in place before the IPO and the new long-term incentive plan implemented post-IPO.

### 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	2016	2015	2016 to 2015
(In thousands of €)			(% change)
Marketing expenses	82,600	59,048	40%
Depreciation and amortisation expenses	3,765	4,077	(8)%
Other	14,174	10,229	39%
<b>Total</b>	<b>100,539</b>	<b>73,354</b>	<b>37%</b>

### Marketing expenses

The largest component of other operating expenses is marketing expenses. This includes all external expenses related to marketing and can be divided into performance marketing and brand awareness marketing. Performance marketing represents costs related to pay-per-click marketing such as search engines and affiliate marketing. Brand awareness marketing expenses include amongst others: television, radio, outdoor advertising, and merchandising for restaurants.

Marketing costs in 2016 increased by 40% compared with 2015. In all our Leading Markets, we intensified our marketing efforts. In particular, in Germany and Poland we significantly accelerated our brand awareness marketing which was a major driver of our order growth. Looking to the efficiency of marketing measures either as percentage of revenue or marketing costs per order, we improved these metrics across our Leading Markets.

Marketing expenses	2016	2015	2016 to 2015
(In thousands of €)			(% change)
The Netherlands	9,933	8,334	19%
Germany	51,160	37,235	37%
Other	21,507	13,479	60%
<b>Total</b>	<b>82,600</b>	<b>59,048</b>	<b>40%</b>

In the Netherlands, we have been able to continue growing our revenue while incurring lower marketing expense as a percentage of revenue. Marketing expenditures as a percentage of revenue declined in the Netherlands in 2016 to 18% from 20% in 2015 which demonstrates our operational leverage, resulting in order and revenue growth exceeding the rate of increase of marketing expenditures.

In Germany, our marketing expenditure increased primarily as a result of greater expenditures on television and outdoor media advertising in 2016 which was designed to further enhance our brand awareness and cement our position as market leader. Marketing costs as percentage of revenue declined to 139% in 2016 (2015: 155%).

Outside the Netherlands and Germany, our marketing expenditure increased primarily as a result of increased brand awareness marketing expenditures in Poland, which we view as strategic given the high growth rates and market potential in Poland, and more marginal increases in marketing expenditures in Belgium and Austria.

Marketing Cost Per Order	2016	2015
(In €)		
The Netherlands	0.47	0.52
Germany	2.95	3.18
Other	1.97	2.22
<b>Total</b>	<b>1.67</b>	<b>1.75</b>

Our marketing cost per order (CPO) improved across all Leading Markets in 2016. This indicates the improved efficiency of our marketing spend in 2016 as well as the improved market positions in the individual markets given the fact that the marketing spend in all our markets was significantly higher than in 2015. 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

Our depreciation and amortisation expenses were €3.8 million in 2016, which represented a 7% decrease from €4.1 million in 2015. The depreciation and amortisation expenses in 2016 reflected expenses related to the intangible assets recognised as a result of the acquisition of Yourdelivery in April 2014 as well as the amortisation of new intangible assets acquired in the Just Eat Benelux acquisition in August 2016.

#### Other

The other component of our other operating expenses was €14.2 million in 2016, which represented a 39% increase from €10.2 million in 2015. This increase in 2016 was primarily driven by increased housing expenses and staff-related costs as a result of the opening of new premises in Amsterdam and an increase in staff levels, as well as increased professional and consulting fees incurred by the group during 2016. Certain costs directly associated with the initial public offering are deducted from share premium in accordance with IFRS and therefore are not included in operating expenses.

#### Finance costs

Our finance costs were €1.8 million in 2016, which represented a 220% increase as compared with 2015 as a result of greater amounts borrowed pursuant to the (then existing) overdraft facility, revolving credit facility and the bridge loan which was used for the acquisition of the Benelux activities of Just Eat. The overdraft facility, revolving credit facility, and bridge loan agreement were terminated by Takeaway.com after the initial public offering.

#### Share of loss in joint venture

At year-end Takeaway.com owned 53% of Takeaway.com Asia BV, which owns 99% of the shares and voting rights of Vietnammm. Takeaway.com Asia BV is 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 €0.1 million in 2016 (€0.2 million in 2015).

#### Income tax expense

The group's income tax expense amounted to €3.6 million in 2016 (€0.9 million in 2015). This was primarily a consequence of increased profits in our Dutch fiscal unity. Takeaway.com has not historically been profitable in its non-Dutch entities, as a result, has accumulated losses which can be carried forward to offset future taxable income, if any. We began to recognise income tax expenses since 2014 relating to our profits in the Netherlands.

#### Loss for the year

As a result of the factors described above, the group incurred a net loss of €30.9 million in 2016, which represented a 58% increase from a loss of €19.6 million in 2015.



## Adjusted EBITDA<sup>1</sup>

Adjusted EBITDA consist of the group's profit or loss for the period before depreciation, amortisation, finance income and expenses, share based payments, share of loss of joint ventures, non-recurring items and income tax expense.

Adjusted EBITDA declined to negative €18.3 million in 2016 from negative €13.8 million in 2015.

Adjusted EBITDA <sup>1</sup>	2016	2015	Margin 2016 <sup>2</sup>	Margin 2015 <sup>2</sup>
<b>(In thousands of €)</b>				
The Netherlands	34,746	26,463	63%	63%
Germany	(39,402)	(28,568)	(107)%	(119)%
Other	(13,620)	(11,683)	(70)%	(108)%
<b>Total</b>	<b>(18,276)</b>	<b>(13,788)</b>	<b>(16)%</b>	<b>(18)%</b>

- <sup>1</sup> Non-IFRS measure, unaudited  
<sup>2</sup> Percentage of segment revenue

In the Netherlands, the adjusted EBITDA further increased in 2016 compared with 2015 reflecting the realisation of scale benefits as a result of, and further contributing to, our strong market position. As a percentage of revenue, the adjusted EBITDA in the Netherlands was 63% in 2016 which was consistent with the margin in 2015. In both Germany and segment Other, the adjusted EBITDA declined in 2016 compared to 2015, however, this is largely driven by the significantly higher investments in marketing in these regions which we believe are required to fuel the growth and expand our strong market positions. In both these segments, however, adjusted EBITDA as a percentage of revenue improved, demonstrating our path to profitability.

## Financial position

### Statement of financial position

Non-current assets, the majority consisting of goodwill, other intangible assets, and property and equipment increased to €92.3 million in 2016, mainly as a result of the acquisition of Just Eat Benelux and capital expenditure, partly offset by amortisation and depreciation expenses.

Changes in working capital can vary in the short term, as payments from restaurants are received on a daily basis while we pay restaurants on a weekly basis, but changes in working capital are generally insignificant over the course of a particular year. Operating working capital is structurally negative due to the difference between the restaurant and consumer payment cycles. Normalised negative operating working capital<sup>1</sup> amounted to €21.5 million in 2016 compared with €18.1 million in 2015, a decrease of €3.4 million which was primarily driven by the timing of restaurant and other creditor payments.

Cash and cash equivalents increased from €4.4 million as at the end of 2015 to €134.6 million at the end of 2016, an increase of €130.2 million driven by the €175.0 million in equity capital that we raised from the initial public offering, less repayments of our credit facility, bridge loan, payment of the IPO expenses and our operating losses.

Shareholders' equity increased to €187.7 million from €49.4 million at the end of 2015 driven by the equity raising on 30 September 2016 of €175.0 million, and to a smaller extent by the allocation of the loss for the year to shareholders' equity and exchange differences of foreign operations. The solvency ratio, defined as total equity divided by total assets, was 79% as at 31 December 2016 (2015: 63%).

Non-current liabilities increased to €6.9 million in 2016 from €4.9 million in 2015, an increase of €2.0 million which was a result of the deferred tax liabilities arising as a result of the Just Eat Benelux acquisition less the tax effect of amortisation recognised during the year.

Consolidated cash flow	2016	2015
<b>(In thousands of €)</b>		
Net cash (used in)/provided by operating activities	(3,385)	(3,832)
Net cash used in investing activities	(32,124)	(1,724)
Net cash generated by financing activities	165,659	–
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>130,150</b>	<b>(5,556)</b>

### Net cash used in operating activities

Net cash used in operating activities increased to €3.4 million in 2016 compared with net cash used in operating activities of €3.8 million in 2015. Net cash used in operating activities was driven by our greater operating losses and offset by an improvement in our working capital position, mostly related to timing of creditor and restaurant payments. In addition, there was a one-off positive impact on our working capital of €10.7m comprised of the 20% holdback of the Just Eat Benelux acquisition price (€4.4m, paid in February 2017) and a €6.3m tax liability on options exercised during the course of the IPO which was received prior to year end but paid in 2017. On a normalised basis our EBITDA is correlated with operating cash flow. Our operating cash flow during the year was partially funded by the overdraft- and revolving credit facilities which were in place prior to the IPO.

### Net cash flow used in investing activities

Net cash flow used in investing activities was €32.1 million in 2016 principally related to the Just Eat Benelux acquisition and, to a lesser extent, the two restaurant delivery services acquisitions in Germany and the Netherlands, to investments in technology, and to expenses incurred in connection with the opening of our new premises in Amsterdam, the Netherlands and leasehold improvements of our office in Berlin.

### Net cash generated by financing activities

Net cash generated by financing activities increased to €165.7 million in 2016 compared with nil in 2015, fully attributed to the successful initial public offering of ordinary shares of the company on 30 September 2016 amounting to €179.9 million less share issue costs of €14.2 million.

### Management report

The following sections of this annual report:

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

form the management report within the meaning of section 2:391 of the Dutch Civil Code.

### Outlook

To maintain this strong growth and achieve the guidance as communicated during the initial public offering, we will continue investing significantly in marketing, our Scoober network, recruitment of new staff and further professionalism in our organisational infrastructure. As a result we anticipate a loss at group level in 2017, in conformity with the guidance provided as part of the 2016 IPO.

### 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 the group's risk management and internal control systems. The Management Board believes that the group 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 the group 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 the group'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 2016.

The group embeds risk management in its strategic business planning. A top-down approach is followed in which management identifies the major risks that could affect the group'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 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 Deloitte, our 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 the group 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 the group'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 required by provision II.1.5 of the Code and on the basis of the foregoing and the explanations contained in Risk Management, the Management Board confirms, to its knowledge, that:

- The group's internal risk management and control systems with regard to financial reporting risks provide a reasonable assurance that the group's financial reporting over 2016 has functioned effectively in 2016;
- The risk management and control systems provide a reasonable assurance that the 2016 financial statements do not contain any errors of material importance.

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 group and the undertakings included in the consolidation taken as a whole; and
- The management report includes a 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





# Report of the Supervisory Board

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## Introduction

The year 2016 has been an interesting year for the company. A year during which the company completed several acquisitions while continuing to significantly increase the number of orders processed and the number of employees. Taking into account the growth rate of Takeaway.com during the past years, it was only natural for Takeaway.com to have its shares listed on the Euronext Amsterdam stock exchange.

The injection of fresh equity capital has allowed the company to execute on its growth strategy with immediate results in the fourth quarter of 2016. We would like to emphasise the Supervisory Board's appreciation for the efforts and commitment of the group's employees and the Management Board during this eventful year.

As Supervisory Board of Takeaway.com, we are responsible for the supervision and advising of the Management Board in setting and achieving the group's strategy, objectives, charters and policies as well as the supervision of the general course of affairs of the group and its business.

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

## Composition Supervisory Board

The composition of the Supervisory Board changed in 2016. Prior to the initial public offering on 30 September 2016, the Supervisory Board consisted of one Supervisory Director. The current Supervisory Board is in place since 4 October 2016. As a direct result, certain of the group's activities (i.e. the Just Eat Benelux acquisition) took place prior to the current Supervisory Directors, other than Sake Bosch, having been appointed.

The current composition of the Supervisory Board is in line with its profile, as published on the company's website, in terms of experience, expertise, nationality, and age.

Regarding gender diversity, Takeaway.com currently has one female Supervisory Director which equals to 25% of the entire Supervisory Board. The Supervisory Board will have due regard for diversity with respect to any new nominations.

All members of the Supervisory Board, with the exception of Sake Bosch are independent within the meaning of best practice provision III.2.1. of the Code.

## Meeting(s)

Prior to the listing of Takeaway.com's shares, the Supervisory Board in its previous composition devoted considerable time to the IPO preparation.

As of the listing of the ordinary shares of the company, the Supervisory Board held one formal (physical) meeting in 2016. All members of the Supervisory Board as well as all members of the Management Board were present during this meeting. In this meeting the management board presented an update on the company's performance and the company's strategy, medium-term objectives and 2017 targets were discussed. Takeaway.com's risk management and control environment were also addressed. The company's internal control and risk management systems are being further developed to comply with the requirements of stock listing and the expected continuation of our high growth in the coming years. As it was the first meeting of the Supervisory Board in its new composition, immediately after the meeting, Takeaway.com's auditor was introduced to the Supervisory Board to allow for a smooth cooperation.



In addition to the scheduled meeting, the chairman of the Supervisory Board, as well as certain other members of the Supervisory Board had regular contact with the members of the Management Board to remain closely informed about the business.

The agenda for the meeting was prepared through consultation between the chairman of the Supervisory Board, the Management Board and the company secretary.

### 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

In connection with the preparation of the annual accounts, the Supervisory Board met with Deloitte on several occasions: in November 2016, January 2017 and March 2017. The Supervisory Board discussed, among others, 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 which included the valuation of goodwill, other intangible assets, business combinations (related to the Just Eat acquisition) and working capital.

The Management Board prepared the annual report including the financial statements. Deloitte, the external auditor, has issued its auditor's report, which can be found on [page 111 till 115](#) of this annual report.

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 proposes to the shareholders of Takeaway.com that they adopt these financial statements, at the General Meeting of 18 May 2017 and to discharge the members of the Management Board for their management of the company and its affairs during 2016, and the members of the Supervisory Board for their supervision over said management.

### Finance

The Supervisory Board reviewed and discussed the periodic internal and external (non-) financial reports of the group including the balance sheet, the profit and loss account, and cash flow reporting including the monitoring of the development of the key performance indicators.

In addition, the Supervisory Board reviewed, among others, the budget 2017, the financial outlook, the achievement of financial targets, the use of free cash flow, the outcome of purchase price allocations, annual impairment tests, and annual and interim financial results with the Management Board.

### Investor Relations

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

### Corporate governance

The corporate governance structure of Takeaway.com is described in the [section Governance & Compliance](#). In this section, we have also explained the deviations from the principles and best practice provisions of the Code in terms of independence of Supervisory Board members and the dismissal provisions of the current Managing Directors and Supervisory Directors.

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

### Risk management

The Supervisory Board was kept well-informed about developments with respect to risk management. The risk management of Takeaway.com is described in the [section Risk Management](#).

The Supervisory Board and the Management Board discussed risk management at various occasions in Supervisory Board meetings in November 2016 and in January 2017 and were also informed about the general and financial risks of the business and about the results of an assessment of internal risk management and control systems. The Supervisory Board discussed the continuing actions the group takes to further improve the internal risk management and control systems. In addition, the Supervisory Board discussed the observations and recommendations as it relates to risk management and the internal control system with Deloitte in January 2017. With the rapid growth of the group, it is of the utmost importance to continue enhancing the existing risk management program and internal control system.

### Self-assessment

The Supervisory Board will self-assess its own functioning in 2017 given that the Supervisory Board in its current form has only been in place since 4 October 2016.

All members have 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, therefore has no reason to believe its functioning causes reason for concern.

In 2017, the Supervisory Board will also assess the functioning of the Management Board and its individual members.

### 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**

**Sake Bosch**



# Remuneration report

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## Introduction

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 2016. The remuneration report outlines the application of the remuneration policy for members of the Management Board since 4 October 2016.

On 3 October 2016, effective 4 October 2016, the shareholders of the company resolved in writing to adopt the remuneration policy for members of the Management Board, including 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

On 3 October 2016, the Supervisory Board (in its previous composition) has established the remuneration of the individual Managing Directors, in accordance with the remuneration policy as adopted, and arrangements for remuneration in the form of ordinary shares or rights to subscribe for ordinary shares as 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 the company'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.

## Analyses

As the current remuneration policy of the company was only recently (in October 2016) adopted and implemented, the Supervisory Board did not conduct a thorough analyses of the effect of the remuneration structure after its implementation. 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 the company's risk profile.



## Compensation package Management Board

The compensation package for the Management Board during 2016 consisted of the following fixed and variable components, which are discussed in more detail below:

- Fixed annual base salary;
- LTIP (one quarter only);
- Allowance for pension and fringe benefits; and
- Severance arrangements.

In 2016, an amount of €0.7 million (2015: €0.3 million) was charged to the group for remuneration of current and former members of the Management Board, including pension charges and share-based payments expense. As variable remuneration, no shares or share options were granted to the members of the Management Board.

In the schedule 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 recognised in the consolidated statement of profit or loss and OCI during the year was as follows:

Remuneration	Jitse Groen (CEO)	Brent Wissink (CFO) <sup>1</sup>	Jörg Gerbig (COO) <sup>1</sup>	2016
<b>(In thousands of €)</b>				
Base fee	298	88	81	467
Allowance for pension & Fringe	55	19	13	87
LTIP expense	55	48	44	147
<b>Total</b>	<b>408</b>	<b>155</b>	<b>139</b>	<b>701</b>

<sup>1</sup> Brent Wissink and Jörg Gerbig were appointed as members of the Management Board as per 4 October 2016. Their remuneration is included from that date forward

There are no loans, advances or guarantees granted to the Managing Directors in 2016.

## Base salary

The base salary of the Managing Directors is a fixed cash compensation paid on a monthly basis and can be adjusted upwards by the Supervisory Board at the end of each calendar year.

## LTIP

To strengthen the alignment with shareholder's interests, the remuneration consists of an LTIP, which includes the annual grant (for the first time per 31 December 2016) 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.

These targets are determined based on full year order and revenue growth in line with H1 2016 Year-on-Year growth. The options will be granted if the company's business develops in accordance with and in the direction of the medium-term targets as communicated during the initial public offering to the stock market.

The criteria to be used for vesting and their relative weight are as follows:

Criteria	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	20%
The Netherlands EBITDA margin to continue to increase after 2016	20%



The Supervisory Board at its sole discretion will decide, if and to what extent, on granting 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.

Since the policy pursuant to which the conditional performance options can be granted to the members of the Management Board is effective since October 2016, the maximum grant in 2016 will be limited pro rata parte. Consequently, the maximum number of conditional performance options to be granted to each Managing Director, shall amount to one-fourth of the maximum determined in the remuneration policy for the financial year 2016.

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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.

Application of the remuneration policy as per 31 December 2016 is expected to result in the granting to the members of the Management Board of a total of 14,175 conditional performance options. The options are expected to be granted upon the adoption of the company's annual accounts. The number of options is determined based on the valuation as calculated in [note 19](#) of the Financial Statements. The exercise price of the options is €23.37 (the average closing price of the shares at Euronext Amsterdam on the last five trading days of 2016).

The following table gives an overview of the conditional performance options expected to be granted to the members of the Management Board under the LTIP and previously granted unvested options:

Number of options as 31 December 2016	Jitse Groen	Brent Wissink	Jörg Gerbig
Conditional performance options assumed	5,275	4,615	4,285
Unvested options outstanding	0	0	30,040
<b>Total number of share options</b>	<b>5,275</b>	<b>4,615</b>	<b>34,325</b>

### Share ownership Managing Directors

As at 31 December 2016, the Managing Directors held the following number of shares in the company:

Number of shares held	Jitse Groen	Brent Wissink	Jörg Gerbig
Number of shares held as at 31 December 2016	15,304,796	240,060	382,570

### Pensions and fringe benefits

The Managing Directors will receive 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 thousand for each of the CEO and the CFO, and €40 thousand for the COO.

### Severance arrangements

Contractual severance arrangements of the Managing Directors provide for a 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 Dutch Corporate Governance Code.

### Compensation package Supervisory Board

The remuneration of the Supervisory Board was determined by the General Meeting, prior to the completion of the IPO, 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 thousand and €50 thousand 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 2017. In 2016, the Supervisory Board received one quarter of the annual remuneration given the effective appointment as per 4 October 2016.

### Share ownership members of the Supervisory Board

As at 31 December 2016 none of the Supervisory Board members held shares in the company. Sake Bosch and Corinne Vigreux were indirect shareholders of the company.

*On behalf of the Supervisory Board*

*The Supervisory Board*

**Adriaan Nühn**

*Chairman*

**Corinne Vigreux**

*Vice-chairman*

**Ron Teerlink**

**Sake Bosch**



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# Management Board and Supervisory Board

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## Composition 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 30 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 Hotelspecials and a member of the supervisory board at Funda.

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 – 2018

Brent joined Takeaway.com as COO in 2011. He led the integration of Lieferando.de, Pyszne.pl and Food Express. Thereafter, Brent became CFO of Takeaway.com. He has prior experience, among others, as CFO of a fast-growing technology business (NedStat) and in venture capital (ABN AMRO, Mees Pierson). Brent graduated (1992) at the Erasmus University of Rotterdam in Econometrics.

As CFO and member of the Management Board, Brent has responsibility for Finance, Investor Relations, Mergers & Acquisitions, Risk Management, 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. He joined Takeaway.com following the acquisition of Lieferando.de in 2014, when 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 as well as New York.

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



## Composition 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 the group. Possible reappointment at first General Meeting in 2018. 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 Sligro N.V. (the Netherlands) from which position he will resign as per 22 March 2017. Adriaan is also a member of the boards of Cloetta AB (Sweden), Anglovaal Industries Ltd. (South Africa) and HG International B.V. (The Netherlands). In addition, Adriaan is a member of the supervisory boards of Wereld Natuur Fonds and CBR.

### Corinne Vigreux

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

Independent of the group. Possible reappointment at first General Meeting in 2019. Corinne is a co-founder of TomTom N.V., where she is managing director of the consumer

business. Prior thereto she worked at Psion, one of the first successful European technology start-ups, where she built the company's global distribution network. Corinne holds a BBA from the ESSEC Business School in Paris. Corinne is a managing director of the Consumer division of TomTom N.V. She is also a member of the supervisory board of the Dutch National Opera & Ballet. Corinne has been voted top fifty most inspirational woman in European tech in 2015 and 2016, and was made Chevalier de la Legion d'Honneur in 2012.

### Ron Teerlink

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

Independent of the group. Possible reappointment at first General Meeting in 2020. Until 2013, Ron acted as chief administrative officer and member of the executive committee of the RBS Group. Prior thereto he was a member of the management board of ABN AMRO, as 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 from the Vrije Universiteit Amsterdam and a banking diploma from NIBE. Ron is currently chairman of the supervisory board of Coöperatieve Rabobank U.A. as well as member of the supervisory board of Equens SE (both, the Netherlands).

### Sake Bosch

**Dutch national, 1968, member of the Supervisory Board since 1 October 2014**

Nominated by Prime Ventures. Possible reappointment at first General Meeting in 2017. Sake has been an active professional investor since 1994 and has served on the (supervisory) board of directors of a number of fast growing internet- and software companies in Europe, the United States of America and the Middle East. He is the founder and managing partner of Prime Ventures, an independent international venture capital and growth equity firm that raised approximately half a billion euro of committed capital. Prior to founding Prime Ventures in 1999, Sake was a senior principal at Holland Venture, a private equity and venture capital firm in the Netherlands,

where he was responsible for managing investments in technology companies. Before joining Holland Venture in 1994, Sake worked as an independent corporate finance advisor. Prior to this position, he was a sales executive at Securitas Group. He started his career in 1989 as a strategic market analyst at VNU. Sake holds an MSc degree in Business Administration as well as a BA degree in management science and industrial engineering. Sake is currently also a member of the (supervisory) board of directors of 4Cinsights (United States), Civolution (the Netherlands), Dealerdirect (the Netherlands), Digital Origin (Spain), Forcare (the Netherlands), Greetz (the Netherlands), MarkaVIP (United Arab Emirates), SaaSplaza (the Netherlands) and Slimpay (France). Sake is not considered to be independent within the meaning of best practice provision III.2.2 of the Code.



*Supervisory Board*

*From left to right: Ron Teerlink, Corinne Vigreux, Sake Bosch, Adriaan Nühn*





# Governance & compliance

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## General

Takeaway.com, a publicly listed company at Euronext Amsterdam and organised under Dutch law, is the ultimate parent company of the group. We have a two-tier board structure, consisting of a Management Board and a Supervisory Board who are responsible for the corporate governance structure of the group. Although the Charter of the Management Board and ExCo provides that an executive committee may be instituted, such committee has not been instituted yet.

Takeaway.com 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](http://www.mccg.nl).

## Management Board

### Powers, responsibilities and functioning

The Management Board is responsible for the management and operations of the company, subject to the supervision by the Supervisory Board. The Management Board's responsibilities include, among other things, defining and attaining the company's objectives, determining the company's strategy and risk management policy and day-to-day management of the company'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 provides the Supervisory Board with all information necessary for the exercise of the duties of the Supervisory Board. The Management Board is required to inform the Supervisory Board in writing of the main features of the strategic policy, the general and financial risks and the management and control systems of the group, at least once per year. The Management Board must submit certain important decisions to the Supervisory Board and/or the General Meeting for approval.

### 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. Since 4 October 2016, the Management Board consists of three Managing Directors; the CEO, 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 sixty 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 nomination has been made by the Management Board, this must be stated in the notice as well 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) shall apply until the earlier of (i) 1 January 2019 and (ii) the date it becomes public information by means of the register as referred to in section 1:107 Financial Supervision Act kept by the AFM, which is accessible through its website that Gribhold holds less than 25% of the issued ordinary shares.

Subparagraph b) shall apply as from that earlier date as referred to in the previous sentence.

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 a 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 II.1.1 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 company's Charter of the Management Board and ExCo.

### 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 and ExCo, 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 and ExCo 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 and ExCo, the Management Board shall furthermore obtain the approval of the Supervisory Board for a number of resolutions which include, among others, (i) the operational and financial objectives of the group; (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 the group; (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 the group 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 2016, 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. The company 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 conduct and policies of the Management Board and the general course of affairs of the company and its business enterprise.

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 the company'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 will be appointed as chairman of the Supervisory Board, is appointed upon a binding nomination by the Supervisory Board;
- 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;
- One Supervisory Director is appointed upon a binding nomination by prime ventures until the date it becomes public information by means of the AFM register that Prime Ventures holds less than 10% 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.

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 of the group's business, the Supervisory Board's activities and the desired expertise and background of the Supervisory Directors. The Supervisory Board profile 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 shall only apply until the earlier of (i) 1 January 2019 and (ii) the date it becomes public information by means of the AFM register that Gribhold holds less than 25% of the issued ordinary shares. The second bullet point shall apply as from that earlier date as referred to in the previous sentence.

A General Meeting must be held within three months after a 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

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 the company's office, 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 2016, no such conflicts of interest were reported.

In accordance with provision III.6.4 of the Code, the company reports that no transactions occurred in 2016 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. The group 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

Until 1 January 2016, Dutch law required large Dutch companies to pursue a policy of having at least 30% of the seats on both the management board and supervisory board held by men and at least 30% of the seats on the management board and supervisory board held by women, each to the extent these seats are held by natural persons.

Under Dutch law, this was referred to as a well-balanced allocation of seats. This rule was a temporary measure and ceased to have effect on 1 January 2016, but a bill aimed at reintroducing the rule was adopted by the Dutch House of Representatives in February 2017.

Currently, the Supervisory Board consists of four members, three male (75%) and one female (25%). 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 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 approximately 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.

In January 2017, the Management Board has 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 "insider 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".

On 8 December 2016, the Monitoring Committee Corporate Governance has published an amended version of the Dutch Corporate Governance Code, which will be applicable to the company for the financial year starting on 1 January 2017.

### 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. The company complies with the Code, with the exception of best practice provision IV.1.1, which relates to the binding nature of a nomination for the appointment or dismissal of Managing Directors and Supervisory Directors.

With respect to the dismissal of Managing Directors and Supervisory Directors, the company believes that it is important to ensure that the current Management Board and Supervisory Board – for the immediate future – can duly execute their strategy.



Therefore, if the dismissal or suspension of a Managing Director or Supervisory Director was not proposed by the Supervisory Board and until the earlier of (i) 1 January 2019 and (ii) the date it becomes public information by means of the AFM register that Gribhold holds less than 25% of the issued ordinary shares of the company, the General Meeting can 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. After that date, the procedure of suspension or dismissal of Managing Directors and Supervisory Directors will be fully compliant with the Code in this regard.

The specific nomination rights for the large shareholders of the company (Gribhold and Prime Ventures (as defined in the articles of association)) to nominate each one Supervisory Director referred to in article 7.6.3 of the company's articles of association will remain in place (i) with respect to Gribhold, until Gribhold holds less than 10% of the issued ordinary shares and (ii) with respect to Prime Ventures, until Prime Ventures holds less than 10% of the issued ordinary shares.

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 and ExCo;
- The Charter of the Supervisory Board;
- The Insider Dealing Policy;
- The Whistleblower Policy.

The following items also appear on the company's website:

- The Profile of the Supervisory Board;
- The rotations plan for the Supervisory Board members;
- The Remuneration Policy;
- The policy regarding bilateral contacts with shareholders;
- The Dividend Policy.

## General Meeting

General Meetings must be held at least once a year and generally takes 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 2016, the issued capital amounted to €1,727,327.04 divided into 43,183,176 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 2016, 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.

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 (the "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 the group 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 by (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 Takeaway.com. 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 2016 consisted of one member, Henk Rottinghuis, who is independent from the Foundation Continuity. Two additional members of the board, who are also independent from the company, were appointed at the end of January 2017.

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

Takeaway.com has a conditional performance option 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 IPO. See the [section "Remuneration report"](#) for further details of the plan.

In the course of 2017, the company intends to implement an employee share option plan. In the event of the adoption of such an option plan, the employees of the company will be entitled to participate in such a plan in accordance with its terms and conditions.

In addition to the (proposed) incentive schemes described above, an award scheme was implemented shortly after the listing of the shares in Takeaway.com, in view of which 178,789 shares were transferred by existing shareholders to Stichting Administratiekantoor Takeaway.com, for the purpose of awarding shares to certain employees of the company (other than the Managing Directors). These shares are awarded to the employees subject to a lock-up of twelve months from the settlement date of the IPO.

### 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 authorization 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 3 October 2016, prior to the completion of the IPO, the General Meeting – inter alia – resolved to irrevocably authorised 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 authorization 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 3 October 2016.

### 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 3 October 2016, the Management Board was, 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 authorization 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 3 October 2016.

### Acquisition of own shares

Takeaway.com 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 authorization, 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 authorization 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 3 October 2016, the Management Board, subject to approval by the Supervisory Board, is authorised to resolve to acquire fully paid-up shares. Such authorization of the Management Board is limited to 10% of the issued ordinary shares and is valid for eighteen months following 3 October 2016, therefore ending on 3 April 2018.

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 June 2016, Deloitte was 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 her 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 the company'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

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## Introduction

Takeaway.com is affected by a number of risks and economic developments.

Our enterprise risk management policy aims to identify, assess and manage those risks and economic developments that may arise through our day-to-day business operations. Internal risk management and control systems can never provide absolute assurance regarding the achievement of the group's objectives or the reliability of the financial reporting, or entirely prevent material errors, losses, fraud, and violation of applicable laws and/or regulations.

## Responsibility

The Supervisory Board oversees and advises the Management Board, which has overall responsibility for risk management, the operational performance and effectiveness and for managing the associated risk within the relevant enterprise risk management framework.

During the course of the year, the Management Board determines the risk appetite and monitors the management of significant risks to ensure that the nature and the extent of the significant risks taken by the group are aligned with the overall goals and strategic objectives that have been communicated.

## Risk categories

Takeaway.com broadly classifies risks into the following alphabetical categories: acts of God, compliance, credit, foreign exchange, interest rate, integrity, legal, liquidity, operational, outsourcing, price/market, reputational, strategic, and technology, as detailed in the enterprise risk management policy.

All material risk activities have been discussed with the Supervisory Board. For a summary of Takeaway.com's risk factors, reference is made to the Risk Summary section. Takeaway.com does not rank the individual risks identified in that section as we are of the opinion that doing so defies the purpose of a comprehensive risk assessment and it would be arbitrary of nature since all risks mentioned have significant relevance for us and our business.

## Risk summary

The following risk overview outlines the main risks the group has assessed up to the date of this Annual Report. It is not our intention to provide an exhaustive description of all possible risks. There may be risks that are not known yet or that the group has not yet fully assessed. It is also possible that existing risks have been assessed as not significant, which could in the future develop into a material exposure for the group and have a significant adverse impact on Takeaway.com.

To achieve our strategic goals, the group is prepared to take duly balanced risks in certain strategic areas, such as acquisitions, and expansion in high-growth countries. With respect to other risk categories, the approach of the group towards risks could be qualified as conservative.

In conducting our business, we face many risks that may interfere with our (strategic) business objectives. Some of these risks relate to our operational processes, while others relate to our business environment. It is important to understand the nature of these risks and the impact they may have on our business, financial condition and results of operations. Some of the more relevant risks are described below. Our main risks are those that directly threaten our ability to deliver on our strategy to gain significant market share in our Leading Markets.

The Management Board is not aware of any incidents that substantially impacted the business during the financial year 2016.

The main risks, actions to prevent and mitigate risks and uncertainties are summarised for each of the individual risks in the following table:

Market leadership and profitability	Risk mitigation	Potential impact
<p>The online food delivery market is highly competitive. The competitive landscape in each geographical market in which we currently operate, will change over time, including consolidation among existing competitors or emergence of new market entrants. Competitors may also have (much) greater financial resources which may compel us to increase our marketing expenditures in order to maintain and/or build (or limit the loss of) our market share.</p>	<p>We are constantly working on increasing our market share including developing innovations to our product offering to consumers and restaurants. We monitor the competition in our Leading Markets closely by applying specific business analytics so that we can promptly respond to any trend. Also, the Management Board and senior management is fully involved in any acquisition to ensure any risk associated with acquisitions is properly understood and minimised to allow for continued growth in that market. We perform extensive due diligence procedures which includes the assistance of specialised third-party tax, accounting, and legal experts. We also constantly assess our current cash flow situation to ensure that we have sufficient funds available to finance potential acquisitions if and when needed.</p>	<p>Downward pressure on the commission rates that we are currently able to charge restaurants, decrease in market share and/or return on investment, write-offs on (goodwill and other assets related to) acquired business combinations.</p>
Long-term developments	Risk mitigation	Potential impact
<p>Technological, cultural, or demographic developments may affect our current business model. These developments could, for example, include disruptive technologies. New generations of consumers and restaurants might expect a different approach and different tools and solutions.</p> <p>We may be unable to keep pace with developments in website and mobile applications and other trends in the e-commerce industry relative to our competitors, such as the development of predictive software or variants of artificial intelligence. For example, we may not sufficiently develop consumer behaviour analysis or identify emerging consumer trends. Any such failure may lead to us losing market share to our competitors.</p>	<p>We actively monitor relevant trends in the markets in which we operate and manage potential risks as a result of these trends by constantly focusing on innovation. These are embedded in weekly meetings and informal discussions.</p>	<p>Any loss of market share precipitated by a failure to keep pace with technological developments could have a material adverse effect on our pursuit of our strategic goals, as well as on our business, results of operations, financial condition and prospects.</p>

<b>Reputation and consumer awareness of our single brand in each market</b>	<b>Risk mitigation</b>	<b>Potential impact</b>
<p>Our brand is a key part of our value proposition. Failure to maintain brand appeal is a risk which is heightened by the focus on a single brand in each market. Our brand could suffer as a result of a range of events (under or beyond our control), such as food issues (poisoning, violation of food safety rules and food labelling regulations, health scares, etc.) by the restaurants. Traffic accidents involving drivers recognizably associated with our brand, or other misconduct by persons associated with our brand could also impact our reputation.</p>	<p>We employ a continuous quality management process for our brand in each market in which we operate. Our customer service department aims to provide quality, fast-response customer service and proactively monitors various digital platforms for customer feedback and issues. Also, we have a number of policies in place (including our code of conduct) to further mitigate risks of incidents that could result in reputation or brand damage.</p>	<p>Any adverse event related to our brands could adversely affect perceptions of our value proposition and our (brand) reputation resulting in adverse impact on our business, results of operations, financial condition and prospects.</p>
<b>Retention of management and other key employees</b>	<b>Risk mitigation</b>	<b>Potential impact</b>
<p>Our success is substantially dependent on our ability to attract and retain the appropriate level of talent. We have benefited from long-term committed management and, in case of local acquisitions, retaining and integrating talented and experienced local personnel. There can be no assurance that we will be able to retain our executives, members of management and qualified personnel.</p>	<p>We ensure our ability to attract the appropriate level of talent through a combination of competitive rewards, including market-based remuneration, and benefits benchmarked against local markets. Retention is also stimulated through offering opportunities for growth within the group. Human resource executives monitor employee turnover across different categories very closely, including identification of key drivers for leaving.</p>	<p>The loss of their services could have a material adverse effect on our strategic goals, as well as on our business, results of operations, financial condition and prospects.</p>
<b>High IT dependency</b>	<b>Risk mitigation</b>	<b>Potential impact</b>
<p>We are highly dependent on technology systems. Despite our IT systems' resilience and disaster recovery capabilities, there is no assurance that the IT systems underlying our platform will not temporarily fail. Any failure of, or disruptions to our IT systems may adversely affect our performance. In addition, any system outages affecting the operation of telecommunications or the internet may restrict the ability of consumers to access our platform or restaurants and our ability to process orders.</p>	<p>We operate two fully functional IT-centres in Amsterdam and Frankfurt, each of which can fulfil our entire workload, thus ensuring technical and geographical redundancy. Also, we have a business recovery plan to minimise service disruptions.</p>	<p>Any such failures could adversely affect our (results of) operations and reputation.</p>

Compliance with laws and regulations	Risk mitigation	Potential impact
<p>We can be exposed to non-compliance with laws, regulations, licenses.</p>	<p>Our finance and risk team, and our legal in-house counsel continue to monitor compliance risk areas, risk mitigation controls, and our risk appetite across the business to ensure we remain compliant with laws and regulation in all countries in which we operate.</p>	<p>Non-compliance could have a material adverse effect on our strategic goals, as well as on our business, results of operations, and financial condition.</p>
Fraud	Risk mitigation	Potential impact
<p>In the conduct of our business, we may be exposed to internal and/or external fraudulent activities.</p>	<p>Measures to mitigate the risks related to fraud include the internal control framework, policies on segregation of duties and use of proxies, risk based internal review, and training and information sharing. We are constantly assessing whether additional and/or enhanced measures to further reduce our exposure to fraud should be implemented.</p>	<p>Fraudulent activities could have a material adverse effect on our strategic goals, as well as on our business, results of operations, and financial condition.</p>
IT security	Risk mitigation	Potential impact
<p>From time to time, we experience cybersecurity attacks on our information technology systems. These attacks include malicious software (malware), attempts to gain unauthorised access to data, and other electronic security breaches that could lead to disruptions in critical systems, unauthorised release of confidential or otherwise protected information (including confidential information relating to our consumers and suppliers), and corruption of data.</p>	<p>The impact of cybersecurity attacks that have occurred in the past has not been material, either individually or in the aggregate. We have resilience and disaster recovery procedures in place to mitigate cybersecurity threats and have committed considerable resources to (constantly) enhance the security of our systems.</p>	<p>This could adversely affect our competitive position, relationships with consumers and suppliers and therefore our business, financial condition and results of operations. In addition, we may be required to incur significant costs to protect against or repair the damage caused by these disruptions or security breaches in the future.</p>



Financial reporting	Risk mitigation	Potential impact
<p>Our processes and systems supporting the financial reporting may be susceptible to unintentional misstatements or manipulation. The preparation of financial statements in conformity with IFRS requires us to make judgments, estimates, and assumptions which are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.</p>	<p>We mitigate this risk by maintaining an appropriate internal control framework for financial reporting. We have thorough accounting and reporting processes in place to ensure compliance with relevant accounting and reporting practices under IFRS and other relevant accounting (fiscal) principles.</p>	<p>Unintentional misstatements or manipulation could adversely affect our relationships with various stakeholders and therefore our business, financial condition and results of operations.</p>
Intellectual property	Risk mitigation	Potential impact
<p>Our intellectual property rights (in particular website domain names and trademarks) could be challenged, limited, invalidated, circumvented, or infringed. Technological developments make it increasingly difficult to protect intellectual property rights. Changes in legislation could also have an impact on our ability to protect intellectual property rights.</p>	<p>We actively protect our intellectual property rights and rely on trademark, copyright, and other intellectual property laws to establish and protect our intellectual property rights.</p>	<p>Our inability to protect our intellectual property or infringements could adversely affect our relationships with the restaurants and the consumers and therefore our business, financial condition and results of operations.</p>



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# Information for shareholders

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Takeaway.com became a listed company on 30 September 2016, following an Initial Public Offering (IPO). Our shares are listed at and traded on Euronext Amsterdam under the listing name Takeaway.com – symbol TKWY.

The listing provides Takeaway.com with additional capital to strengthen our operations and to fund our marketing efforts with the aim of enhancing our proposition to restaurants and consumers.

As a newcomer to the investor community, we want to build a strong reputation of a transparent, pro-active and approachable company.

## Investor relations policy

Takeaway.com is committed to comply with applicable rules and regulations on fair disclosure to shareholders. We have 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 website <http://corporate.takeaway.com> at the same time they are made available to analysts and investors.

Bilateral meetings with (potential) shareholders will not be held during “closed periods”, which normally run from for a period of approximately two months immediately prior to the first publication of the annual results of the company and for a period of approximately 21 days immediately prior to the first publication of the company's semi-annual results or quarterly results, 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.

Takeaway.com 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 the company's business and, therefore, does not anticipate paying any dividends to the shareholders in the foreseeable future. The company is currently not profitable.



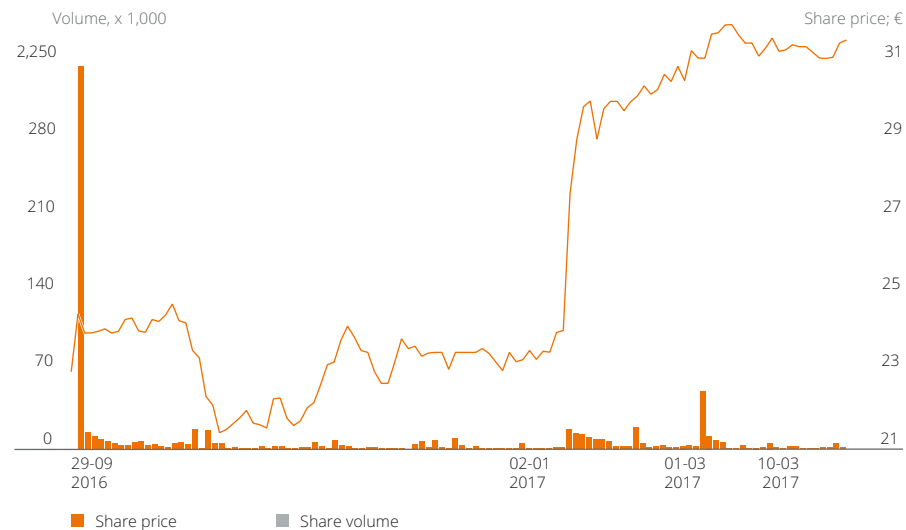
## Inclusion in AScX-Index at Euronext Amsterdam

Takeaway.com has been included in the AScX-Index at Euronext Amsterdam since 19 December 2016. The inclusion is based on free-float adjusted market capitalisation and liquidity. The AScX-Index is the index for small cap companies listed at Euronext Amsterdam. It contains the 25 largest and actively traded companies listed at Euronext Amsterdam following the companies included in the AEX and AMX, and is the most widely used small cap indicator of the Dutch stock market.

## Takeaway.com share price performance

Since the official listing on 30 September 2016, the development of Takeaway.com's share price is as follows.

### Data per share



The average daily trading volume in Takeaway.com shares at Euronext Amsterdam between 30 September 2016 and 31 December 2016 was 56,656 shares (source: Euronext Amsterdam).

On the basis of the total number of 43,183,176 issued ordinary shares, the market capitalisation as at 31 December 2016 was €1 billion.

## Shareholders with 3% or more interest

According to the Financial Supervision Act, investors are required to notify the Netherlands 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](http://www.afm.nl).

According to the AFM register as at 10 March 2017, shareholders who have disclosed holdings exceeding the 3% threshold are as follows:

Name	Date	% of total
Gribhold (founder)	13 October 2016	35.44%
Prime Ventures	13 October 2016	23.14%
Fidelity (FMR)	4 October 2016	4.86%
Pelham	4 October 2016	4.40%
Ameriprise Financial (Threadneedle)	4 October 2016	4.36%
Adelphi Capital	4 October 2016	4.05%

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



### **Financial calendar 2017**

- 2 May 2017: Q1 2017 Trading Update
- 18 May 2017: Annual General Meeting
- 2 August 2017: Semi-annual 2017 Results
- 2 November 2017: Q3 2017 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 our Investor Relations department with any information requests they have:

#### **Joris Wilton**

Manager Investor Relations

+31 6 143 154 79

[joris.wilton@takeaway.com](mailto:joris.wilton@takeaway.com)

# Financial Statements

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## Consolidated statement of profit or loss and other comprehensive income

for the year ended 31 December

€'000	Note	2016	2015
Revenue	3	111,641	76,736
Cost of sales	4	(15,609)	(7,354)
<b>Gross profit</b>		<b>96,032</b>	<b>69,382</b>
Staff costs	5	(20,656)	(13,893)
Other operating expenses	6	(100,539)	(73,354)
Long-term employee incentive costs	10	(227)	(122)
Finance income and expense, net	7	(1,764)	(533)
Share of loss of joint ventures	8	(115)	(178)
<b>Loss before income tax</b>		<b>(27,269)</b>	<b>(18,698)</b>
Income tax expense	9	(3,618)	(868)
<b>Loss for the year</b>		<b>(30,887)</b>	<b>(19,566)</b>
Other comprehensive income			
Foreign currency translation gain related to foreign operations, net		147	51
<b>Other comprehensive income for the period</b>		<b>147</b>	<b>51</b>
<b>Total comprehensive loss for the period</b>		<b>(30,740)</b>	<b>(19,515)</b>
Loss attributable to:			
<b>Owners of the company</b>		<b>(30,887)</b>	<b>(19,566)</b>
Total comprehensive loss attributable to:			
<b>Owners of the company</b>		<b>(30,740)</b>	<b>(19,515)</b>
Loss per share			
Basic loss per share	20	(0.84)	(0.56)
Diluted loss per share	20	(0.84)	(0.56)

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



## Consolidated statement of financial position

as at 31 December

€'000	Note	2016	2015
<b>Assets</b>			
Goodwill	11	62,119	47,822
Other intangible assets	12	26,186	17,632
Property and equipment	13	3,078	1,976
Joint ventures	14	34	150
Loans carried at amortised cost	15	845	405
<b>Total non-current assets</b>		<b>92,262</b>	<b>67,985</b>
Trade receivables online payment service providers	16	3,927	1,723
Trade receivables restaurants	16	913	759
Prepaid expenses and other receivables	16	4,803	2,953
Inventories	17	806	644
Cash and cash equivalents	18	134,591	4,449
<b>Total current assets</b>		<b>145,040</b>	<b>10,528</b>
<b>Total assets</b>		<b>237,302</b>	<b>78,513</b>

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

# Consolidated statement of financial position

as at 31 December

€'000	Note	2016	2015
<b>Shareholders' equity</b>			
Ordinary share capital	19	1,727	16
Preference share capital	19	–	19
Share premium	19	249,534	82,018
Equity-settled employee benefits reserve	19	1,076	1,219
Foreign currency translation reserve	19	231	84
Accumulated deficits	19	(64,818)	(33,931)
<b>Total shareholders' equity</b>		<b>187,750</b>	<b>49,425</b>
<b>Deferred tax liabilities</b>			
Deferred tax liabilities	9	6,930	4,901
<b>Total non-current liabilities</b>		<b>6,930</b>	<b>4,901</b>
<b>Other current financial liabilities</b>			
Other current financial liabilities	21	–	5,763
Trade payables	22	14,897	7,267
Amounts due to restaurants	22	9,096	4,568
Current tax liabilities	9	533	894
Other liabilities	23	18,096	5,695
<b>Total current liabilities</b>		<b>42,622</b>	<b>24,187</b>
<b>Total liabilities</b>		<b>49,552</b>	<b>29,088</b>
<b>Total shareholders' equity and liabilities</b>		<b>237,302</b>	<b>78,513</b>

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

## Consolidated statement of changes in equity

€'000	Ordinary share capital	Preference share capital	Share premium	Equity-settled employee benefits reserve	Foreign currency translation reserve	Accumulated deficits	Total shareholders' equity
<b>Balance at 31 December 2014</b>	<b>16</b>	<b>19</b>	<b>82,018</b>	<b>1,097</b>	<b>3</b>	<b>(14,365)</b>	<b>68,788</b>
Loss for the year	-	-	-	-	-	(19,566)	(19,566)
<b>Other comprehensive income</b>							
Foreign currency translation gain related to foreign operations, net	-	-	-	-	51	-	51
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b>-</b>	<b>51</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51</b>	<b>(19,566)</b>	<b>(19,515)</b>
<b>Transactions with owners of the company</b>							
Share-based payments	-	-	-	122	-	-	122
Other transactions	-	-	-	-	30	-	30
<b>Balance at 31 December 2015</b>	<b>16</b>	<b>19</b>	<b>82,018</b>	<b>1,219</b>	<b>84</b>	<b>(33,931)</b>	<b>49,425</b>
Loss for the year	-	-	-	-	-	(30,887)	(30,887)
<b>Other comprehensive income</b>							
Foreign currency translation gain related to foreign operations, net	-	-	-	-	147	-	147
<b>Other comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>-</b>	<b>147</b>
<b>Total comprehensive income / (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>147</b>	<b>(30,887)</b>	<b>(30,740)</b>
<b>Transactions with owners of the company</b>							
Issuance of shares	305	-	179,540	-	-	-	179,845
Share issue cost, net of tax	-	-	(10,637)	-	-	-	(10,637)
Conversion of preference shares	19	(19)	-	-	-	-	-
Par value adjustment	1,387	-	(1,387)	-	-	-	-
Share-based payments	-	-	-	(143)	-	-	(143)
<b>Balance at 31 December 2016</b>	<b>1,727</b>	<b>-</b>	<b>249,534</b>	<b>1,076</b>	<b>231</b>	<b>(64,818)</b>	<b>187,750</b>

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	2016	2015
Loss for the year		(30,887)	(19,566)
<i>Adjustments:</i>			
Depreciation and amortisation	6	3,765	4,077
Share of loss in joint ventures	8	115	178
Expense related to share-based payments	5, 9	1,055	122
Finance income and expenses recognised in profit or loss	7	1,764	533
Income tax expense recognised in profit or loss	9	3,618	868
		<b>(20,570)</b>	<b>(13,788)</b>
<i>Movement in working capital</i>			
Increase in inventories	17	(162)	(258)
Decrease / (increase) in trade and other receivables	16	(4,208)	1,521
Increase in trade and other payables	22	12,158	151
Increase in other liabilities	23	12,401	9,024
<b>Cash used in operations</b>		<b>(381)</b>	<b>(3,350)</b>
Interest paid, net		(1,655)	(533)
Income taxes paid	9	(1,240)	-
Foreign exchange result, net		(109)	51
<b>Net cash used in operating activities</b>		<b>(3,385)</b>	<b>(3,832)</b>

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	2016	2015
<b>Cash flows from investing activities</b>			
Additions to other intangible assets	12	(11,526)	(10)
Additions to property and equipment	13	(1,895)	(1,569)
Additions to loans carried at amortised cost	15	(523)	(195)
Collection of loans carried at amortised cost	15	83	50
Net cash outflow on acquisition		(18,263)	–
<b>Net cash used in investing activities</b>		<b>(32,124)</b>	<b>(1,724)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares	19	179,845	–
Payments for share issue costs	19	(14,186)	–
Proceeds from borrowings	21	35,819	–
Repayments of borrowings	21	(35,819)	–
<b>Net cash generated by financing activities</b>		<b>165,659</b>	<b>–</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>130,150</b>	<b>(5,556)</b>
<b>Cash and cash equivalents at beginning of year</b>	18	<b>4,449</b>	<b>10,005</b>
Effects of exchange rate changes of cash held in foreign currencies		(8)	–
<b>Cash and cash equivalents at end of year</b>	18	<b>134,591</b>	<b>4,449</b>



# 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 nine European countries and Vietnam.

Takeaway.com was a private limited liability company named Takeaway.com Holding B.V. up to 3 October 2016. Since that date, Takeaway.com 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 is registered in 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 2016, 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 14 March 2017. The adoption of these financial statements including the adoption of the proposed allocation of the net loss for the year ended 31 December 2016 is reserved for the shareholders in the General Meeting on 18 May 2017.

### Consolidated financial statements

The consolidated financial statements of the group as at and for the year ended 31 December 2016, 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, the group has mandatorily adopted IFRS 14 "Regulatory Deferral Accounts". In addition, the group has adopted a number amendments to IFRSs issued by the IASB that are mandatorily effective for the current accounting period.

The amendments are:

- Amendments to IFRS 10 & IAS 28;
- Amendments to IFRS 11;
- Amendments to IAS 16 & IAS 38;
- Amendments to IAS 16 & IAS 41;
- Amendments to IAS 27;
- Amendments to IFRS 10, IFRS 12 & IAS 28;
- Amendments to various standards derived from the Annual Improvements to IFRSs 2012 – 2014 Cycle;
- Amendments to IAS 1 – Disclosure Initiative.

To the extent relevant, IFRS 14 and the amendments listed above, that were in issue and effective from 1 January 2016, have been adopted by the group as of 1 January 2016.

The adoption of IFRS 14 and the various amendments to other standards had no material impact on the group.

The group early adopted the following standard and amendments:

- IFRS 15 "Revenue from Contracts with Customers";
- Amendments to IAS 7;
- Amendments to IAS 12.

The early adoption of IFRS 15 and the various amendments above had no material impact on the group.

A number of new standards and amendments are not yet effective for the year ended 31 December 2016, and have not been adopted earlier in preparing the consolidated financial statements. The group is currently assessing the potential impact on the consolidated financial statements resulting from the full application of IFRS 9 "Financial Instruments" (and amendments to IFRS 7 "Financial Instruments: Disclosures") and

IFRS 16 "Leases". However no significant impact is expected from IFRS 9 (and amendments to IFRS 7).

For the group being a lessee in a small number of operating lease arrangements, 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 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 incremental borrowing rate. The liability accrues interest.

IFRS 16 must be adopted for periods beginning on or after January 2019. IFRS 16 is not yet endorsed by the EU.

Takeaway.com is currently assessing the impact of IFRS 16. So far the most significant impact identified is that Takeaway.com will recognise assets and liabilities for its operating leases of office buildings. Takeaway.com has €7.1 million in off-balance operating lease obligations as at 31 December 2016. 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. No significant impact is expected as of the transition date of 1 January 2019. Takeaway.com has not yet determined which transition approach to apply.

## 2 Basis of preparation

The consolidated 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 for more detailed information on the measurement basis.

## Functional and presentation currency

The consolidated 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 the group during the preparation of the financial statements. There are no events or conditions that give rise to doubt about the ability of the group to continue in operation within the next reporting period. This conclusion is drawn based on knowledge of the group, 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 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.

## Basis of consolidation

### *Subsidiaries*

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

### *Control*

Control is achieved where the group 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. The group considers all relevant facts and circumstances in assessing whether or not the group's voting and share rights in an investee are sufficient to give it power.

Consolidation of a subsidiary begins when the group obtains control over the subsidiary and ceases when the group 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 the group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the group are eliminated in full on consolidation.

Income and expenses of subsidiaries acquired/disposed of during the year are included/excluded in the consolidated statement of profit or loss and other comprehensive income (OCI) from the date the group 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 the group'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 the group, other than deferred tax assets, 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 first individually assessed for impairment, and if they are found not to be impaired, they are collectively assessed for impairment. 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 the group is to not enter into derivative financial instruments.

### **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 the group or the counterparty.

### **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 net capital expenditure and disposal, 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.

Net capital expenditure consists of purchases of property and equipment less book value of disposals and purchases of other intangible assets less book value of disposals.

The cash flows from financing activities comprise the cash receipts and (re)payments from issued shares, debt instruments, and short-term financing.

## Accounting estimates and judgements

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).

Policies that are critical for the presentation of the financial position and financial performance of the group and that require significant estimates and judgements are summarised below.

### 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 (being the operating segments).

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 2016 was €62.1 million (31 December 2015: €47.8 million). No impairment loss was recognised during 2016 (2015: 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 2016 and 31 December 2015, respectively.

### Impairment of intangible assets other than goodwill

Determining whether intangible assets other than goodwill are impaired requires an estimation of the fair value less costs of disposal and value in use of the intangible assets. 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 intangible assets other than goodwill as at 31 December 2016 was €26.2 million (31 December 2015: €17.6 million). No impairment loss was recognised during 2016 (2015: nil). Reference is also made to [note 12](#) for further details.

The Managing Directors believe that the impairment analysis and assumptions used are appropriate in determining that the intangible assets other than goodwill are not impaired as at 31 December 2016 and 31 December 2015, respectively.

### Business combinations and purchase price allocations

On 2 August 2016, Takeaway.com Central Core acquired the Dutch and Belgian operations of Just Eat Holding Limited through the purchase of the entire share capital of Just-Eat Benelux B.V. and Just-Eat België BVBA. As a result of this acquisition, the group strengthened its position in the Benelux region, in line with the group's strategy to further expand its leadership positions in its Leading Markets.

An aggregate consideration of €22.5 million (including €4.3 million in contingent consideration) was paid for this business combination. The group has provisionally determined the purchase price allocation for this transaction leading to the recognition of goodwill of €14.1 million, other intangible assets of €11.4 million, and negative net working capital of €2.9 million.

During 2016, two other smaller business combinations were completed: Tante Bep and Food Express. The company agreed on an asset acquisition for the Belgian and German operations of Resto-In in December 2016, which is effective as per 1 January 2017.

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 2016.



**Useful lives of non-current assets**

The useful life has to be determined for goodwill, other intangible assets, and property and equipment. The useful lives are estimated based upon best practice within the group and are in line with common market practice. The group 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. The group 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.

## Non-IFRS financial measures

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Certain parts of the annual report contain non-IFRS financial measures, such as the adjusted EBITDA margin (attributable to reporting segments). These are not recognised measures of financial performance or liquidity under IFRS. They are presented as the group believes that they and similar measures are widely used in the industry in which the group operates as a means of evaluating our 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. 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 or services are delivered or rendered to the consumer or restaurant. Revenues are only recognised when it can be measured reliably and when the consideration is probable.

€'000	2016	2015
Commission revenue	99,871	61,678
Online payment services revenue	8,147	12,026
Other revenue	3,623	3,032
<b>Total revenue</b>	<b>111,641</b>	<b>76,736</b>

Commission revenue represents the commission percentage charged to restaurants on the value of each order. Online payment services revenue represents the fees charged to either consumers or restaurants for processing online payments. Other revenue represents sales of goods such as merchandise and GPRS printers, as well as certain subscription and service fees charged to restaurants.

Due to the group's highly fragmented customer base, no single customer contributed 10% or more to the group's revenue in either 2016 or 2015.

### 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 online payment service providers to process online payments for consumers on behalf of the group; 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 drivers. The increase in cost of sales is primarily related to the growth in the group's restaurant delivery services ("Scoober"), which has a structurally higher cost of sales due to the cost of employing drivers and dispatch staff.

€'000	2016	2015
Order management costs	4,735	3,004
Merchandise costs	105	90
Online payment services costs	6,282	4,260
Delivery expenses	4,487	-
<b>Total cost of sales</b>	<b>15,609</b>	<b>7,354</b>

## 5 Staff costs

Staff costs comprises directly attributable costs of staff, social security charges 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 the group. The group is under no obligation to cover back service liabilities, if any.

€'000	2016	2015
Wages and salaries	16,561	11,789
Social security charges	2,915	1,952
Employee bonus shares	828	-
Pension premium contributions	352	152
<b>Total staff costs</b>	<b>20,656</b>	<b>13,893</b>

For details on the employee bonus shares, we make reference to [note 19](#).

The pension costs of the group are wholly related to defined contribution retirement benefit plans for all qualifying employees of the group, 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 the group. Based on the administrative regulations, the group has no other obligations than the annual pension premium payments.

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

Average FTE	2016	2015
The Netherlands	237	178
Germany	262	125
Other	89	68
<b>Average FTE</b>	<b>588</b>	<b>371</b>

As at 31 December 2016, the group had 720 (2015: 400) employees in FTE. During 2016, 60% of employees worked outside the Netherlands (2015: 52%). The increase in our average employees is mainly driven by continued investments in the organisation to support our growth, as well as the addition of a large number of Scoober drivers.

## 6 Other operating expenses

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

€'000	2016	2015
Marketing expenses	82,600	59,048
Depreciation and amortisation expenses	3,765	4,077
Housing and other staff related expenses	2,063	2,085
Temporary staff expenses	1,512	1,306
Charge for doubtful debts	863	860
Other operating expenses	9,736	5,978
<b>Total operating expenses</b>	<b>100,539</b>	<b>73,354</b>

Operating lease payments in 2016 are recognised in other operating expenses and amounted to €1.8 million (2015: €1.2 million).

## 7 Finance income and expenses, net

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

€'000	2016	2015
Interest income	25	20
Other finance income	–	6
<b>Total financial income</b>	<b>25</b>	<b>26</b>
Interest expenses	(1,330)	(251)
Other finance cost	(459)	(308)
<b>Total financial expenses</b>	<b>(1,789)</b>	<b>(559)</b>
Finance income and expenses, net	(1,764)	(533)

Finance income consists of interest income on current accounts with credit institutions.

Interest expenses relate primarily to fees and interest charged by credit institutions under the (then) existing bank overdraft, the revolving credit facility and the bridge loan.

The weighted average capitalisation rate on funds borrowed in 2016 is 4.0% per annum (2015: 3.8%).

## 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 2016 amounted to €0.1 million (2015: €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 liabilities and assets 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 of which Takeaway.com is the parent. Takeaway.com files a consolidated tax return on behalf of the fiscal unity. The income tax calculations for the entities in the fiscal unity are prepared as if each entity is a stand-alone entity with all deferred and current tax charges or benefits, receivables, and payables included in these consolidated financial statements (with intercompany transactions having been eliminated upon consolidation).

#### Income tax recognised directly in profit or loss

€'000	2016	2015
Current tax expense	(4,428)	(1,882)
Deferred tax benefit	810	1,014
<b>Total tax recognised directly in profit and loss</b>	<b>(3,618)</b>	<b>(868)</b>

The current tax expenses relates entirely to the taxable result of the fiscal unity in the Netherlands.

#### Income tax recognised directly in shareholders' equity

€'000	2016	2015
Current tax benefit	3,549	-
<b>Total tax recognised directly in shareholders' equity</b>	<b>3,549</b>	<b>-</b>

The current tax benefit relates entirely to the deductible share issue cost and is deducted from share premium.

#### Reconciliation of the effective tax rate

The income tax expense for the year reconciled to the accounting profit is as follows:

€'000	2016	2015
Loss before income tax	(27,269)	(18,698)
Income tax benefit calculated at 25% Dutch income tax	(6,817)	(4,675)
Effect of tax losses foreign operations	10,324	5,663
Non-deductible employee bonus shares	207	-
Effect of non-deductible expenses and deferred tax liability	(96)	(109)
Effect of tax rate differentials	-	(11)
<b>Income tax expense recognised in profit or loss</b>	<b>3,618</b>	<b>868</b>

The tax rate for the 2016 and 2015 reconciliations above is the corporate tax rate of 20% (taxable profits up to €0.2 million and 25% for taxable profits in excess of €0.2 million) payable by corporate entities in the Netherlands on taxable profits under tax law in the Netherlands.

**Current tax liabilities**

€'000	2016	2015
Opening balance	894	-
Current tax expense	3,618	868
Income tax benefit share issue cost	(3,549)	-
Movements in deferred tax liability	810	26
Income taxes paid	(1,240)	-
<b>Balance at 31 December</b>	<b>533</b>	<b>894</b>

**Deferred tax liabilities**

€'000	2016	2015
Deferred tax liabilities in relation to:		
Opening balance	4,901	4,927
Additions	2,839	-
Movement during the year	(810)	(26)
<b>Balance at 31 December</b>	<b>6,930</b>	<b>4,901</b>

**Unused tax losses**

€'000	2016	2015
Yourdelivery	75,233	46,704
Sto2	13,635	5,378
<b>Balance at 31 December</b>	<b>88,868</b>	<b>52,082</b>

The unused tax losses relate primarily to the unused tax losses of Yourdelivery in Germany and Sto2 in Poland. The group does not recognise the deferred tax asset relating to the accumulated tax losses in Germany and Poland as they do not meet the recognition criteria for an asset as at 31 December 2016. A total of €0.3 million will expire in Poland in 2017. A total of €0.3 million will expire in Poland in 2017.

**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 the group'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.

The group'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 report of the Management board.

The group has three operating segments: the Netherlands, Germany and Other. The segments for the Netherlands and Germany each include businesses with similar operating characteristics (revenue and marketing activities). The other smaller countries are considered the 'other operating segment' given the relative small size of its revenue in relation to the consolidated revenues.

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 customers, 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 working capital of the group is managed on a consolidated basis.

€'000	2016	2015
<b>Revenue</b>		
The Netherlands	55,253	41,871
Germany	36,809	24,085
Other	19,579	10,780
<b>Total revenue</b>	<b>111,641</b>	<b>76,736</b>
<b>Marketing expenses</b>		
The Netherlands	(9,933)	(8,334)
Germany	(51,160)	(37,235)
Other	(21,507)	(13,479)
<b>Total marketing expenses</b>	<b>(82,600)</b>	<b>(59,048)</b>
<b>Adjusted EBITDA<sup>1</sup></b>		
The Netherlands	34,746	26,463
Germany	(39,402)	(28,568)
Other	(13,620)	(11,683)
<b>Total adjusted EBITDA<sup>1</sup></b>	<b>(18,276)</b>	<b>(13,788)</b>

<sup>1</sup> Non-IFRS financial measure (unaudited)

The adjusted EBITDA attributed to segments reconciled to the net loss for the year is as follows:

€'000	2016	2015
Loss before income tax	(27,269)	(18,698)
Add back items not included in adjusted EBITDA <sup>1</sup> :		
Finance income and expenses	1,764	533
Long-term employee incentive costs	227	122
Share of loss of joint ventures	115	178
Depreciation and amortisation expenses	3,765	4,077
Non-recurring items	3,122	-
<b>Segment adjusted EBITDA<sup>1</sup></b>	<b>(18,276)</b>	<b>(13,788)</b>

<sup>1</sup> Non-IFRS financial measure (unaudited)

Non-recurring items mainly relate to acquisition costs, share issue costs not deducted from shareholders' equity, 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 the group'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 the group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value 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 equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, 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, the group 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	2016	2015
Cost	47,822	47,822
Additions	14,297	–
<b>Balance at 31 December</b>	<b>62,119</b>	<b>47,822</b>

### Business combinations acquired

On 2 August 2016, the group acquired the Dutch and Belgian operations of Just Eat Holding Limited through the purchase of the entire share capital of Just-Eat Benelux B.V. and Just-Eat België BVBA. An aggregate consideration of €22.5 million (including €4.3 million in contingent consideration) was paid for this business combination. These entities have subsequently been renamed as Takeaway.com JE, and Takeaway.com Belgium, respectively.

The group has provisionally determined the purchase price allocation for this transaction leading to the recognition of goodwill of €14.1 million, other intangible assets of €11.4 million, and negative net working capital of €2.9 million (including a deferred tax liability of €2.8 million). The measurement period ended on 2 February 2017 and no changes were made to the provisional amounts recorded. The contingent consideration was paid in February 2017.

During 2016, the group completed two other, smaller acquisitions:

- The assets of MyLorry GmbH, a food delivery logistics company operating in Germany under the Food Express brand. The group currently operates this business under its newly-created subsidiary, Takeaway Express GmbH. This acquisition allowed Takeaway.com to quickly scale up its Scoober offering services in Germany;
- 100% of the shares in Tante Bep B.V., a food delivery logistics company operating in Amsterdam and The Hague, the Netherlands.

The company agreed on an asset acquisition in December 2016; which is effective as per 1 January 2017:

- The Belgian and German assets of Eatingdesk S.A. and Bloomsburys GmbH, respectively, operating in Belgium and Germany under the Resto-In brand.

Goodwill recorded in connection with the 2016 acquisitions represents future economic benefits specific to the group 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 primary reason for the significant business combinations of Just Eat Benelux is to further strengthen the group's market share in the Netherlands and Belgium. The expected synergies from the Just Eat Benelux acquisition are the acquired customers and restaurants as well as the decrease in competition from Just Eat Benelux.

### Aggregation of business combinations acquired

The following tables provide information in aggregate for all business combinations in 2016.

€'000	Just Eat Benelux	Others	Total
Consideration paid in cash	18,210	347	18,557
Contingent consideration	4,300	100	4,400
<b>Total consideration</b>	<b>22,510</b>	<b>447</b>	<b>22,957</b>
Intangible assets	11,369	–	11,369
Other assets and liabilities, net	(2,914)	205	(2,709)
<b>Total fair value of net identifiable assets and (liabilities)</b>	<b>8,455</b>	<b>205</b>	<b>8,660</b>
Goodwill on acquisitions	14,055	242	14,297

### Contribution of acquisitions

Shortly after acquisition, the websites, justeat.be and just-eat.nl were diverted to Pizza.be and Thuisbezorgd.nl, respectively, from which time it was not possible to separate the results of these acquired websites. Total acquisition costs in 2016 amounted to €0.4 million (2015: nil).

### Provisional fair value accounting

The fair value of the identifiable assets and liabilities will be revised if new information, obtained within one year from the acquisition date about facts and circumstances that existed at the acquisition date, identifies adjustments to the above amounts, or for any additional provisions that existed at the acquisition date. Subsequent changes in purchase price accounting for the 2016 and 2015 acquisitions were not material.



### Contingent considerations

Acquisitions completed in 2016 resulted in a maximum achievable undiscounted contingent consideration of €4.4 million (2015: none). The fair values of the 2016 contingent considerations amount to €4.4 million as at 31 December 2016 (2015: none).

The initial accounting is incomplete as the final settlement date for provisional amounts is February 2017. This relates primarily to collectability of receivables. The final payment was made on 2 February 2017 without changes to the considerations paid.

### Allocation of goodwill to CGUs and assumptions applied

Goodwill has been allocated for impairment testing purposes to three CGUs being Germany (Yourdelivery (including Sto2)), The Netherlands, and Other. Goodwill related to the Just Eat Benelux acquisition in the Netherlands and Belgium is provisionally accounted for as at 31 December 2016. The allocation of the carrying value of (provisional) goodwill to the respective CGUs is as follows:

€'000	2016	2015
CGU Germany	47,822	47,822
CGU Netherlands (incl. Belgium)	14,055	-
CGU Other	242	-
<b>Total</b>	<b>62,119</b>	<b>47,822</b>

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 approved by the Managing Directors covering a ten-year period (CGU Germany), and a five-year period (CGU the Netherlands including Belgium), respectively, and discount rates of 10.1% and 10.2% per annum, respectively (2015: 12.3% per annum). The cash flow projections are consistent with the Managing Directors' plans for focusing operations in the Netherlands, Belgium, Germany and Poland. The Managing Directors believe that the planned market share growth per year for the next ten years is reasonably achievable.

The cash flows beyond the ten-year and five-year periods have been extrapolated using a perpetual growth rate of 0.5% per annum (2015: 1% per annum) which is the projected long-term average growth rate for the online food ordering market. The Managing Directors believe that any reasonably possible change in the key assumptions on which recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the cash-generating unit.

### Sensitivity analysis

The impairment testing also includes an assessment if a reasonably possible change in a key assumption would cause the carrying amount to exceed the recoverable amount. Changing the key assumptions (positive or negative) by 5% 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 their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate 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 the group 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 10 – 20 years
- Customer list & Favourable contract 1.5 – 10 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 value 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.

Trade names, restaurant database, customer list and favourable contract relate primarily to the acquired assets of Yourdelivery GmbH and Just Eat Benelux.

€'000	Concessions, permits and IP rights	Trade names & restaurant database	Customer list and favourable contract	Software under development	Total
<b>Cost</b>					
Balance at 31 December 2014	1,240	9,853	13,410	–	24,503
Additions	10	–	–	–	10
<b>Balance at 31 December 2015</b>	<b>1,250</b>	<b>9,853</b>	<b>13,410</b>	<b>–</b>	<b>24,513</b>
Additions	–	587	10,782	157	11,526
<b>Balance at 31 December 2016</b>	<b>1,250</b>	<b>10,440</b>	<b>24,192</b>	<b>157</b>	<b>36,039</b>
<b>Accumulated amortisation</b>					
Balance at 31 December 2014	(364)	(369)	(2,526)	–	(3,259)
Amortisation expense	(137)	(493)	(2,992)	–	(3,622)
<b>Balance at 31 December 2015</b>	<b>(501)</b>	<b>(862)</b>	<b>(5,518)</b>	<b>–</b>	<b>(6,881)</b>
Amortisation expense	(112)	(579)	(2,281)	–	(2,972)
<b>Balance at 31 December 2016</b>	<b>(613)</b>	<b>(1,441)</b>	<b>(7,799)</b>	<b>–</b>	<b>(9,853)</b>
<b>Carrying value at 31 December 2015</b>	<b>749</b>	<b>8,991</b>	<b>7,892</b>	<b>–</b>	<b>17,632</b>
<b>Carrying value at 31 December 2016</b>	<b>637</b>	<b>8,999</b>	<b>16,393</b>	<b>157</b>	<b>26,186</b>

### 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 provided 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
<b>Cost</b>			
<b>Balance at 31 December 2014</b>	<b>295</b>	<b>1,149</b>	<b>1,444</b>
Additions	547	1,022	1,569
<b>Balance at 31 December 2015</b>	<b>842</b>	<b>2,171</b>	<b>3,013</b>
Additions	1,218	677	1,895
<b>Balance at 31 December 2016</b>	<b>2,060</b>	<b>2,848</b>	<b>4,908</b>
<b>Accumulated amortisation</b>			
<b>Balance at 31 December 2014</b>	<b>(105)</b>	<b>(477)</b>	<b>(582)</b>
Depreciation expense	(97)	(358)	(455)
<b>Balance at 31 December 2015</b>	<b>(202)</b>	<b>(835)</b>	<b>(1,037)</b>
Depreciation expense	(315)	(478)	(793)
<b>Balance at 31 December 2016</b>	<b>(517)</b>	<b>(1,313)</b>	<b>(1,830)</b>
<b>Carrying value at</b>			
<b>31 December 2015</b>	<b>640</b>	<b>1,336</b>	<b>1,976</b>
<b>Carrying value at</b>			
<b>31 December 2016</b>	<b>1,543</b>	<b>1,535</b>	<b>3,078</b>

## 14 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 the group's share of losses of a joint venture exceeds the group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the group's net investment in the joint venture), the group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

€'000	2016	2015
Opening balance	150	298
Increase in share capital	–	–
Share of loss for the year	(115)	(178)
Foreign currency exchange gain	(1)	30
<b>Balance at 31 December</b>	<b>34</b>	<b>150</b>

The group holds 53% of the shares of Takeaway.com Asia B.V., which owns 99% of the shares and voting rights in Vietnammm, a food delivery company operating in Vietnam as at 31 December 2016 (31 December 2015: 53% and 90% respectively). Takeaway.com Asia B.V. is accounted for as a joint venture using the equity method of accounting given

that decisions about the relevant activities required the unanimous consent of the parties that collectively control the arrangement.

Pizza.dk ApS, incorporated and domiciled in Denmark is a dormant company as at 31 December 2016 (31 December 2015: dormant). The group has 50% ownership in Pizza.dk ApS as at 31 December 2016 (31 December 2015: 50%). Pizza.dk ApS is accounted for as a joint venture.

## 15 Loans carried at amortised cost

Reference is made to the accounting policy receivables in [note 16](#).

€'000	2016	2015
Opening balance	405	260
Additions	523	195
Repayments	(83)	(50)
<b>Balance at 31 December</b>	<b>845</b>	<b>405</b>

Loans carried at amortised cost are provided to Takeaway.com Asia for the amount of €0.8 million as at 31 December 2016 (31 December 2015: €0.3 million). The loan provided to Gribhold at the beginning of the year was fully repaid in 2016.

## 16 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 when there is objective evidence that the group will not be able to collect all amounts due, according to the original terms of the receivables. 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.

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€'000	2016	2015
Trade receivables online payment service providers	3,927	1,723
Trade receivables restaurants	913	759
Prepaid expenses and other receivables	4,803	2,953
<b>Balance at 31 December</b>	<b>9,643</b>	<b>5,435</b>

Trade receivables restaurants represent the amounts due which cannot be settled against online payments as follows:

€'000	2016	2015
Gross trade receivables restaurants	2,239	2,171
Allowance for doubtful debts	(1,326)	(1,412)
<b>Balance at 31 December</b>	<b>913</b>	<b>759</b>

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

€'000	2016	2015
Opening balance	1,412	1,036
Additions	764	860
Write-offs	(850)	(484)
<b>Balance at 31 December</b>	<b>1,326</b>	<b>1,412</b>

No allowance for doubtful debts for the trade receivables from online payment service providers and for prepaid expenses and other receivables is deemed necessary as at 31 December 2016 (31 December 2015: nil).

The average credit period on sales of services is 30 days. No interest is charged on receivables. The group 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 aging analysis) that are past due at the end of the reporting period for which the group 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	2016	2015
31 – 90 days	626	439
91 – 180 days	144	148
181 – 365 days	143	172
<b>Total</b>	<b>913</b>	<b>759</b>
Average age (in days)	66	150

In determining the recoverability of a receivable, the group 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 are no individually impaired receivables in 2016 and 2015 which have been placed under liquidation.

## 17 Inventories

Inventory is stated at the lower of cost and net realisable value. 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	2016	2015
GPRS terminals	381	181
Merchandise	425	463
<b>Balance at 31 December</b>	<b>806</b>	<b>644</b>

A provision for obsolescence is deemed not necessary as at 31 December 2016 and 31 December 2015, respectively.

## 18 Cash and cash equivalents

Cash and cash equivalents are stated at face value and comprise cash balances, deposits held on call with banks, and other short-term highly liquid investments (maturity less than 3 months from balance sheet date) that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

€'000	2016	2015
Bank balances	134,591	4,449
<b>Balance at 31 December</b>	<b>134,591</b>	<b>4,449</b>

As at 31 December 2016, the group has issued bank guarantees amounting to €0.3 million (31 December 2015: €0.3 million), and has issued a letter of credit to an overseas supplier amounting to €0.2 million (31 December 2015: €0.4 million).

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

## 19 Capital and reserves

### Share capital

Ordinary share capital is classified as share capital.

Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the company's option and any dividends are discretionary.

### Share premium

Share premium is the excess of the amount received by Takeaway.com over and above the nominal value of its ordinary and preference shares issued. Incremental costs directly attributable to the issue of new shares or options 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

group's estimate of ordinary shares that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the group 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.

### Corporate restructuring

The company restructured the outstanding shares on 3 October 2016 as follows:

- Issuance of series C preference shares to the STAK based on the exercise of vested share options of the founders of Yourdelivery;
- Issuance of ordinary shares to Brent Wissink, based on the exercise of vested share options;
- Conversion of all outstanding preference shares series A, B, and C into ordinary shares of Takeaway.com;
- Adjustment of the nominal value of €0.01 per ordinary share to €0.40 per ordinary share with the effects deducted from share premium;
- Share split of the then outstanding ordinary shares (1:10) while re-adjusting the nominal value per ordinary share from €0.40 to €0.04; and
- Conversion of Takeaway.com Holding B.V. from a private limited liability company into a public company with limited liability while changing the name from Takeaway.com Holding B.V. to Takeaway.com N.V.

### Authorised share capital

The authorised share capital as at 31 December 2016 of Takeaway.com amounts 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

Takeaway.com has issued 43,183,176 ordinary shares at nominal value €0.04, amounting to €1.7 million as at 31 December 2016 (31 December 2015: 1,607,405 ordinary shares at nominal value €0.01 amounting to €16 thousand). The change in nominal value of the ordinary shares of €1.4 million was deducted from share premium. All ordinary shares have been issued and paid-in.

### Preference share capital

Takeaway.com had issued preference share capital amounting to 702,162 series A preference shares and 1,145,800 series B preference shares as at 31 December 2015. During the corporate restructuring on 3 October 2016, 42,066 series C preference shares were issued to the STAK for the exercise of vested share options by the founders of Yourdelivery and 60,015 ordinary shares were issued to Brent Wissink for the exercise of vested share options. Subsequently, on 3 October 2016, all outstanding preference shares series A, B, and C were converted into ordinary shares. As a result, Takeaway.com has no outstanding preference shares as at 31 December 2016.

### Call option cumulative preference shares

Takeaway.com has granted a call option to purchase cumulative preference shares to the Foundation Continuity for an indefinite period. Both Takeaway.com 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 Takeaway.com 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, Takeaway.com or any of Takeaway.com'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 counteract 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 Takeaway.com, its undertaking and the companies affiliated with it, according to the (provisional) judgement of the Board of the Foundation Continuity, and to enable Takeaway.com 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 Takeaway.com, 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 1 year period). The call option is therefore not accounted for in the financial statements, nor is any additional information, as meant in IAS 32 and 39, provided.

### Share premium

The share premium reserve amounts to €249.5 million as at 31 December 2016 (31 December 2015: €82.0 million).

### Equity-settled employee benefits reserve

The equity-settled employee benefits reserve as at 31 December 2016 relates to share options granted by Takeaway.com to the STAK as well as to each of the Managing Directors under the LTIP. Each share option converts into one ordinary share of Takeaway.com on exercise. No amounts are paid or payable by the STAK and Managing Directors on receipt of the share option. The share options carry neither rights to dividends nor voting rights. Share options may be exercised at any time from the date of vesting to the date of their expiry.

### STAK

As at 31 December 2016, the STAK held, following the corporate restructuring, 30,040 unvested share options (31 December 2015: 108,087 share options) granted to one of the founders of Yourdelivery. The 30,040 share options (adjusted for the effects of the corporate restructuring) were granted in 2014 and are fully exercisable by the end of March 2017. There is no contractual expiry date of the share options.

### LTIP

Takeaway.com has an equity-settled performance-based incentive plan (LTIP) for the Management Board. Under this LTIP, conditional share options are conditionally awarded to the Managing Directors on an annual basis. The vesting of these conditional share options is subject to a service condition (continued employment) as well as five performance conditions to be assessed over a three-year period.

The (non-market) performance conditions are related to 1) order growth to exceed 25% per annum in the medium-term, 2) > 30% compounded annual growth rate ("CAGR") of orders, 3) revenue growth to continue to exceed order growth after 2016, 4) positive EBITDA margin for the both Germany and the Company (as a whole) within 2 to 3 years, and 5) the Netherlands EBITDA margin to continue to increase after 2016. Only when the performance conditions are achieved after the three-year period, conditional share options vest.

The estimated number of conditional share options granted to the Managing Directors are as follows:

	Number*	Based on share price
Estimated share options	14,175	23.50

\* The LTIP contains multiple interactive vesting conditions (service condition and five performance conditions), in accordance with IFRS, at 31 December 2016 (assumed grant date), Takeaway.com has estimated the fair value of the share options taking into consideration each possible outcome of the service and performance conditions most likely to occur at each reporting date. As a result, the resulting number of share options conditionally granted on 31 December 2016 is based on the average of the actual and expected performance over the three-year period while capping the share options to be granted to one-fourth in 2016 in accordance with the applicable remuneration policy. The estimated share options granted are to be formally approved after the General Meeting subject to final assessment by the Supervisory Board

### Movements in share options during the year

The following reconciles the outstanding share options at the beginning and end of the year:

€'000	2016	2015
Opening balance	108,087	132,123
Exercised	(102,079)	–
Forfeited	(3,004)	(24,036)
<b>Subtotal prior to corporate restructuring</b>	<b>3,004</b>	<b>108,087</b>
Effects of corporate restructuring on outstanding share options	27,036	–
New grants (estimated)	14,175	–
<b>Balance at 31 December</b>	<b>44,215</b>	<b>108,087</b>

The 30,040 outstanding share options held by the STAK (as adjusted for the effect of the corporate restructuring) as at 31 December 2016 are exercisable by the end of March 2017 (2015: 96,070 share options). The estimated 14,175 outstanding conditional share options are conditionally awarded to the Managing Directors and are exercisable as from 3 October 2019 provided that the service and performance conditions are fully met.

### Share options granted during the year

Application of the remuneration policy as per 31 December 2016 is expected to result in the granting to the members of the Management Board of a total of 14,175 conditional performance options. The options are expected to be granted upon the adoption of the company's annual report (2015: none).

### Fair value of share options granted

The weighted average fair value of the conditional share options estimated to be granted to the Managing Directors at 31 December 2016 is €147 thousand (31 December 2015: none). The conditional share options were priced using the Black-Scholes Merton option pricing model.

The inputs to the model of the conditional share options were as follows:

Grant date	31-12-2016
Number of options	14,175
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 are based upon publicly available market data and internal information.

- 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 and is capped to one-fourth in 2016;
- The exercise price is based on the average of the closing prices of Takeaway.com shares in the five days preceding 31 December 2016;
- Expected volatility is based on the share price development of Takeaway.com on an annualised basis;
- No dividends are expected to be declared during the vesting period;
- The risk-free rate is based on the 30 year bonds of the Dutch government;
- No early exercise of the share options is expected.

### Share options exercised during the year

In respect of the share options granted in 2011 and 2014, a total of 60,015 and 42,064 share options (prior to the corporate restructuring), respectively, were exercised in October 2016 (2015: none), which amounted to €1.2 million. The opening share price on 30 September 2016 was €23.

### Share options forfeited during the year

A total of 3,004 share options was forfeited prior to the corporate restructuring due to voluntary leave of the respective employee (2015: 24,036 share options).

### Weighted average exercise price of outstanding share options

The share options outstanding at the end of the reporting period had a weighted average exercise price of €11.88 (2015: €31.88) and a weighted average remaining assumed life of 3.38 years (2015: 7 years).

### Employee bonus shares

A total of 158,559 employee bonus shares were granted at an exercise price of €23.00 to all employees after the initial public offering directly from a number of shareholders. Therefore, an amount of €0.8 million has been recognised as an expense and in the equity-settled employee benefits reserve taking into account the expected forfeitures based on historical information. As these shares are directly granted by the shareholders from their personal shareholdings, there is no cash impact for the company, no new shares will have to be issued by the company, and this transaction does not have any impact on total shareholders' equity. The expense is recognised in line item 'Staff costs' with the offset in line item 'Equity-settled employee benefits reserve'. Upon the vesting of these shares, the related amount will be reclassified from equity-settled employee benefits reserve directly to accumulated deficits.

### 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 that were 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.

## 20 Basic and diluted loss per share

### Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the company by the weighted average number of ordinary shares outstanding during the year.

### Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares arising from share options and other equity-settled share-based plans.

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.

The weighted average number of ordinary shares outstanding as at 31 December 2015 was adjusted retrospectively as a result of the share split.

### Weighted average numbers of ordinary shares

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

Shares	2016	2015
For the purpose of basic loss per share	36,653,760	34,548,260
For the purpose of diluted loss per share	36,661,085	34,548,260



## Basic and diluted loss per share

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

€'000	2016	2015
Loss used in the calculation	(30,887)	(19,566)

## 21 Other current financial liabilities

Other current financial liabilities 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	2016	2015
Bank overdraft	–	5,763
<b>Balance at 31 December</b>	<b>–</b>	<b>5,763</b>

The bank overdraft facility was cancelled on 29 July 2016 and the remaining balance was off-set against the revolving facility entered into as of that date. The facility agreement consisted of a €25.0 million revolving credit facility and a €22.5 million bridge loan. The revolving credit facility and the bridge loan facility were both cancelled in the last quarter of 2016 after the IPO.

The average interest paid on other current financial liabilities in 2016 was 4% (2015: 4%).

## 22 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	2016	2015
Trade payables	14,897	7,267
Amounts due to restaurants	9,096	4,568
<b>Balance at 31 December</b>	<b>23,993</b>	<b>11,835</b>

The group has a financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

## 23 Other liabilities

€'000	2016	2015
Accrued staff expenses	1,109	591
VAT, wage tax and social security liabilities	8,176	1,869
Other liabilities	8,811	3,235
<b>Balance at 31 December</b>	<b>18,096</b>	<b>5,695</b>

Other liabilities contain the contingent consideration payable as at 31 December 2016 of €4.4 million mainly for the acquisition of Just eat Benelux, which has been paid in February 2017.

## 24 Financial instruments

### Capital management

The group 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. The group's overall strategy remains unchanged from 2015.

The capital structure of the group consists of net debt (as detailed in [notes 21 up to and including 23](#)) and shareholders' equity (comprising issued ordinary and preference capital, reserves, and accumulated deficits as detailed in [note 19](#)). The group is not subject to any externally imposed capital requirements.

The Management Board reviews the capital structure of the group on a monthly 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 as at 31 December 2016 was 79% (31 December 2015: 63%).

### Financial risk management objectives

The group's activities are exposed to a number of financial risks. The group 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. The group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes and has no borrowings with credit institutions as at 31 December 2016.

The group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. There has been no change to the group'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. 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 the end of the reporting period are €0.3 million (2015: €0.3 million), and €0.3 million (2015: €0.3 million), respectively. The group is mainly exposed to the Swiss Franc and the Polish Zloty. 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.

### Operational risk

This is the current and prospective risk to earnings and capital arising from fraud, error, and the inability to deliver products or services, maintain a competitive position and manage information. Significant problems can develop very quickly if the systems that process transactions fail or delay execution.

The group has implemented policies and procedures with sufficient internal controls and loss mitigation actions to mitigate the inherent risks in the business processes. Resources are devoted to developing efficient procedures, to identify and rectify weaknesses in existing procedures and to train staff.

### 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 the group 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.

The group 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. The group usually collects trade receivable within 7 days.

Trade receivables consists of a large number of unrelated restaurants and 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 counterpart. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during 2016 (2015: did not exceed).

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The main credit institution used by the group has a long-term A rating from Standard & Poor's with a stable outlook (latest credit research 21 October 2016) (31 December 2015: long-term A rating with a stable outlook). The risk classes of monetary assets and liabilities as at 31 December are as follows:

€'000	31 December			31 December		
	A rated	Not rated	2016	A rated	Not rated	2015
Trade and other receivables	-	9,643	9,643	-	5,435	5,435
Inventories	-	806	806	-	644	644
Cash	134,591	-	134,591	4,449	-	4,449
<b>Total monetary assets</b>	<b>134,591</b>	<b>10,449</b>	<b>145,040</b>	<b>4,449</b>	<b>6,079</b>	<b>10,528</b>
Other current financial liabilities	-	-	-	5,763	-	5,763
Trade and other payables	-	23,993	23,993	-	11,835	11,835
Current tax liabilities	-	533	533	-	894	894
Other liabilities	-	18,096	18,096	-	5,695	5,695
<b>Total monetary liabilities</b>	<b>-</b>	<b>42,622</b>	<b>42,622</b>	<b>5,763</b>	<b>18,424</b>	<b>24,187</b>

### Liquidity risk

This is the risk to earnings or capital arising from a possible scenario that the group 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 the group's short-, medium- and long-term funding and liquidity management

requirements. The group 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 2016 and 31 December 2015 are for periods of less than 3 months.

### 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.

## 25 Subsidiaries

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

Entity	Country of incorporation	Nature of business	Proportion of voting rights held in 2016	Proportion of voting rights held in 2015
Takeaway.com Group B.V.	The Netherlands	Holding	100%	100%
• Takeaway.com Central Core B.V.	The Netherlands	Operating	100%	100%
Takeaway.com Belgium BVBA	Belgium	Dormant	100%	0%
Takeaway.com JE B.V.	The Netherlands	Dormant	100%	0%
• Tante Bep B.V.	The Netherlands	Operating	100%	0%
• Takeaway Express GmbH	Germany	Operating	100%	0%
• Yourdelivery GmbH	Germany	Operating	100%	100%
Sto2 Sp. z o.o.	Poland	Operating	100%	100%

All entities have a similar year-end reporting date. Takeaway.com JE, Takeaway.com Belgium, Tante Bep and Takeaway Express were acquired in 2016 (2015: none). The group did not dispose of subsidiaries during 2016 (2015: none).

## 26 Related party transactions

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 2016, the group did not enter into significant transactions with related parties that are not members of the group (2015: 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

The group had provided a loan in the amount of €83 thousand to Gribhold at a rate comparable to the average commercial rate of interest of 3.25%. This loan was repaid in the fourth quarter of 2016.

### Loans from related parties

There are no loans from related parties as at 31 December 2016 (31 December 2015: none).

### Transactions with key management personnel of the company

The members of the Management Board and the Supervisory Board as well as executive officers 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 38](#). During 2016 (and 2015), no transactions involving conflicts of interest for members of the Management or Supervisory Board which were material to the company occurred.

## 27 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 5 years. The group does not have an option to purchase the leased land at the expiry of the lease periods. Non-cancellable operating lease arrangements as at 31 December can be specified as follows:

€'000	2016	2015
Not later than one year	1,956	1,471
Between one and five years	4,865	3,890
More than five years	319	546
<b>Total non-cancellable operating lease arrangements</b>	<b>7,140</b>	<b>5,907</b>

### Commitments for expenditure

The group has commitments for expenditure as at 31 December 2016 of €1.5 million (31 December 2015: €1.2 million) related to media contracts, sponsoring and equipment investments.

### Fiscal unity

The company forms a fiscal unity for purposes of the Dutch tax laws 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.

The company has also issued declarations of joint and several liabilities for Takeaway.com Group and Takeaway.com Central Core, in accordance with Section 403 of Part 9 of Book 2 of the Dutch Civil Code.

In addition, Yourdelivery applies the exemption as described in section 264b of the German Commercial Code (HGB) with regard to the publication of the statutory annual financial statements.

## 28 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.

In January 2017, following the satisfaction of all conditions precedent, Takeaway completed the acquisition of the German assets of Bloomsburys GmbH and the Belgian assets of Eatingdesk S.A., operating under the Resto-In brand in Hamburg, Berlin and Brussels. The effective date of the transaction is 1 January 2017, involving a €0.3 million payment consideration.

The deed of transfer of shares in Takeaway.com Asia B.V. was executed in January 2017, leading to a total participation of 66%. The share purchase agreement was signed in December 2016 and involved a €0.5 million payment obligation.



## Company statement of profit or loss

for the year ended 31 December

€'000	Note	2016	2015
<b>Management fee</b>		<b>20</b>	-
Finance income		70	-
Staff costs		(1,186)	-
Other operating expenses		(1,167)	6,711
Long-term employee incentive costs	19	(227)	-
Finance costs		(34)	-
Share of result of subsidiaries, net of tax	30	(28,586)	(26,277)
<b>Loss before income tax</b>		<b>(31,110)</b>	<b>(19,566)</b>
Income tax benefit		223	-
<b>Loss for the year</b>		<b>(30,887)</b>	<b>(19,566)</b>

## Company balance sheet

after proposed allocation of net loss for the year as at 31 December

€'000	Note	2016	2015
<b>Assets</b>			
Participations in associated companies	30	63,072	49,391
<b>Total non-current assets</b>		<b>63,072</b>	<b>49,391</b>
Receivables on group companies	31	5,785	928
Cash and cash equivalents		122,506	–
<b>Total current assets</b>		<b>128,291</b>	<b>928</b>
<b>Total assets</b>		<b>191,363</b>	<b>50,319</b>
<b>Shareholders' equity</b>			
Ordinary share capital	32	1,727	16
Preference share capital	32	–	19
Share premium	32	249,534	82,018
Equity-settled employee benefits reserve	32	1,076	1,219
Foreign currency translation reserve	32	231	84
Accumulated deficits	32	(64,818)	(33,931)
<b>Total shareholders' equity</b>		<b>187,750</b>	<b>49,425</b>
Other current financial liabilities		2,141	–
Payables	33	598	–
Current tax liabilities	34	533	894
Other liabilities	35	341	–
<b>Total current liabilities</b>		<b>3,613</b>	<b>894</b>
<b>Total shareholders' equity and liabilities</b>		<b>191,363</b>	<b>50,319</b>

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

## Notes to the company financial statements

### 29 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 their company financial statements. Takeaway.com has prepared the company financial statements using this provision.

### 30 Participations in associated companies

Investments in subsidiaries are stated at net asset value as the company effectively exercises significant influence over the operational and financial activities of these investments. 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	2016	2015
Opening balance	49,391	298
Transfers to other group companies	–	(298)
Transfers through legal restructuring	–	75,587
Capital contribution	42,120	–
Share of loss for the year	(28,586)	(26,277)
Foreign currency exchange gain	147	81
<b>Balance at 31 December</b>	<b>63,072</b>	<b>49,391</b>

For details regarding our subsidiaries, reference is made to [note 25](#) of the consolidated financial statements.

### 31 Trade and other receivables

€'000	2016	2015
Receivables on group companies	5,785	928
<b>Balance at 31 December</b>	<b>5,785</b>	<b>928</b>

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

### 32 Shareholders' equity

Reference is made to the consolidated statement of changes in equity and [note 19](#) of the consolidated financial statements.

### 33 Payables

€'000	2016	2015
Accounts payable	(598)	–
<b>Balance at 31 December</b>	<b>(598)</b>	<b>–</b>

### 34 Current tax liabilities

The current tax liability amounts €0.5 million (2015: €0.9 million).

### 35 Other liabilities

€'000	2016	2015
Other liabilities	341	–
<b>Balance at 31 December</b>	<b>341</b>	<b>–</b>

The other liabilities mainly relate to remunerations of the Management and Supervisory board.

### 36 Employees

The company had no full-time employees in 2016 (2015: none). The Managing directors are: Jitse Groen (CEO), Brent Wissink (CFO) and Jörg Gerbig (COO).

### 37 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 the group:

€'000	2016	2015
Audit services	255	162
Other assurance services	463	-
Tax advisory services	304	471
Other non-audit services	30	95
<b>Total</b>	<b>1,052</b>	<b>728</b>

The total remuneration to Deloitte for the statutory audit of 2016 for the group amounted to €0.3 million (Deloitte 2015: €0.2 million). The total service fees paid/payable to the Deloitte network amounted to €1.1 million (2015: Deloitte €0.7 million).

The non-audit services provided by the audit firm are mainly related to corporate income tax amounting to €0.3 million (2015: €0.5 million) and other assurance services amounting to €0.5 million (2015: nil). No non-audit services were provided by Deloitte after the listing of the ordinary shares of Takeaway.com NV at Euronext Amsterdam.

### 38 Remuneration key management personnel

The remuneration policy for members of the Management Board was developed prepared by the Supervisory Board and approved adopted by the General Meeting. In accordance with the Code, the remuneration of the Supervisory Directors does not depend on the results of the group.

The total remuneration of the current and former key management personnel is as follows:

€'000	2016	2015
Short-term benefits	1,014	1,328
Post-employment benefits	58	14
Share based payments	147	122
<b>Total</b>	<b>1,219</b>	<b>1,464</b>

No loans, advances or guarantees were granted to members of Management and Supervisory Board in 2016.

Reference is made to the Remuneration report for more details.

### 39 Loans, prepayments and guarantees by subsidiaries

As at 31 December 2016, there were no loans, prepayments or guarantees provided by subsidiaries (31 December 2015: none).

### 40 Off-balance sheet commitments

As parent company of the fiscal unity in the Netherlands, the company is liable for the tax liabilities of the fiscal unity.

The company has also issued declarations of joint and several liabilities for Takeaway.com Group and Takeaway.com Central Core, in accordance with Section 403 of Part 9 of Book 2 of the Dutch Civil Code.

#### 41 Proposed loss allocation

The Management Board proposes to allocate the net loss of €30.9 million to accumulated deficits which has already been reflected in the financial statements.

Amsterdam, 14 March 2017

##### *Management Board*

**Jitse Groen**

*CEO*

**Brent Wissink**

*CFO*

**Jörg Gerbig**

*COO*

##### *The Supervisory Board*

**Adriaan Nühn**

*Chairman*

**Corinne Vigreux**

*Vice-chairman*

**Ron Teerlink**

**Sake Bosch**

## 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 financial statements 2016 included in the annual accounts

#### *Our opinion*

We have audited the financial statements 2016 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 consolidated financial statements included in these annual accounts give a true and fair view of the financial position of Takeaway.com N.V. as at 31 December 2016, and of its result and for its cash flows for 2016 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 company financial statements included in the annual accounts give a true and fair view of the financial position of Takeaway.com N.V. as at 31 December 2016, and of its result for 2016 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 2016.
2. The following statements for 2016: 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 balance sheet as at 31 December 2016.
2. The company profit and loss account for 2016.
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 "Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO)" and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

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 €1,000,000. The materiality is based on 0.9% of total revenue. 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 €50,000, 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 or review 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 2 components (Netherlands and Germany). The most significant component of the group is the Netherlands entities, which account for 63% of revenues. We have performed audit procedures ourselves at group entities and the operations in the Netherlands. Furthermore, we performed audit procedures at group level on areas such as consolidation, disclosures, goodwill, intangible assets, and acquisitions. Specialists were involved amongst others in areas of IT, impairment, purchase price allocation ("PPA") and taxes (including transfer pricing).

A full scope audit was performed for the Germany operations, which accounts for 33% of revenues. The group audit team provided detailed written instructions to the Germany component. The instructions communicated 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 Germany component.
- Performed review procedures or specific audit procedures at other 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.

### *Goodwill and intangible assets – management assessment of recoverability*

The goodwill and intangible assets represents 37% of the total assets and 47% of total equity. Procedures in relation to the audit of management's annual impairment test were significant to the audit because the assessment process is complex and the tests rely on estimates and assumptions. The company uses assumptions in respect to future market and economic conditions such as economic growth, expected inflation rates, demographic developments, expected market share, revenue and cost developments. For our audit we assessed and tested the assumptions, the discount rates, methodologies and data used by the company, for example by comparing them to external data such as expected inflation rates, external market growth expectations

and analyzing sensitivities in the company's valuation model. We included valuation specialists in our team to assist us in evaluating the company's assessment of the available headroom between the carrying value and the calculated fair value, and whether a reasonably possible change in assumptions could cause the carrying value to exceed its recoverable amount. We also assessed the historical accuracy of management's estimates. We assessed the adequacy of the company's disclosure [note 11](#) in the financial statements about those assumptions to which the outcome of the impairment test is most sensitive.

#### ***Purchase price allocation – acquisition of Just Eat***

During 2016, the company acquired the Benelux businesses of Just Eat. 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 Just Eat acquisition, our risk regarding acquisitions has been focused on this transaction. 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 assessed the adequacy of the company's disclosure [note 11](#) in the financial statements about those assumptions to which the outcome of the allocation is most sensitive.

#### **Report on the other information included in the annual accounts**

In addition to the financial statements and our auditor's report, the annual accounts contain other information that consists of:

- Management Board's 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 other information, including the Management Board's Report 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 management as auditor of Takeaway.com N.V. in November 1, 2014, as of the audit for year 2014 and have operated as statutory auditor ever since that date.

## Description of responsibilities for 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 framework 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 have detected all material errors and fraud.

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 judgment 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 identify during our audit.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate to 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 to the Supervisory Board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 14 March 2017

*Deloitte Accountants B.V.*

**I.A. Buitendijk**

## Three year key figures

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

€'000 unless stated otherwise	2016	2015	2014 <sup>1</sup>
<b>Key Financial Indicators</b>			
Revenue	111,641	76,736	46,712
• The Netherlands	55,253	41,871	28,618
• Germany	36,809	24,085	12,246
• Other	19,579	10,780	5,848
Gross profit	96,032	69,382	42,054
Marketing expenses	(82,600)	(59,048)	(24,932)
EBITDA	(18,276)	(13,788)	(1,377)
• The Netherlands	34,746	26,463	19,335
• Germany	(39,402)	(28,568)	(15,093)
• Other	(13,620)	(11,683)	(5,619)
Loss for the period	(30,887)	(19,566)	(6,883)
<b>Key Performance Indicators</b>			
Restaurants <sup>2</sup>	28,787	28,714	28,147
Active Consumers ('000s) <sup>2</sup>	8,899	6,806	4,833
Orders ('000s)	49,321	33,711	21,974
• The Netherlands	21,083	15,946	11,640
• Germany	17,341	11,693	7,061
• Other	10,897	6,072	3,273
Returning Active Consumers as % of Active Consumers <sup>2</sup>	57%	53%	50%
Orders per Returning Active Consumer	10.5	10.1	9.7
Average Order Value (€) <sup>2</sup>	19.09	19.32	19.24
GMV (in millions €) <sup>2</sup>	941.7	651.3	422.9

<sup>1</sup> Aggregated to include full year orders for the acquired websites Lieferando.de and Pyszne.pl to allow like-for-like comparison

<sup>2</sup> Includes United Kingdom, for which operations were discontinued in August 2016

## Three year key figures

€'000 unless stated otherwise	2016	2015	2014 <sup>1</sup>
<b>Capital employed</b>			
Balance sheet total	237,302	78,513	87,833
Total shareholders' equity	187,750	49,425	68,788
<b>Cash flows</b>			
Net cash used in operating activities	(3,385)	(3,832)	(3,237)
Net cash used in investing activities	(32,124)	(1,724)	(61,609)
Net cash generated by financing activities	165,659	-	71,983
Net increase/(decrease) in cash and cash equivalents	130,150	(5,556)	7,137
<b>Data per share (in thousands)</b>			
Weighted average shares outstanding as at 31 December	36,653,760	34,548,260	31,495,420
<b>Personnel</b>			
FTE at year-end	720	400	339

<sup>1</sup> Aggregated to include full year orders for the acquired websites Lieferando.de and Pyszne.pl to allow like-for-like comparison

<sup>2</sup> Includes United Kingdom, for which operations were discontinued in August 2016



## Company addresses

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### Head office

#### Takeaway.com N.V.

Oosterdoksstraat 80  
1011 DK Amsterdam, the Netherlands

E-mail: [press@takeaway.com](mailto:press@takeaway.com)

Internet: [www.takeaway.com](http://www.takeaway.com)

Twitter: @takeaway

Chamber of Commerce Amsterdam, the Netherlands

Trade registry no. 08142836

VAT no NL815697661B01

### Our other offices

#### Takeaway.com

Koningsstraat 146  
1000 Brussels  
Belgium

Brouwerijstraat 10  
7523 XD Enschede  
The Netherlands

#### yd.yourdelivery GmbH

Am Karlsbad 16  
10785 Berlin  
Germany

#### sto2 Sp. z.o.o.

ul. Rybacka 9  
53-656 Wrocław  
Poland

## Glossary

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**Active Consumers** Unique consumer accounts (identified by a unique e-mail address) by whom at least one order has been placed on the company's platform in the preceding 12 months

**Active markets** The company's leading markets as well as France, Luxembourg, Portugal and Switzerland

**Adjusted EBITDA** The group's profit or loss for the period before depreciation, amortisation, finance income and expenses, long-term employee incentive costs, employee bonus shares, share of profit/(loss) of joint ventures, non-recurring items and income tax expense

**Adjusted EBITDA margin** EBITDA as a percentage of revenue for the relevant period

**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, Governance & Compliance, Risk Management, Consolidated financial statements, Company financial statements, and the Glossary

**Articles of association** Articles of association of of the company

**Average order value** The company's GMV divided by the number of orders in a particular period

**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

**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 2016

**Consolidated financial statements** Consolidated financial statements of the group for the year ended 31 December 2016

**Continental Europe** Mainland Europe, excluding, in particular, the United Kingdom, Iceland, Ireland and Turkey

**Continuïteit Takeaway.com** Continuïteit Takeaway.com B.V.

**COO** Chief Operating Officer of the company

**CPO** Marketing cost per order

**Deloitte** Deloitte Accountants B.V.

€ Euro

**Financial statements** The consolidated financial statements of the group and company financial statements of the company

**FTE** Full-time equivalents

**Foundation Continuity** Stichting Continuïteit Takeaway.com

**General Meeting** The corporate body, the general meeting of the company, or its meeting, as the case maybe

**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. and its subsidiaries

**IAS** International Accounting Standards

**IASB** International Accounting Standards Board

**IFRS** International Financial Reporting Standards as adopted by the European Union

**Insider dealing policy** Insider dealing policy of Takeaway.com

**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** Markets in the Netherlands, Germany, Belgium, Austria and Poland

**LTIP** Long-Term Incentive Plan

**Management Board** The management board of the company

**Managing Directors** Members of the Board of Managing Directors of the company

**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 iDeal®

**Orders** Orders by customers 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

**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

**Restaurant delivery services** Service offered by Takeaway.com whereby we transmit the order from the consumer to the restaurant and we also deliver the meal to the consumer

**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 the company transmits the order from the consumer to the restaurant and also delivers the meal to the consumer

**STAK** Stichting Administratiekantoor Takeaway.com

**Sto2** sto2 Sp. z o.o.

**Supervisory Board** Board of Supervisory Directors of the company

**Supervisory Director** Member of the Board of Supervisory Directors of the company

**Takeaway.com** Takeaway.com N.V. (formerly known as Takeaway.com Holding B.V.)

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

**Takeaway.com Belgium** Takeaway.com Belgium BVBA (formerly known as Just-Eat België BVBA)

**Takeaway Central Core** Takeaway.com Central Core B.V.

**Takeaway Express** Takeaway Express GmbH (formerly known as MyLorry GmbH and operating under the trade name Food Express)

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

**Takeaway.com JE** Takeaway.com JE B.V. (formerly known as Just-Eat Benelux B.V.)

**Tante Bep** Tante Bep B.V.

**Vietnammm** Vietnam MM Co. Ltd.

**White label** Orders processed by Takeaway but made by the consumer via a non-Takeaway website, e.g. a restaurant or chain's own site. A small fixed fee is earned on these orders instead of a commission and they are not counted towards order or GMV total

**WACC** Weighted Average Cost of Capital

**Yourdelivery** yd.yourdelivery GmbH



**About this report**

This annual report is available as a PDF, on our website [www.takeaway.com](http://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.  
OOSTERDOKSSTRAAT 80  
1011 DK AMSTERDAM  
THE NETHERLANDS