ALWAYS DELIVERING **AN AMAZING EXPERIENCE**

ANNUAL REPORT **2019**

DELIVERY HERO
AT A GLANCE

GROUP ORDERS[1] +80%

TO 666 MILLION

	2018	2019
ORDERS (MILLION)	369	666
GMV[2] (EUR MILLION)	4,454	7,435
SEGMENT REVENUES[1, 2] (EUR MILLION)	687	1,456
ADJ. EBITDA (EUR MILLION)	−100	−431

[1] The reported pro forma figures have been retrospectively adjusted for divestments of foodora non-core assets, i.e., Australia, France, Italy, Netherlands and Germany. The strategic partnership with Woowa is not reflected in the figures until the closing of the transaction, expected to be in H2 2020.
[2] India revenues were € 7.4 million in Q1 2018, € 7.1 million for Q2 2018, and € 3.9 million for Q3 2018 and € 0.7 million for Q4 2018. Numbers have not been adjusted for smaller acquisitions or divestments.

EUROPE ORDERS +42%

TO 85 MILLION

	2018	2019
ORDERS (MILLION)	60	85
GMV (EUR MILLION)	735	1,047
REVENUES (EUR MILLION)	116	173
ADJ. EBITDA (EUR MILLION)	−15	−19

ASIA ORDERS +173%

TO 227 MILLION

	2018	2019
ORDERS (MILLION)	83	227
GMV (EUR MILLION)	1,214	2,358
REVENUES (EUR MILLION)	193	455
ADJ. EBITDA (EUR MILLION)	−52	−312

MENA ORDERS +57%

TO 299 MILLION

	2018	2019
ORDERS (MILLION)	191	299
GMV (EUR MILLION)	2,100	3,477
REVENUES (EUR MILLION)	316	717
ADJ. EBITDA (EUR MILLION)	18	43

AMERICAS ORDERS +53%

TO 55 MILLION

	2018	2019
ORDERS (MILLION)	36	55
GMV (EUR MILLION)	406	554
REVENUES (EUR MILLION)	62	110
ADJ. EBITDA (EUR MILLION)	−51	−143

LETTER FROM **THE CEO**

Fellow Shareholders and Heroes,

We had an incredible last year! Our business grew orders by more than 80% to 666 million, processed € 7.4 billion of GMV and generated € 1,456 million in revenue. Our growth accelerated throughout the year and our market share increased in every region compared to every competitor in the markets we operate. More importantly, we made enormous improvements in technology and talent development. The success of 2019 is the result of years of focus into customer experience and company culture. When we started back in 2011, we were a pure marketplace business but moved into logistics already in 2014; in 2018 we entered new verticals and most recently kitchens and instant delivery of groceries from our central warehouses. All this ties back to our vision of **delivering an amazing experience – fast and easy to the door**.

PIONEERS OF A NEW ERA:
From eCommerce to QuickCommerce

As of January 2020, we have over 500,000 contracted restaurants on our platform, our delivery fleet delivers food in less than 28 minutes on average and below 15 minutes for our instant grocery area. As the world has evolved from Commerce to eCommerce, we have now entered the new era of QuickCommerce. Today, I believe we are one of the global leaders in this fairly new category. To be able to operate this category profitably, an enormous amount of work and technology has been developed. Everything from inventory management, rider operations and also AI solutions for routing, mapping, dynamic pricing, area optimization, time estimations, forecasting and customer personalization to mention only a few.

In terms of corporate development, the sale of our German operations at the beginning of 2019 enabled us to redistribute our resources and strengthen our global presence. We focused on strengthening our position in MENA and invest more into growth markets where we believe we can gain leadership over the next 5–10 years. Today, we operate in 44 countries at large scale, being the fastest-growing listed online delivery company. The accelerator for this fast expansion has been the Asia segment where we nearly tripled our orders from 83 million to 227 million in 2019. Much of the success can be attributed to the combination of centralized technology, marketing and other services supported by the local founders and their high-performing teams.

With that in mind, I am particularly delighted about the announced strategic partnership with Woowa Brothers and the founder Bongjin Kim joining our family of entrepreneurs. This partnership enables us to expand our leadership in Asia, where we can benefit from the in-depth regional expertise and entrepreneurial spirit of their management. I am truly excited about what we can build together.

Together as a group of founders there is still a lot we are striving to achieve. I am convinced we are only in the early days of this fascinating journey. There are unlimited opportunities where we can innovate for our customers, **delivering an amazing experience – fast and easy to the door**. Our responsibility goes beyond our customers and employees, we will keep on innovating to make life better for our riders, merchants and the wider society. Last year we made many improvements across these areas. I am particularly proud of our sustainability initiative to reduce and offset our carbon emissions. After making the headquarters in Berlin CO_2 neutral in 2019, we went one step further and offset all European operations for 2019. By 2021, we aim to be CO_2 neutral globally.

Lastly, I would like to thank all of our employees for their incredibly hard work and commitment to our customers. It is because of you we have come this far. It is also because of your dedication that I love coming to work every day. **Keep aiming higher, deliver solutions**, and don't forget, **we are Heroes because we care**.

Yours,
Niklas Östberg

OUR CLEAR **VISION**

Our successful business performance has continued to be the result of our strong vision and unwavering focus on providing an amazing experience, fast, easy and to your door. We continually invest to improve our food and restaurant selection, but throughout 2019 we also focused on expanding a more holistic ordering service. As a result, 2019 saw us expand many new features and additional products, driving trends we saw developing in the delivery sector. This continuous focus on innovation will ensure that we are able to provide our customers with the most convenient, personalized ordering experience.

We are particularly proud to hold innovation at the core of our culture, as it is our key strength when it comes to tackling the market opportunity. Our vision to always deliver amazing experiences, is driven by continuous and unparalleled investment into customer experience.

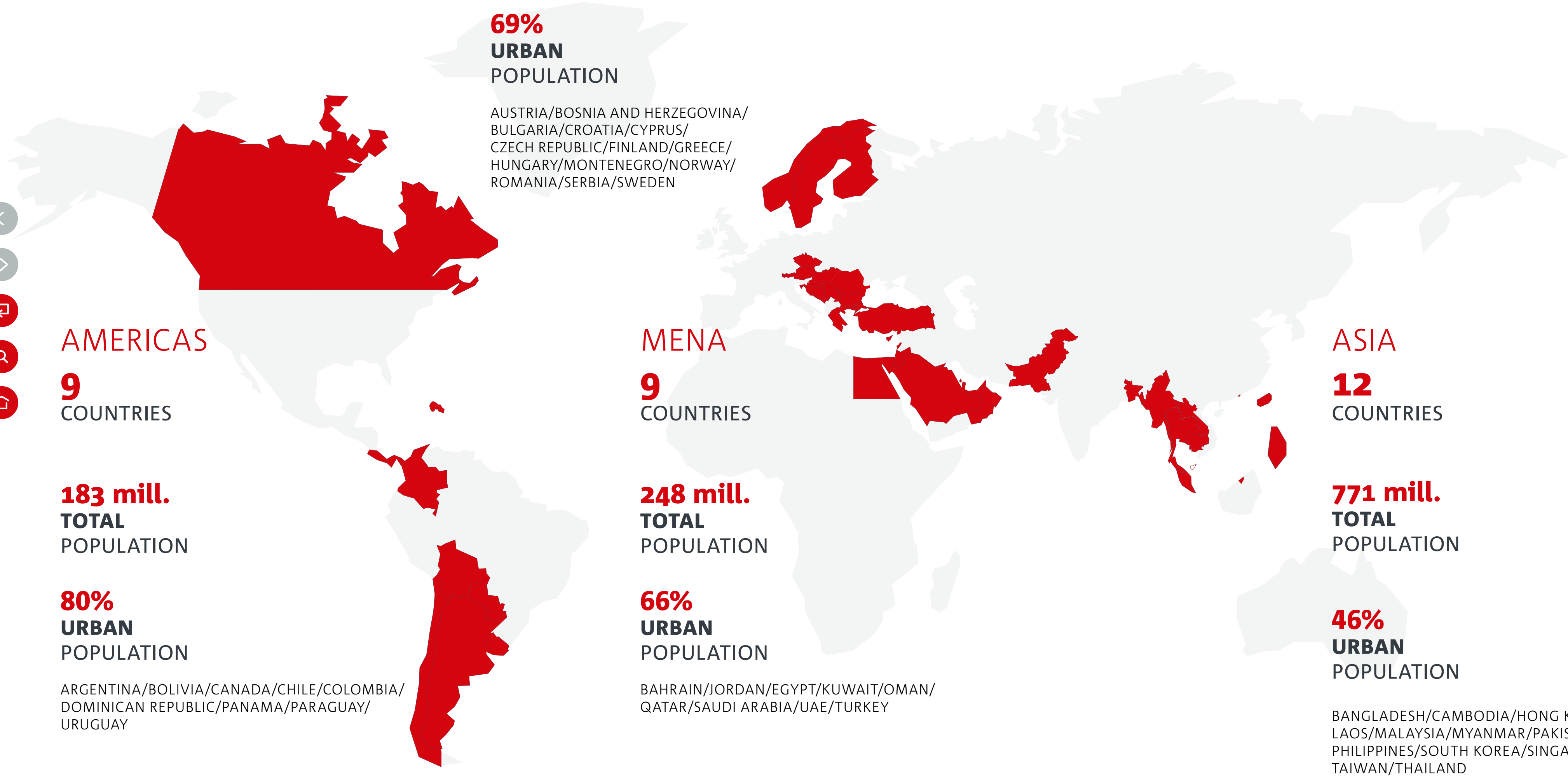
MORE THAN 96%
OF GMV GENERATED ON SEVEN REGIONAL PLATFORMS

EUROPE
14
COUNTRIES

106 mill.
TOTAL
POPULATION

69%
URBAN
POPULATION

AUSTRIA/BOSNIA AND HERZEGOVINA/
BULGARIA/CROATIA/CYPRUS/
CZECH REPUBLIC/FINLAND/GREECE/
HUNGARY/MONTENEGRO/NORWAY/
ROMANIA/SERBIA/SWEDEN



AMERICAS
9
COUNTRIES

183 mill.
TOTAL
POPULATION

80%
URBAN
POPULATION

ARGENTINA/BOLIVIA/CANADA/CHILE/COLOMBIA/
DOMINICAN REPUBLIC/PANAMA/PARAGUAY/
URUGUAY

MENA
9
COUNTRIES

248 mill.
TOTAL
POPULATION

66%
URBAN
POPULATION

BAHRAIN/JORDAN/EGYPT/KUWAIT/OMAN/
QATAR/SAUDI ARABIA/UAE/TURKEY

ASIA
12
COUNTRIES

771 mill.
TOTAL
POPULATION

46%
URBAN
POPULATION

BANGLADESH/CAMBODIA/HONG KONG/
LAOS/MALAYSIA/MYANMAR/PAKISTAN/
PHILIPPINES/SOUTH KOREA/SINGAPORE/
TAIWAN/THAILAND

THE WORLD FACTBOOK 2020. WASHINGTON, DC: CENTRAL INTELLIGENCE AGENCY, 2020.
FOOTPRINT AS PER DECEMBER 31, 2019.

CHOICE

EXPANDED RESTAURANT **COVERAGE**

Our customers crave variety, so we aim to ensure that we can offer multiple restaurants and cuisine types in every neighborhood – from international chains to local favorites – to cater to different individual preferences.

500,000

LISTED RESTAURANTS

By operating a hybrid delivery platform – meaning operating as a marketplace as well as having own-delivery capabilities – Delivery Hero ensures the best quantity, quality and choice to the consumer. As of January 2020, we achieved the important milestone of 500,000 active restaurants listed across our platforms. This makes Delivery Hero the global leader in online food delivery, with the biggest restaurant network globally outside of China.

The vast number of restaurants offer our customers an amazing array of cuisine types to satisfy their tastes. Moreover, providing delivery services increases the number of potential customers served by high-demand restaurants, allowing us to rollout delivery in neighborhoods with higher order density. With only approx. 4.6% of orders generated by any single brand, we continue to provide a diversified portfolio of restaurants.

Numerous cloud restaurants operating globally and the continued rollout of virtual restaurants provides better quality food with reduced delivery times at lower costs. By offering quality food in better packaging, specifically designed for delivery, these concepts allow us to lever our operational expertise and achieve more efficient cost structures. A good initial traction has been noted given the benefits brought to customers and restaurants. This has led Delivery Hero to further invest into virtual restaurants in the fourth quarter of 2019.

SPEED

FASTER & MORE RELIABLE **DELIVERY SERVICES**

We strive to provide a fast and more reliable service to our customers with real-time updates. Therefore, Delivery Hero tightly manages all steps in the food delivery life cycle, including transmission, delivery and post-order services. We are deeply integrated with the operations of our restaurant partners, which allows us to learn the cooking times of their dishes and make sure the food is ready exactly at the time the delivery rider arrives at the restaurant, all to improve speed, reliability and food quality.

We work to improve the delivery experience for our customers by providing vendors with our restaurant partner solution, built on proprietary technology. The innovative solution allows for better management of the delivery process for restaurants while improving efficiency of our own delivery operations. Furthermore, we ensure full transparency to our customers by providing live tracking or constant status updates, which has been further improved in accuracy in 2019.

< 28 MIN.

AVERAGE DELIVERY TIME
IN Q4 2019

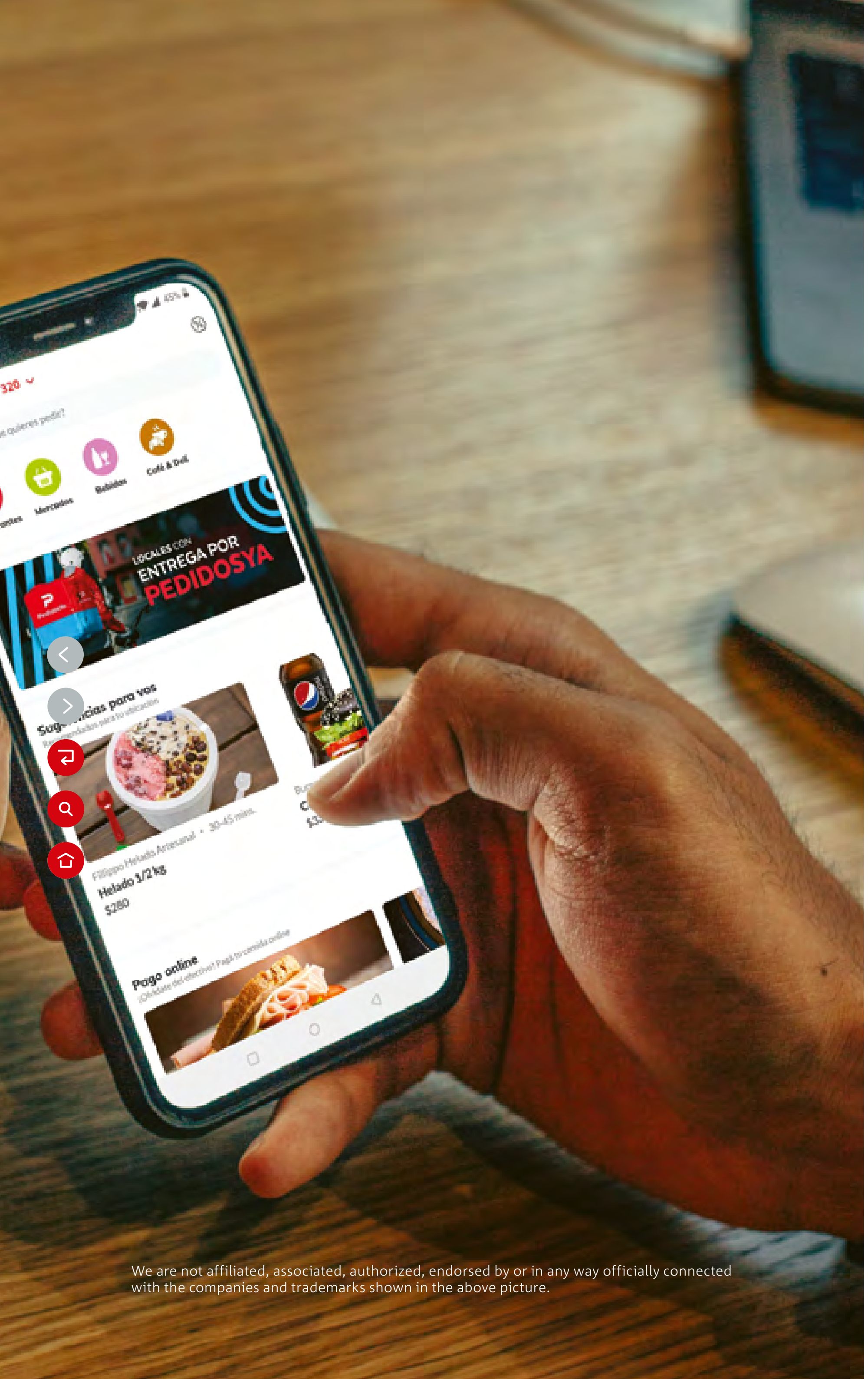
As per Q4 2019 45% of orders were delivered via our proprietary technology solution “Hurrier”, reaching an important milestone of 1 million delivery orders per day. With improved logistic efficiencies we decreased delivery time to below 28 minutes in Q4 2019, with even faster execution in dense areas. Improved unit economics, that in some markets (i.e., KSA) are even exceeding those of marketplace orders, is the result of significant investment as well as numerous years building and refining our delivery technology and restaurant operations. We clearly expect to see improving unit economics in a range of markets throughout 2020.

SEAMLESS ORDER EXPERIENCE

IMPROVED PRODUCT AND TECHNOLOGY **EXPERIENCE**

We are passionate about taking our customers' ordering experience to the next level. Each day we focus on simplifying and personalizing our product, so that we can continually move closer to the point where we know exactly what each customer wants, when they want it. Our data-driven approach has led to 22 billion data points being processed in December 2019.

In 2019 we continued to focus on key product improvements. This included inspiring customers with a simple ordering process, more visualization during the discovery process by adding delicious food images, the ability to search at dish level, increasingly personalized restaurant recommendations, a wide variety of payment options and a convenient reorder facility. Subtle feature improvements that resulted in increased order frequency.



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22 BILLION

DATA POINTS PROCESSED
IN DECEMBER 2019

One area of significant investment has been our proprietary delivery area technology, which besides from defining the delivery areas also provides real-time optimization and detailed delivery time estimates. Our own time estimates have been so accurate that in 2019 we have been replacing delivery time estimates with custom-built machine-learning algorithms based on proprietary data. We have also significantly invested in an optimized rider scheduling tool to continuously balance supply and demand while providing our riders with the maximum possible flexibility. Our proprietary algorithm estimates vendor preparation times based on the day of the week, the time of the day and the size of the order to match the time the food is ready with the time our rider gets to the restaurant, in order to improve the food quality by reducing the time the food stays in the bag.

NEW OCCASIONS

ADDING HIGH-FREQUENCY PRODUCTS

29 COUNTRIES

OFFERING MULTI-VERTICALS

One of our major focuses in 2019 was the expansion of our product offering and securing our status as a third-generation delivery company. Developments in proprietary technology and executional capabilities allowed us to expand into multi-vertical offerings in multiple markets, this includes products from groceries, pharmacies, flower stores and other convenience articles. Throughout 2019 we rolled out multi-vertical delivery platforms in 29 countries. During 2019, multi-verticals surpassed the threshold of 1m orders per month. Given the good initial traction, Delivery Hero has invested into the expansion of Dmart[1] across MENA and Asia. By the end of 2019, 51 Dmart were present in Turkey, Kuwait, KSA, UAE and Qatar and the first Dmart had launched in Singapore and Taiwan. The advanced rollout of Dmart and kitchens during Q4 2019 encouraged the re-evaluation of the reporting structure, from 2020 reporting will include an additional segment: "Integrated Verticals."

[1] Retail or distribution center intended exclusively for online purchases.

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REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

The financial year 2019 was a significant and successful year for Delivery Hero SE (the "Company"). Thanks to consistent strong growth, the Delivery Hero Group has developed a leading, global market position, with the Group now taking over 210 million orders per quarter. Particularly noteworthy was the conclusion of an agreement to acquire shares in the South Korean Woowa Brothers Corp., which is an impressive milestone for the Company.

COMPOSITION OF THE SUPERVISORY BOARD

The Delivery Hero SE Supervisory Board is comprised of six members and is represented by three shareholder representatives and three employee representatives. The Supervisory Board's employee representatives were selected by the employees' special negotiation body.

COOPERATION BETWEEN MANAGEMENT AND SUPERVISORY BOARDS

The Supervisory Board duly and carefully complied with the duties and recommendations imposed on it by law, the articles of association, the rules of procedure and the German Corporate Governance Code in the version dated February 7, 2017 and published by the Federal Gazette on April 24, 2017. The Supervisory Board was at all times comprehensively involved in Management Board affairs and decisions of key importance to the Company from an early stage. The Management Board regularly reported to the Supervisory Board extensively on the position, strategic planning, intended business policy and key transactions of the Company and Group; such reporting took place in writing and orally. In the same vein, it gave its opinion on key issues pertaining to risk positions, risk management, financials, investment and staff planning, as well as corporate governance, compliance, the course of business and profitability. Where decisions required the approval of the Supervisory Board, the Management Board explained and discussed the relevant measures and transactions with the Supervisory Board prior to making these decisions. Discussions took place during meetings of the full Supervisory Board and its committees, which were also held by conference call. The Supervisory Board and relevant committees also met without the Management Board's presence, where applicable. The chairs of the Supervisory Board and Audit Committee were also in regular contact with the chair of the Management Board and the Chief Financial Officer outside of meetings so as to discuss current developments and key decisions, including those on risk position, risk management and compliance, at regular intervals and also, when necessary, at short notice.

During the financial year 2019, the Supervisory Board held five meetings, sixteen conference calls, as well as one informatory call. The Supervisory Board adopted six resolutions in circulation procedure.

Mr. Patrick Kolek and Mrs. Hilary Gosher were each unable to take part in one conference call, but submitted their votes in writing. Mr. Patrick Kolek and Mr. Christian Graf von Hardenberg were unable to attend one meeting in person and Mrs. Hilary Gosher was unable to attend two meetings in person but participated in these meetings by conference call. Mr. Patrick Kolek was unable to take part in one informatory conference call. All other members of the Supervisory Board attended all meetings and conference calls during their term of office.

MEETINGS AND ESSENTIAL RESOLUTIONS OF THE DELIVERY HERO SE SUPERVISORY BOARD

During the meeting on February 5, 2019, the Supervisory Board dealt in particular with the trading update for Q1 2019 and approved the opening of an exercise window for the employee participation program. Furthermore, the Supervisory Board approved the acquisition of the food delivery business of Zomato Media Pvt. Ltd. in the United Arab Emirates.

In the conference call on February 19, 2019 and two conference calls on February 20, 2019 the Supervisory Board dealt with the exercised options within the framework of the employee long-term incentive program and approved the respective capital increases.

The Supervisory Board approved an adjustment of the Management Board remuneration in the conference call on March 13, 2019. Furthermore, the Supervisory Board adopted an amendment of the budget for the financial year 2019.

In the conference call on April 3, 2019, the Supervisory Board dealt with and approved the collar transaction with regards to 3.2 million shares in Takeaway.com N.V.

The Supervisory Board addressed the key risk areas of risk and compliance management in the MENA region in the conference call on April 12, 2019.

In the balance sheet meeting on April 23, 2019, the Supervisory Board examined the annual and consolidated financial statements, including the group management report for the financial year 2018, and discussed them in detail with the auditors KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin (“KPMG”). The auditor reported on the major audit findings. In addition, the Supervisory Board examined the non-financial statement for the group and approved the Supervisory Board report and discussed the draft agenda for the annual general meeting 2019. In accordance with the recommendation of the Audit Committee, the Supervisory Board approved the annual financial statements, the consolidated financial statements and the group management report for 2018. Thus, the annual financial statements were adopted. The Supervisory Board also acknowledged and agreed to the declaration of independence from KPMG and thus was of the opinion that the independence of the auditor was not endangered. Further, the Supervisory Board dealt in detail with the risk and compliance management in the MENA region.

In three conference calls on May 21, 2019, the Supervisory Board dealt with the exercised options within the framework of the employee long-term incentive program and approved the respective capital increases.

In the meeting on June 12, 2019, subsequent to the annual general meeting, the Supervisory Board reelected Mr. Patrick Kolek as deputy chairman of the Supervisory Board and addressed in particular the retention and the personal development of the employees in the Delivery Hero Group as well as the returns of marketing investments.

In the conference call on July 26, 2019, the Supervisory Board addressed the trading update for the half-year report 2019, in addition to the implementation and development of the compliance system in the subsidiaries of the Delivery Hero Group.

In the meeting on September 3, 2019, the Supervisory Board dealt in particular with the half-year report 2019. Furthermore, the Supervisory Board approved the sale of 3 million shares Takeaway.com N.V. and discussed the technical, product and logistics capability roadmap for the Delivery Hero Group.

In the conference call on October 29, 2019, the Supervisory Board dealt with the quarterly statement for Q3 2019.

In the meeting on November 6, 2019, the Supervisory Board addressed, in addition to the results of the self-efficiency assessment of the Supervisory Board (which was carried out by the European Center for Board Efficiency (ECBE)), the internal audit plan for the financial year 2020, the status and results of the Governance Risk and Compliance Plan 2019 as well as current data protection and anti-trust law. Furthermore, the Supervisory Board dealt with the further rollout of the dark stores within the Delivery Hero Group as well as with the conclusion of an agreement to acquire shares in the South Korean Woowa Brothers Corp. and the incorporation of a joint venture with the investors and the management of Woowa Brothers Corp.

In the conference call on December 4, 2019 and in the conference call on December 6, 2019, as well as in an informatory call on December 10, 2019, the Supervisory Board discussed in detail the conclusion of the agreement to acquire shares in the South Korean Woowa Brothers Corp. as well as the incorporation of a joint venture.

In the conference call on December 11, 2019, the Supervisory Board adopted the budget for the financial year 2020 and dealt with the independence of each member of the Supervisory Board. Moreover, the Supervisory Board adopted the declaration of compliance for the financial year 2019.

During two conference calls on December 13, 2019, the Supervisory Board approved the conclusion of the agreement to acquire shares in the South Korean Woowa Brothers Corp. and the incorporation of a joint venture together with the respective capital increase.

Certain Management Board transactions and measures require prior approval from the Supervisory Board on account of statutory provisions or specifications in the Management Board's rules of procedure. The Supervisory Board gave its approval to the agenda of the annual general meeting 2019, various capital increases that were implemented as part of the employee participation program, and approved the amendment of the Management Board contracts. Moreover, the Supervisory Board approved by resolution in writing the mandate of Emmanuel Thomassin as a member of the supervisory board of an external company as well as a settlement agreement in relation to claims pursuant to the investment agreement for the foodpanda Group.

EFFICIENT WORK OF THE SUPERVISORY BOARD'S COMMITTEES

The Supervisory Board constituted four committees in accordance with the advice of the German Corporate Governance Code, namely, an Audit Committee, Remuneration Committee, Nomination Committee and Strategy Committee to discharge its duties in a duly manner. Each committee consists of three members. The chairs of each committee regularly reported on the content and result of their meetings to the full Supervisory Board in the subsequent Supervisory Board meeting.

The Audit Committee held four meetings and one circular resolution during the financial year 2019. During these meetings, the Audit Committee regularly focused on accounting structures and processes, internal control, internal auditing, risk management and compliance, and discussed measures with the auditor KPMG and the Management Board to strengthen them further. KPMG participated in all Audit Committee meetings. Further, the Audit Committee dealt comprehensively with the annual and consolidated financial statements, including the group management report for the financial year 2018, and discussed the results of the audit of the annual and consolidated financial statements with the auditor. In addition, the Audit Committee discussed, reviewed and agreed to the half-year financial report and the quarterly statements.

Furthermore, the Audit Committee considered the requirement for non-financial reporting (CSR – directive) and the separate non-financial statement for the Group. In addition, the Audit Committee dealt with the independence of the auditor and approved KPMG to render non-audit services. Similarly, the Audit Committee was involved in the preparation of the Supervisory Board's proposal to the 2019 annual general meeting for the appointment of an auditor for the annual and consolidated financial statements.

With Mr. Patrick Kolek as Chair of the Audit Committee, the Audit Committee, in line with Section 100(5) and 107(4) of the German Stock Corporation Act (*Aktiengesetz*, AktG), possesses an independent member who has the required level of expertise in accounting or auditing as well as special knowledge and experience in the application of accounting principles and internal control procedures. All members were present during all meetings and phone calls.

During the financial year 2019, the Remuneration Committee held one informatory call. The main focus was the adjustment of the remuneration of the Management Board. Mrs. Vera Stachowiak was not able to take part in the informatory call. For further information regarding Management Board remuneration, reference is made to the remuneration report. All other members participated in the informatory phone call.

The Nomination Committee, which is made up of shareholder representatives exclusively, held no meetings during the financial year 2019.

The Strategy Committee of Delivery Hero held three meetings and one conference call during the financial year 2019. The Committee focused mainly on potential company acquisitions as well as a long-term succession plan for the Management Board and other managers, and the collar transaction with regards to 3.2 million shares in Takeaway.com N.V. Ms. Hilary Gosher was unable to attend one meeting in person but participated in this meeting by phone. All other members were present at all further meetings and phone calls.

CORPORATE GOVERNANCE

The Supervisory Board discussed various matters in relation to corporate governance and, together with the Management Board, submitted the declaration of compliance required under Section 161 AktG on December 11, 2019. The full declaration of compliance and more extensive explanations of the Company's corporate governance can be found in the Corporate Governance Report. Readers are referred to the remuneration report for further information regarding the remuneration structure for the Management Board and Supervisory Board.

There were no conflicts of interest disclosed by the Supervisory Board in the financial year 2019.

AUDIT AND FINALIZATION OF THE ANNUAL FINANCIAL STATEMENT, APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The Management Board forwarded to the members of the Audit Committee and Supervisory Board the annual and consolidated financial statements for 2019, the 2019 combined management report for Delivery Hero SE and the Group (the "Annual Report Documents") and the combined separate non-financial report immediately after they were set up. The auditor KPMG audited the annual financial statement for Delivery Hero SE and the consolidated financial statements as well as the 2019 combined management report for Delivery Hero SE and the Group, and certified it unconditionally. The Annual Report Documents and the audit findings of the auditor KPMG were examined in detail in the presence of KPMG during the Audit Committee's meeting and the Supervisory Board's balance sheet meeting on April 22, 2020; in particular, with regard to their lawfulness and compliance with requirements. The auditor KPMG reported on the key findings of the audit, the specified scope for the audit and important circumstances arising during the audit. The Management Board and the auditor KPMG were available for further questions and additional information requested by the Supervisory Board.

There were no objections to raise following the Supervisory Board's final audit result. In accordance with the recommendation of the Audit Committee, the Supervisory Board approved the annual and consolidated financial statements for 2019, the combined management report for Delivery Hero SE and the Group and the combined separate non-financial report. Thus the annual financial statements are adopted.

BOARD MATTERS

The Supervisory Board consists of Dr. Martin Enderle (Chair of the Supervisory Board), Mr. Patrick Kolek (Deputy Chair) and Ms. Hilary Gosher as shareholder representatives. The employee representatives on the Supervisory Board are Mrs. Vera Stachowiak, Mr. Björn Ljungberg and Mr. Christian Graf von Hardenberg. Mr. Semih Yalcin left the Supervisory Board of Delivery Hero SE effective April 1, 2019. As a substitute member for Mr. Semih Yalcin, Mr. Christian Graf von Hardenberg joined the Supervisory Board as an employee representative on April 1, 2019. The Supervisory Board members' term of office will end according to schedule at the conclusion of the regular annual general meeting that resolves on the discharge for the financial year 2019.

The committees constituted by the Supervisory Board are represented as follows:

Audit Committee:
Patrick Kolek (Chair), Dr. Martin Enderle, Björn Ljungberg

Remuneration Committee:
Dr. Martin Enderle (Chair), Patrick Kolek, Vera Stachowiak

Nomination Committee:
Dr. Martin Enderle (Chair), Patrick Kolek, Hilary Gosher

Strategy Committee:
Hilary Gosher (Chair), Patrick Kolek, Dr. Martin Enderle

I would particularly thank Mr. Semih Yalcin whose high level of personal commitment has had a lasting impact on the Company. Further, the Supervisory Board would like to thank the Management Board and all the Company's employees around the world for their outstanding achievement in the financial year 2019, which was a year characterized by many important milestones and strong growth. This would not have been possible without the commitment and positive attitude of all our employees.

Berlin, April 22, 2020
For the Supervisory Board

Dr. Martin Enderle
Chair of the Supervisory Board of
Delivery Hero SE

CORPORATE GOVERNANCE

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CORPORATE GOVERNANCE STATEMENT, GROUP GOVERNANCE STATEMENT AND CORPORATE GOVERNANCE REPORT (SECTIONS 289f, 315d HGB, SECTION 3.10 GCGC)

From the point of view of Delivery Hero SE (also referred to as "the Company"), good corporate governance is an essential prerequisite for, and a reflection of, responsible leadership. As a multinational company, Delivery Hero SE attaches paramount importance to governance geared toward its long-term success, as well as sustainable value creation and corporate control. The Management Board and the Supervisory Board of Delivery Hero SE are committed to the principles of strong and responsible corporate governance and aim to meet the highest standards in this regard. In particular, the Management Board and the Supervisory Board are guided by the recommendations of the German Corporate Governance Code as amended on February 7, 2017 ("GCGK"). In the following, the Supervisory Board and the Management Board submit the Corporate Governance Statement of the Company together with the Statement on Corporate Governance and the Group Corporate Governance Statement in accordance with Sections 289f, 315d HGB (German Commercial Code).

DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 AKTG

The Declaration of Compliance will be permanently available on the Company's Internet page at https://ir.delivery-hero.com/websites/delivery/English/4100/corporate-governance-report.html.

Declaration of Compliance 2019

Declaration by the Management Board and the Supervisory Board of Delivery Hero SE regarding the recommendations of the "Government Commission German Corporate Governance Code" pursuant to Section 161 AktG

Management Board and Supervisory Board declare:

Delivery Hero SE has complied since the publication of the last declaration of compliance in December 2019 with the recommendations of the "Government Commission German Corporate Governance Codex" in the version dated February 7, 2017 published by the Federal Gazette on April 24, 2017 (the "Code"), and will continue to comply in the future subject to the following deviations:

— Pursuant to Section 3.8 para. 3 of the Code, the D&O insurance covering the members of a Supervisory Board shall provide for a deductible in the amount of 10% of the loss up to at least the amount of one and a half times the fixed annual remuneration of the respective member of the Supervisory Board. Delivery Hero SE's current D&O insurance for the members of the Supervisory Board does not include a deductible. The Management Board and the Supervisory Board are of the opinion that a deductible for the members of the Supervisory Board does not have any influence on the awareness of responsibility and loyalty of the members of the Supervisory Board with regard to their tasks and functions. Moreover, it would reduce Delivery Hero SE's possibilities to compete for competent and qualified members of the Supervisory Board.

— Pursuant to Section 4.2.3 para. 2 sentence 6 of the Code, the amount of remuneration for a member of a management board shall be capped with maximum levels, both as regards variable components and in the aggregate.

The Long-Term Incentive Plan, which has been adopted by the Supervisory Board, as part of the future compensation system for the Management Board consists of a Stock Option Plan as well as of a Restricted Stock Plan. Both under the Stock Option Plan and the Restricted Stock Plan, the number of shares to be allocated to the Management Board members is capped. However, both plans do not provide for a cap on the achievable amount upon the exercise of the stock options (regarding the Stock Option Plan) and on the value of the stocks to be transferred to the beneficiary after the expiry of the blocking period (regarding the Restricted Stock Plan). In the opinion of the Supervisory Board, such caps would not be appropriate, as they would contradict the alignment of the interests of the Management Board members with those of the shareholders. The purpose of both instruments under the Long-Term Incentive Plan is to ensure an adequate and balanced participation of the Management Board members in the economic risks and chances of Delivery Hero SE. In the opinion of the Supervisory Board, a cap on the value of stocks would not be in line with such participation. As no cap on the achievable amount of the variable components of the compensation exists, also no cap on the remuneration in the aggregate is in place. Therefore, Delivery Hero SE declares a deviation from Section 4.2.3 para. 2 sentence 6 of the Code.

— Pursuant to Section 5.1.2 sentence 4 of the Code, the Supervisory Board together with the Management Board shall ensure long-term succession planning. As the members of the Management Board have only recently been appointed, it is declared that the Supervisory Board has not yet developed any succession guidelines with regard to the members of the Management Board. However, the Supervisory Board will, together with the Management Board, develop a long-term succession planning in the near future, in order to ensure a sustainable corporate development.

— Pursuant to Section 7.1.2 sentence 3 (variant 1 and variant 2) of the Code, the consolidated financial statements and the group management report shall be made publicly accessible within 90 days from the end of the financial year, while mandatory interim financial information shall be made publicly accessible within 45 days from the end of the reporting period. In order to ensure a high quality of the financial reporting, the recommended publication periods may not be complied with. As a consequence, Delivery Hero SE hereby declares a deviation from the respective recommendation. However, Delivery Hero SE is constantly seeking to improve its reporting system to comply with this recommendation of the Code in the future.

Berlin, in December 2019

Delivery Hero SE

On behalf of the Supervisory Board

Dr. Martin Enderle

The Management Board

Niklas Östberg **Emmanuel Thomassin**

CORPORATE GOVERNANCE AND RELEVANT DISCLOSURES PERTAINING TO CORPORATE GOVERNANCE PRACTICES

Corporate governance – standards of good and responsible corporate governance

Good corporate governance according to the “reputable businessman” model serves to increase on a lasting basis a Company’s value as a going concern, and it fosters trust in our Company’s management and supervision among national and international investors, the financial markets, business partners, employees and the public. Accordingly, the Company’s Management Board, Supervisory Board and management ensure that our corporate governance policies are actively embraced in practice and continually refined in all areas of the Company.

Corporate governance at Delivery Hero SE is determined in particular by the applicable laws, the recommendations of the GCGC, and internal Rules of Procedures and guidelines.

The Management Board and Supervisory Board attach great value to cultivating an open corporate and management culture. Positive interpersonal relations within the Company are of paramount importance for the Company’s economic success and the satisfaction of its customers, employees, partners and shareholders. A detailed description of our corporate social responsibility is to be found in the combined separate non-financial report.

Internal control system
To ensure the reliability of its bookkeeping and accounting, the assurance on the effectiveness and efficiency of operations and compliance with applicable laws and regulations, Delivery Hero SE has set up a Group-wide internal control system to mitigate financial and operational risks. The internal control system's effectiveness is monitored by the Internal Audit department, the Audit Committee and the Supervisory Board. The internal control system is constantly adapted to the requirements of the rapidly growing Delivery Hero Group.

The internal control system includes the necessary organizational measures and controls within the Company and ensures compliance with internal guidelines, protection of company assets and achievement of corporate goals. Furthermore, the internal control system also allows the company to counteract the risks arising from business activities, monitor these risks on a permanent basis, and manage them appropriately.

Risk management system
The key objectives of Delivery Hero SE's risk management system are to manage and streamline the Group-wide risk management process, to control all risk management related activities, and to ensure a comprehensive view on all significant risks of the Group.

Within Delivery Hero SE, the "Governance, Risk and Compliance (GRC)" department is responsible for the early detection, management and monitoring of risks. By means of its continual development of the risk management system, the GRC department ensures that risks are identified and managed throughout the Company according to a specific method.

The risk management system is closely coordinated with the determination of the Group strategy and its business objectives, including the protection of the Group's assets and value chain. The GRC department reports significant risks directly to the Management Board, the Audit Committee and the Supervisory Board. Further information on our Group-wide risk management system is provided in our current risk and opportunity report.

Internal auditing system
Independence is the cornerstone of Delivery Hero's internal audit function. Internal Audit provides independent and objective assurance to the Management Board, Audit Committee and Supervisory Board regarding the adequacy and effectiveness of the company's other governance processes (risk management, compliance management and internal controls). This is accomplished via risked-based audits performed by the Internal Audit team throughout the Delivery Hero Group and subsequent reporting to the Management Board and the Supervisory Board.

Internal Audit serves to promote responsible corporate governance in accordance with the standards and code of ethics of the Institute of Internal Auditors (IIA) and Deutsches Institut für Interne Revision (DIIR). It provides the Audit Committee of the Supervisory Board and the Supervisory Board with a report on its activities on a regular basis. These reports contain, inter alia, an account of the current status of the various audits conducted under the flexible audit plan, significant findings of completed audits and any outstanding issues relating to implementation of management action plans

Compliance, compliance management and the Code of Conduct of Delivery Hero SE
For Delivery Hero SE, compliance signifies the fostering of a sustainable corporate culture of integrity and responsibility, as well as the responsible management of risks. The Company has developed a compliance management system that aims to prevent corruption, conflicts of interest and other violations of law committed within the Delivery Hero Group or by Delivery Hero SE, its employees, directors or executives. The compliance management system comprises a system of measures intended to ensure that business is conducted at all times in full compliance with the law and with internal rules and principles. The compliance philosophy of Delivery Hero SE focuses on preventing, detecting and reacting appropriately to every type of misconduct.

The Company has developed in addition a Code of Conduct to provide employees with guidance in their decision-making. It is a compilation of the principles, values and rules of conduct of the Company. Every employee of the Delivery Hero Group is responsible for reporting violations, or potential violations, of law, the Code of Conduct or internal guidelines. The Company offers employees of the Company and third parties various means of reporting compliance violations under its whistle-blower system – if wished also in an anonymous way. The Compliance department investigates the reported cases and, if necessary, initiates appropriate measures to eliminate the reported compliance violations.

The existing compliance management system is subject to continuous review and is under continuous development by the Management Board in cooperation with the relevant departments. The Management Board bears overall responsibility for the proper functioning of the compliance management system; the Supervisory Board and the Internal Audit department monitor the system's effectiveness.

DUTIES, COMPOSITION AND WORKING METHODS OF THE MANAGEMENT BOARD AND SUPERVISORY BOARD AND OF THE SUPERVISORY BOARD'S COMMITTEES

Dualistic management and control structure

The Company form of a European public company (Societas Europaea, SE), expresses Delivery Hero SE's self-image as an internationally oriented company with European roots. As an SE with its registered office in Germany, the Company is subject to the European and German SE regulations as well as to the German Stock Corporation Act (AktG). Management and control of the Company are implemented by a dual management system. The Management Board and Supervisory Board cooperate on a trust basis to the benefit of the enterprise and are in regular contact with one another. The Management Board is the management body; it is responsible for the Company's direction and business management. The Supervisory Board is the Company's control and monitoring body, advising and overseeing the Management Board in its management of the Company's business.

Duties, lines of authority and composition of the Management Board

As the Management Board of Delivery Hero SE, Niklas Östberg (Chair and CEO) and Emmanuel Thomassin (CFO) are personally responsible for managing the Company's divisions assigned to them. The Management Board is duty-bound to act in the Company's interest and obliged to increase on a lasting basis the Company's value as a going concern. Mr. Östberg and Mr. Thomassin lead the Company in a spirit of partnership and, as members of the Management Board, are jointly responsible, in coordination with the Supervisory Board, for the corporate strategy and its day-to-day implementation in accordance with applicable laws, the Articles of Association and the rules of procedure. The management of all divisions is geared to the aims set out by means of Management Board resolutions. Irrespective of the division of business responsibilities, the members of the Management Board are jointly accountable for managing the enterprise. They work together in a collegial manner and inform each other of significant measures and business transactions in their respective divisions.

The rules of procedure laid down by the Supervisory Board govern the cooperation and responsibilities of the Management Board members. In particular, they contain regulations on the working methods of the Management Board members and on cooperation with the Supervisory Board. They also contain, inter alia, a catalog of matters requiring Supervisory Board approval, set out the majorities required for the passing of Management Board resolutions, and outline the matters reserved for the entire Management Board. Management Board meetings are held on a regular basis, usually every two weeks. The Management Board, especially the chair, maintains regular contact with the chair of the Supervisory Board.

The Management Board discusses the current state of strategy implementation with the Supervisory Board at regular intervals. It informs the Supervisory Board regularly, promptly and comprehensively in regard to all questions of strategy, planning, business development, risk exposure, risk management and compliance that are of relevance to the Company. In this context, the Management Board addresses deviations in the course of business development from prepared plans and agreed targets, indicating the reasons.

When taking decisions, Management Board members may not pursue any personal interests. During their term of office, they are subject to a comprehensive non-compete clause and may not utilize business opportunities of the Delivery Hero Group for their own gain. Each member of the Management Board must immediately disclose any conflicts of interest to the Supervisory Board. All transactions between Delivery Hero SE or Group companies, on the one hand, and Management Board members and related parties, on the other, must adhere to standard industry practices and may be subject to prior approval by the Supervisory Board. Management Board members may only pursue secondary employment, especially Supervisory Board positions outside the Delivery Hero Group, with the permission of the Supervisory Board.

The Supervisory Board is aware of the special importance of diversity in the Company's management. It firmly believes that management and supervisory bodies with a diverse composition can open up new perspectives that, in turn, facilitate decision-making processes that help bring about a lasting improvement in performance. As regards the make-up of the Management Board, the Supervisory Board attempts – even though professional and technical qualifications are always the deciding criterion – to take the international character and various core sectors of the business model of Delivery Hero SE into consideration as appropriately as possible while, at the same time, honoring the principle of diversity, particularly in regard to professional experience and the know-how of the candidates. In this regard, the Supervisory Board also endeavors to give appropriate consideration to women. Even though performance and qualifications are the paramount factors when selecting Management Board members, such members shall not be more than 65 years old when they are appointed.

Duties, lines of authority and composition of the Supervisory Board

The Supervisory Board is responsible for regular advice and monitoring in respect of the Management Board's governance of the Company. The Supervisory Board performs its functions in accordance with statutory legislation, the Articles of Association of the Company and its own rules of procedure. It is involved in decisions of fundamental importance for the Company and works for the good of the Company and in a spirit of trust with the other governing bodies of the Company, especially the Management Board.

Because the members of the Management Board were appointed in the financial year 2018 – and each to a term that ends on April 30, 2022 – the Supervisory Board has not yet developed any guidelines for the succession of Management Board members. However, the Supervisory Board jointly with the Management Board are currently planning the development of a long-term succession plan for the Management Board to ensure continuous development of the Company.

The Articles of Association of Delivery Hero SE provide that the Supervisory Board consists of six members. The Supervisory Board consists of six members, three of whom are employee representatives.

The members of the Supervisory Board in the 2019 financial year were[1]:

- Dr. Martin Enderle (Chairman and member since May 29, 2017)
- Patrick Kolek (member since June 3, 2017; Deputy Chair since July 13, 2018)
- Björn Ljungberg (member since July 13, 2018)
- Semih Yalcin (member from July 13, 2018 to April 1, 2019)
- Hilary Gosher (member since July 13, 2018)
- Vera Stachowiak (member since July 13, 2018)
- Christian Graf von Hardenberg (member since April 1, 2019)

The Supervisory Board has set rules of procedure for itself, which in particular regulate the working method and the division of tasks of the Supervisory Board and its committees. The chair of the Supervisory Board coordinates the work on the Supervisory Board and represents the interest of the Supervisory Board externally. The Supervisory Board holds at least two meetings semiannually, with further meetings convened as and when necessary. Meetings held, and resolutions passed, in writing, by telephone or by means of electronic media are permissible. The Supervisory Board passes its resolutions with a simple majority of members voting on the resolution; if there is a tie, the chair shall have the casting vote. The Supervisory Board discusses the course of business, strategic planning and significant investments on a regular basis. The Supervisory Board also regularly assesses how effectively the Supervisory Board as a whole and its committees fulfil their tasks. Please refer to the Supervisory Board report for more details of its activities in the 2019 financial year.

In accordance with the recommendations of the GCGC, the Supervisory Board has set up four committees: an Audit Committee, a Remuneration Committee, a Nomination Committee and a Strategy Committee. Each committee comprises three members. The chair of each committee reports, regularly and in detail, to the full Supervisory Board on the work done in its committee.

The Supervisory Board of the Company has set targets for its own constitution, and it has determined for the body as a whole objectives of skills and expertise that seeks to ensure the following:

The members of the Supervisory Board should collectively possess the knowledge, abilities and technical experience necessary for the proper discharge of their duties – supervising and advising the Management Board. Furthermore, the legal gender quota is to be considered. The individual members of the Supervisory Board should possess the knowledge, abilities and professional qualifications and experience they need to properly and diligently fulfil the duties and responsibilities assigned to them. At least one member of the Supervisory Board must have expertise in the fields of accounting or auditing; the members of the Supervisory Board must, as a whole, also be familiar with the sector in which the Company operates. All members

[1] The disclosures on the membership in the Supervisory Board and the Supervisory Board committees also refer to the period prior to the legal form change from Delivery Hero AG to Delivery Hero SE coming into force on July 13, 2018.

of the Supervisory Board must ensure that they have sufficient time available to discharge their duty to supervise and advise the Management Board. No more than two former members of the Management Board are permitted to serve as members of the Supervisory Board.

Each member of the Supervisory Board is obliged to observe the enterprise´s best interest. They may neither pursue personal interests in their decisions nor exploit for their own benefit business opportunities to which the company is entitled. No candidates for election to membership on the Supervisory Board are to be proposed to the annual general meeting who are members of the governing bodies of, or exercise advisory functions at, significant competitors of the enterprise, and hold any personal relationships with a significant competitor or who (potentially) are permanently or frequently subject to a conflict of interest. A Supervisory Board member must disclose possible conflicts of interest to the Supervisory Board. Conflicts of interest that have occurred are handled appropriately; the Supervisory Board provides information about them and how it was addressed in its report to the annual general meeting. Significant, and not merely temporary, conflicts of interest in the person of a Supervisory Board member are to result in termination of their tenure.

The Supervisory Board shall reflect a well-balanced measure of diversity, particularly in respect of the internationality of its members, their experience and disparate professional histories and backgrounds. The Supervisory Board has set a target for the quota of women on the Supervisory Board (for further details in this regard see section about the targets on the appointment of women in management roles).

Bearing in mind the Delivery Hero Group's international operations, at least three members of the Supervisory Board are to have international business experience in the Company's core markets, specifically in Europe, South America, the Near East (MENA) and the Asia-Pacific region. The appropriate business experience may be acquired in particular through management duties in a globally operating Company or by working as an advisor.

At least three members of the Supervisory Board are to be independent as defined in Section 5.4.2 sentence 2 GCGK. At present there is an age limit of 70 years and a term limit of 15 years for Supervisory Board members, from which there may be an exemption in certain justified cases, since the most important factor for appointment to membership on the Supervisory Board is a candidate's professional and technical qualification.

The members of the Supervisory Board shall comply with the limit on the number of seats they are permitted to hold according to Section 5.4.5 sentence 2 GCGC. Accordingly, a member of the Supervisory Board who belongs to the management board of a listed company shall not hold more than a total of three supervisory board seats in listed companies outside the Group or in supervisory bodies of companies outside the Group that impose comparable requirements.

The Chair of the Supervisory Board, the Chair of the Audit Committee, as well as the Chair of the committee that addresses Management Board remuneration, shall be independent from the Company and the Management Board.

It is the conviction of the Supervisory Board that the composition described ensures independent and efficient advising and supervising of the Management Board. In regard to the current state of implementation for the composition of the Supervisory Board, the following should be noted: the concrete objectives specified by the Supervisory Board for its composition and the desired realization of the profile of skills and expertise were achieved in full in financial year 2019. The independent Supervisory Board members within the meaning of Section 5.4.2 GCGC are Dr. Martin Enderle, Patrick Kolek, Hilary Gosher, Vera Stachowiak, Björn Ljungberg and Christian Graf von Hardenberg. The Supervisory Board verifies at regular intervals that the goals for the composition of the Supervisory Board and realization of the objectives and expertise continue to be achieved.

Proposals submitted by the Supervisory Board to the annual general meeting for the election of Supervisory Board members take these goals into account while aiming, at the same time, for continuous realization of the profile of skills and expertise for the body as a whole.

Composition and working methods of the Audit Committee

The Audit Committee is, inter alia, responsible for preparing resolutions of the Supervisory Board relating to the audit and approval of the annual financial statements and to the approval of the consolidated financial statements, as well as for the Management Board's draft proposal for the use of net retained profits and the Supervisory Board's proposal to the annual general meeting for the selection of an auditor. In addition, the Audit Committee devotes particular attention to monitoring the accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the final audit – particularly the selection and independence of the auditor and the additional services performed by the auditor – and compliance. The Audit

Committee also reviews the audit reports and the auditor's findings and makes recommendations to the Supervisory Board in respect thereof.

The members of the Audit Committee in the 2019 financial year were:

- Patrick Kolek, Chair (member and Chair since August 1, 2018)
- Dr. Martin Enderle (member until July 13, 2018 and since August 1, 2018)
- Björn Ljungberg (member since August 1, 2018)

Mr. Patrick Kolek – as Chairman of the Audit Committee – possesses the expertise required according to Sections 100 (5) and 107 (4) AktG in the fields of accounting or auditing along with special knowledge and experience in the application of accounting standards and internal control procedures. In addition, Mr. Patrick Kolek is independent and not a former member of the Company's Management Board. The members of the Audit Committee are as a whole familiar with the sector in which the Company operates.

Composition and working methods of the Remuneration Committee

The system for remunerating the Management Board, as well as the amount and appropriateness of remuneration to be paid to the individual Management Board members, is reviewed by the Remuneration Committee. In this regard, the Remuneration Committee supports the activities of the full Supervisory Board and prepares appropriate resolutions for its plenary sessions.

The members of the Remuneration Committee in the 2019 financial year were:

- Dr. Martin Enderle, Chair (member until July 13, 2018, and Chair since August 1, 2018)
- Patrick Kolek (member since August 1, 2018)
- Vera Stachowiak (member since August 1, 2018)

Composition and working methods of the Nomination Committee

The Nomination Committee is made up exclusively of representatives of the shareholders and gives the Supervisory Board the names of suitable candidates for the Supervisory Board to propose to the annual general meeting for election to membership of the Supervisory Board. In doing so, it considers both the desired objectives and expertise for the body as a whole and the Supervisory Board's concrete targets for its own composition.

The members of the Nomination Committee in the 2019 financial year were:

- Dr. Martin Enderle, Chair (member until July 13, 2018, and chair since August 1, 2018)
- Patrick Kolek (member since August 1, 2018)
- Hilary Gosher (member since August 1, 2018)

Composition and working methods of the Strategy Committee

The Strategy Committee is composed exclusively of shareholder representatives and deals with strategic matters relating to the Company.

The members of the Strategy Committee in the 2019 financial year were:

- Hilary Gosher, Chair (member and Chair since August 1, 2018)
- Dr. Martin Enderle (member since August 1, 2018)
- Patrick Kolek (member since August 1, 2018)

Remuneration of the members of the Management Board and Supervisory Board and of the members of the committees

In regard to the remuneration paid to members of the Management Board and Supervisory Board and to members of the committees, reference is made to the detailed remuneration report, which is part of the combined management report. The remuneration report also contains concrete particulars of the Company's existing share option program and similar securities-oriented incentive systems.

TARGETS ON THE APPOINTMENT OF WOMEN IN MANAGEMENT ROLES PURSUANT TO SECTION 76(4) AND SECTION 111(5) AKTG

According to Section 76 (4) sentence 1 AktG, the Management Board must set targets for the quota of women in the two management levels below the Management Board. According to Section 111 (5) sentence 1 AktG, the Supervisory Board must likewise set targets for the quota of women on the Supervisory Board and on the Management Board.

The Company attaches great importance to diversity throughout the Company and believes that the participation of different groups at managerial levels is prudent for driving business growth and leading our market in innovation. That being so, the Management Board is pursuing projects in partnership with the Diversity and Inclusion Team to improve the rate of women and other diversity characteristics within managerial positions.

For the first level below the Management Board, the Management Board set a target of 0% by June 26, 2022. This notwithstanding, the quota of women in 2019 stood at 20%., meaning that the target has been exceeded. This is a 3% increase compared to the previous financial year, due to the downsizing of the level below the Management Board. For the second level below the Management Board, the Management Board set a target of 18% by June 26, 2022, which has also been exceeded reaching a quota of 24%.

The Supervisory Board has set a five-year target of 0% by July 30, 2023 for the quota of women on the Management Board. The Supervisory Board is of the opinion that, for an appointment to membership on the Management Board of Delivery Hero SE, the best possible professional and technical qualifications are the paramount consideration, not sex. In this regard, the Supervisory Board pays due consideration to the fact that Delivery Hero SE has been led by the same Management Board members since its conversion from a GmbH to an AG and then to an SE, as well as during its IPO. This composition of the Management Board has thus far proven successful. However, as a matter of course, this does not exclude an increase in the proportion of women at this level. In view of the fact that the Management Board is currently constituted exclusively of men, the target of 0% has been achieved.

The Supervisory Board has set a five-year target of 30% by July 30, 2023 for the quota of women on the Supervisory Board. Currently, two women sit on the Supervisory Board, which equates to a quota of 33.3%. The Supervisory Board has therefore met its target.

The Supervisory Board is aware, however, of the importance of diversity, and specifically of the special importance of the participation of women in management and supervisory positions. Accordingly, the Supervisory Board aims to increase the quota of women in the composition of the Management Board and the Supervisory Board in the long term.

DIVERSITY PLAN

At Delivery Hero, the Management Board believes that diversity is key to creating an amazing customer and employee experience, as well as a better future for the communities we operate in. This is why diversity and inclusion are firmly embedded in the corporate culture of the Company and Delivery Hero Group companies. All dimensions of diversity exist on an equal footing at Delivery Hero SE, be they, for example, age, sex, educational background or profession, origin or religion, or sexual orientation or identity. The employees of Delivery Hero SE come from more than 80 different countries and five continents. The Management Board and Supervisory Board of the Company also regard it as their duty to further increase – beyond setting targets for the quota of women on the Management Board and Supervisory Board and in management positions – the various aspects of diversity and to use them productively.

In the financial year 2019, Delivery Hero created a Diversity and Inclusion team to build on its commitment to creating a diverse and inclusive business. Since the team was formed, the Company has developed a diversity and inclusion strategy and a set of targeted goals, and implemented a series of projects. Further details on these activities can be found in the combined separate non-financial report.

To date, the Company has not pursued a diversity concept of its own in respect of the composition of the Management Board and Supervisory Board. However, the inner manifestation and further development of an open and integrative corporate culture occupies a position of major importance in the daily work of the Management Board and Supervisory Board.

CORPORATE GOVERNANCE PRACTICE AND TRANSPARENCY

Shareholders and the annual general meeting

The shareholders exercise their co-management and control rights in the annual general meeting, where they also exercise their voting rights. The annual general meeting is chaired, in accordance with the Articles of Association, by the chair of the Supervisory Board or by another Supervisory Board member designated by them. Each share confers one vote. On the basis of its statutory duties, the annual general meeting decides, inter alia, on the use of net retained profits, ratification of the acts of the Management Board and Supervisory Board, the appointment of the auditor, the election of Supervisory Board members and capital or structural measures.

The Company supports the shareholders as much as possible in the exercise of their rights in the annual general meeting. All documents and information relating to the annual general meeting are regularly made available – in German and English – to any interested party on the Company's website shortly after the annual general meeting is convened.

Shareholders have the option of exercising their voting rights in the annual general meeting themselves or having it exercised by an authorized agent of their choice. The Management Board also takes care of appointing a representative for the exercise of a shareholder's voting rights according to the shareholder's instructions (voting rights representatives appointed by the Company); this representative will be available during the general meeting.

D&O insurance

The Company has taken out consequential loss liability insurance (known as "D&O insurance") for the members of the Management Board and Supervisory Board that covers personal liability risk in the event that Management Board or Supervisory Board members are held liable for financial losses in performing their services. For the Management Board, a deductible of 10% of the loss, up to one-and-a-half times the fixed annual remuneration, is stipulated in the D&O policy. No similar deductible has been stipulated for the Supervisory Board since the Management Board and Supervisory Board are of the opinion that a deductible has no effect on Supervisory Board members' sense of responsibility or loyalty in regard to their duties and positions. Moreover, the Company's ability to recruit competent and qualified Supervisory Board members would be limited by the stipulation of a deductible.

Transparent corporate governance and communication

Transparency is one of the essential components of good corporate governance. The shares of the Company are listed on the Prime Standard segment of the Frankfurt Stock Exchange. The Company is therefore subject to the most stringent transparency requirements according to statute and stock exchange law. Delivery Hero SE reports on the position and development of the Company and Delivery Hero Group in both German and English in order to inform institutional investors, private shareholders, financial analysts, business partners, employees and the interested general public simultaneously and on an equal footing. All key information, such as ad hoc and voting rights notifications, all financial reports and the financial calendar, is published in German and English on the website. Alongside changes to the shareholder structure subject to disclosure obligations, Delivery Hero SE also publishes transactions in shares of the Company carried out by individuals in management roles at Delivery Hero SE, and related parties to such individuals, in accordance with Article 19 of the Market Abuse Regulation. As part of comprehensive investor relations work, the Company maintains a close and ongoing dialogue with current and potential shareholders.

Accounting and auditing

The unaudited semi-annual financial report as of June 30, 2019, and the consolidated financial statements as of December 31, 2019, were drawn up according to the International Financial Reporting Standards (IFRS) as applicable in the EU. The consolidated financial statements contain in addition the disclosures that are required according to Section 315a (1) HGB. The annual financial statements of the Company for financial year 2019 were drawn up according to the provisions of the German Commercial Code (HGB) and the provisions of the German Stock Corporation Act (AktG).

KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin ("KPMG") was chosen for financial year 2019 as the auditor of the annual financial statements and consolidated financial statements. The undersigning auditors for the 2019 annual and consolidated financial statements of the Company are Björn Knorr and Alexander Heidgen.

The semi-annual financial report and the quarterly bulletin for the first quarter were initially discussed, before publication, by the Audit Committee with the Company's CFO, Mr. Emmanuel Thomassin. Both the semi-annual financial report and the quarterly bulletins for the first and third quarters were discussed by the Management Board jointly with the Supervisory Board prior to their publication.

KPMG promptly reports to the Chairman of the Audit Committee any possible grounds for exclusion or reasons for bias that arise during the audit if they are not promptly eliminated. The auditor is also to report promptly on all findings and happenings of material importance for the duties of the Supervisory Board that come to the auditor's knowledge as the audit is being performed. It is likewise agreed that the auditor will inform the Supervisory Board, or so note in the audit report, if, when auditing the financial statements, it ascertains facts that reveal inaccuracy in the statement of compliance issued by the Management Board and Supervisory Board pursuant to Section 161 AktG. Prior to the election proposal of the auditor to the annual general meeting, the Company obtains a comprehensive declaration of independence from the auditor in order to ensure that there are no business, financial, personal or other relations that could cast doubt on the independence of the auditor.

Berlin, February 10, 2020

On behalf of the Management Board

Niklas Östberg
Chair of the Management Board, CEO

Emmanuel Thomassin
Member of the Management Board, CFO

On behalf of the Supervisory Board

Dr. Martin Enderle
Chair of the Supervisory Board

TAKEOVER-RELATED DISCLOSURES AND EXPLANATORY NOTES BY THE MANAGEMENT BOARD

This chapter contains the disclosures pursuant to Sections 289a (1), 315a (1) of the German Commercial Code together with the explanatory report of the Management Board pursuant to Section 176 (1) sentence 1 German Stock Corporation Act [*Aktiengesetz* – AktG] in conjunction with Section 9(1) lit. C (ii) SE Regulation.

COMPOSITION OF SUBSCRIBED CAPITAL

At the end of the reporting period, the Company's subscribed capital amounted to € 188,755,039.00, which was subdivided into 188,744,039 no-par value bearer shares.

In January 2020 and in March 2020, four further capital increases were registered, so that at the time of the publication of this report the Company´s subscribed capital amounts to € 197,777,550.00, which is subdivided into 197,777,550 no-par value bearer shares.

There are no different share classes. The same rights and obligations are associated with all shares. Each share grants one vote and determines the shareholder's share in the profits. Shares held by the Company itself, which do not grant the Company any rights in accordance with Section 71b AktG, are excluded from this.

RESTRICTIONS THAT CONCERN VOTING RIGHTS OR THE TRANSFER OF SHARES

Restrictions on transfer

According to the understanding of the Management Board of the Company, the restrictions on transfer as stated by the law on obligations are as follows:

— Overall 3,505,500 shares were held in escrow according to a shareholders agreement and several supplementary agreements. Depending on the respective trustor, the agreements contained vesting periods of twelve and twenty-four months. The twelve months vesting period ended at the conclusion of December 31, 2017 and the twenty-four months vesting period ended at the conclusion of December 31, 2018. The shares were transferred back to the trustors or any proceeds from the sale of the shares were paid out to the trustors or the Company to settle claims.

— Overall 367,200 shares were held in escrow according to an investment agreement. The agreement contains vesting periods respectively for one third of the shares, which ended at the conclusion of June 30, 2018, June 30, 2019, respectively, and will end at the conclusion of June 30, 2020.

Persons who perform management duties at Delivery Hero SE within the meaning of the European Market Abuse Regulation (MAR) must observe the closed periods (trading prohibitions) established by Article 19(11) MAR.

Restriction on voting rights

According to the understanding of the Management Board of the Company, the restrictions on voting rights as stated by the law on obligations are as follows:

— Pursuant to Sections 71b and 71d AktG, there are no voting rights with respect to approx. 78,230 shares in the Company.

— In accordance with Section 136 AktG, members of the Management Board are restricted in exercising their voting rights with respect to the 691,608 shares in the Company held by them, or which are held in trust on their behalf.

— There is an agreement between the shareholders who had invested in the Company before the IPO to the effect that they may exercise their voting rights at the first annual general meeting following the IPO at which the Supervisory Board will be newly elected in such a way as to determine the composition and term of office of the Supervisory Board, provided that this General Meeting takes place before the end of 2019. Specifically, the period of office agreed by the shareholders will end when the Supervisory Board is discharged for the second complete financial year following the IPO.

— Pursuant to a Shareholders Agreement, 3,505,500 shares originally held in escrow were subject to the contractual obligation to uniformly use the voting rights of the shares, held for the respective shareholders in escrow. The shares were transferred back to the trustors or any proceeds from the sale of the shares were paid out to the trustors or the Company to settle claims.

There may be voting right restrictions that go beyond this arising from the Stock Corporation Act, such as Section 136 AktG or capital market law provisions, in particular Sections 33 et seq of the German Securities Trading Act (*Wertpapierhandelsgesetz* – WpHG).

SHAREHOLDINGS EXCEEDING 10% OF VOTING RIGHTS

At the end of the 2019 financial year, the following direct and indirect holdings in Delivery Hero SE existed, which exceeded the threshold of 10% of the voting rights[2] and which were notified to the Company by means of voting rights notifications in accordance with Sections 33, 34 WpHG (Sections 32, 22 WpHG old version):

— Naspers Limited with its registered seat in Cape Town, South Africa through in particular MIH Food Holdings B.V. (attributed)
— Baillie Gifford & Co with its registered seat in Edinburgh, United Kingdom through in particular Vanguard Word Fund (attributed)

Further information on the amount of the holdings listed above can be found in the disclosures on voting right notifications in the notes to the Delivery Hero SE 2019 annual financial statements as well as the “Voting Rights Notifications” item on the Company’s website at https://ir.deliveryhero.com/websites/delivery/English/6400/voting-rights-notifications.html.

[2] The information shown here takes into account the most recent notifications of voting rights received by the Company. These notifications of voting rights may take into account capital increases that have not already been carried out.

SHARES WITH SPECIAL RIGHTS CONFERRING POWERS OF CONTROL

There are no shares with special rights conferring powers of control.

STATUTORY REQUIREMENTS AND PROVISIONS IN THE ARTICLES OF ASSOCIATION REGARDING NOMINATION AND DISMISSAL OF MEMBERS OF THE MANAGEMENT BOARD, AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION

In accordance with Section 7 (1) of the Articles of Association, the Management Board consists of one or more individuals. The number of individuals is determined by the Supervisory Board. The Management Board of Delivery Hero SE currently consists of two individuals. In accordance with Sections 9 (1), 39 (2), 46 SE Regulation, Sections 84 and 85 AktG and Section 7 (3) (4) of the Articles of Association, the Supervisory Board appoints the members of the Management Board for a maximum term of six years. Individuals may be reappointed. If multiple individuals are appointed to the Management Board, the Supervisory Board may designate a Chair as well as a Deputy Chair, pursuant to Section 7 (2) of the Articles of Association. If an essential member of the Management Board is absent, the court must, in urgent cases and at the request of an involved party, appoint another member; see Section 85 (1), sentence 1 AktG. If there is cause to do so, the Supervisory Board may revoke the appointment of the member of the Management Board as well as the designation as Chair of the Management Board, see Sections 9 (1), 39 (2) SE Regulation and Section 84 (3), s. 1 and 2 AktG.

Amendments to the Articles of Association are made by resolution of the General Meeting in accordance with Section 20 (2) of the Articles of Association, requiring, unless this conflicts with mandatory legal provisions, a majority of two-thirds of the valid votes cast or, if at least one-half of the share capital is represented, the simple majority of the valid votes cast. As far as the law requires a capital majority in addition to a majority of votes for resolutions of the General Meeting, a simple majority of the share capital represented at the time the resolution is passed shall be sufficient to the extent that this is legally permissible. In accordance with Section 12 (5) of the Articles of Association, the Supervisory Board is authorized to make editorial changes to the Articles of Association by resolution.

POWERS OF THE MANAGEMENT BOARD IN PARTICULAR WITH RESPECT TO THE POSSIBILITY OF ISSUING OR BUYING BACK SHARES

The Management Board of the Company (formerly Delivery Hero AG) was originally authorized to increase the registered capital of the Company until June 8, 2022 with the consent of the Supervisory Board once or repeatedly, by up to a total of € 882,300.00 by the issuance of up to 882,300 new no-par value registered shares against contributions in cash (Authorized Capital/II). The Authorized Capital/II was cancelled by resolution of the annual general meeting on June 6, 2018 (agenda item 6).

The Management Board of the Company was originally to increase the registered capital of the Company until June 8, 2022, with the consent of the Supervisory Board once or repeatedly, by up to a total of € 8,158,550.00 by the issuance of up to 8,158,550 new no-par value registered shares against contributions in cash (Authorized Capital/III). The subscription rights of the shareholders were excluded. The Authorized Capital/III is to be used for any purposes (including, without limitation, in connection with acquisition transactions by the Company, the participation of further investors in the Company, share swap transactions, the issuance of additional shares under the so-called Loan and Escrow Agreement entered into on August 7, 2014, as amended from time to time, or any new loan agreements, etc.). The Management Board of the Company was authorized to determine with the consent of the Supervisory Board the further scope of the shareholders' rights pertaining to the shares to be newly issued and the further conditions of the issuance of the new shares. The Authorized Capital/III was fully utilized.

The Management Board of the Company was originally authorized to increase the registered capital of the Company until June 8, 2022, with the consent of the Supervisory Board once or repeatedly, by up to a total of € 8,961,523.00 by the issuance of up to 8,961,523 new no-par value registered shares against contributions in cash (Authorized Capital/IV). The Authorized Capital/IV has been used several times since the original authorization. The subscription rights of the shareholders are excluded. The Authorized Capital/IV serves the fulfilment of acquisition rights (option rights), which have been granted or promised by the Company to current or former employees and managing directors of the Company and its affiliated companies, members of the Supervisory Board of the Company and further beneficiaries who are or were acting for the Company or its affiliated companies, in order to replace the hitherto existing virtual share program of the Company with effect as of April 21, 2017; shares out of the Authorized Capital/IV may only be issued for this purpose. The Management Board is authorized to determine with the consent of the Supervisory Board the further scope of the shareholders' rights pertaining to the shares to be newly issued and the further conditions of the issuance of the new shares.

The Management Board of the Company is authorized to increase the registered capital of the Company until June 8, 2022, with the consent of the Supervisory Board once or repeatedly, by up to a total of € 18,675,300.00 by the issuance of up to 18,675,300 new no-par value registered shares against contributions in cash (Authorized Capital/V). The subscription rights of the shareholders are excluded. The Authorized Capital/V serves the fulfilment of contractual claims, already agreed upon prior to January 1, 2017, of those shareholders who have subscribed for new shares in Delivery Hero GmbH (prior to the conversion into Delivery Hero AG) based on the resolution dated December 4 to 9, 2016 for an increase of the nominal share capital; shares out of the Authorized Capital/V may only be issued for this purpose. For certain claims, the utilization of the Authorized Capital/V is limited to 3,505,500 new shares. The shares shall be issued at the lowest issue price. The Management Board is authorized to determine with the consent of the Supervisory Board the further scope of the shareholders' rights pertaining to the shares to be newly issued and the further conditions of the issuance of the new shares.

The Management Board of the Company was originally authorized to increase the registered capital of the Company (formerly Delivery Hero AG) until June 8, 2022, with the consent of the Supervisory Board once or repeatedly, by up to a total of € 12,890,100.00 by the issuance of up to 12,890,100 new no-par value registered shares against contributions in cash (Authorized Capital/VI). The Authorized Capital/VI was cancelled by resolution of the annual general meeting on June 6, 2018 (agenda item 6).

The Management Board was originally authorized to increase the share capital of the Company until June 8, 2022, with the consent of the Supervisory Board once or repeatedly, by up to a total of € 25,000,000.00 by the issuance of up to 25,000,000 new no-par value registered shares against contributions in cash and/or non-cash contributions (Authorized Capital/VII). By resolution of the annual general meeting (formerly Delivery Hero AG), the Authorized Capital/VII was completely cancelled on June 6, 2018 (agenda item 6) and increased by € 55,546,866.00 to € 55,546,866.00. By resolution of the annual general meeting on June 12, 2019 (agenda item 5), the Authorized Capital/VII was completely cancelled and increased by € 54,071,949.00 to € 54,071,949.00. The subscription rights of the shareholders are only excluded in certain cases or can only be excluded by the Management Board with the consent of the Supervisory Board. The Management Board is authorized to determine any further details of the capital increase and its implementation, subject to the consent of the Supervisory Board; this also includes the determination of the profit participation of the new shares, which may, in deviation of Section 60 (2) AktG, also participate in the profit of completed fiscal years. Shares that are issued to members of the Management Board and employees of the Company, as well as to members of the corporate bodies and employees of affiliated companies of the Company within the meaning of Sections 15 et seq AktG, shall have in each case a full profit participation for the fiscal year in which they are issued.

On December 5, 2017, the Management Board (formerly Delivery Hero AG) resolved to use the Authorized Capital/VII to increase the Company's share capital by up to € 10,500,000.00 from € 171,998,900.00 to € 182,498,900.00 by the issuance of up to 10,500,000 new no-par value registered shares. The final number of new shares amounting to 10,500,000 to be issued was set in accordance with the resolution of the Management Board on December 6, 2017. The capital increase and the implementation of the capital increase were entered in the commercial register on December 6, 2017.

On February 21, 2018, the Management Board (formerly Delivery Hero AG) resolved to use Authorized Capital/IV to increase the Company's share capital by up to € 2,603,642.00

from € 182,498,900.00 to a maximum of € 185,102,542.00 by the issuance of up to 2,603,642 new no-par value registered shares against contributions of cash.

The final number of new shares to be issued was determined in accordance with the resolution of the Management Board (formerly Delivery Hero AG) on March 12, 2018:

a) 1,366,311 shares

The capital increase and its implementation were entered in the commercial register on March 14, 2018.

b) 90,100 shares

The capital increase and its implementation were entered in the commercial register on March 19, 2018.

On May 29, 2018, the Management Board (formerly Delivery Hero AG) resolved to use Authorized Capital/IV to increase the Company's share capital by up to € 500,266.00 from € 183,955,311.00 to a maximum of 184,455,577.00 by the issuance of up to 500,266 new no-par value registered shares against contributions of cash. The final number of new shares to be issued was set at 500,266 shares in accordance with the resolution of the Management Board of May 30, 2018. The capital increase and its implementation were entered in the commercial register on May 31, 2018.

On August 1, 2018, the Management Board resolved to use the Authorized Capital/VII to increase the Company's share capital by up to € 1,474,917.00 from € 184,455,577.00 to a maximum of € 185,930,494.00 by the issuance of up to 1,474,917 new registered shares against in-kind contributions. The capital increase and the implementation were entered in the commercial register on August 8, 2018. The Authorized Capital/VII still amounts to € 54,071,949.00 after partial utilization at the end of the reporting period.

On February 20, 2019, the Management Board resolved to use the Authorized Capital/IV to increase the Company's share capital by up to € 1,521,328.00 from € 185,930,494.00 to a maximum of € 187,451,822.00 by the issuance of up to 1,521,328 new registered shares against cash contribution. The capital increase and the implementation were entered in the commercial register on February 21, 2019.

On February 20, 2019, the Management Board resolved to use the Authorized Capital/IV to increase the Company's share capital by up to € 52,400.00 from € 187,451,822.00 to a maximum of € 187,504,222.00 by the issuance of up to 52,400 new registered shares against cash contribution. The capital increase and the implementation were entered in the commercial register on February 25, 2019.

On May 21, 2019, the Management Board resolved to use the Authorized Capital/IV to increase the Company's share capital by up to € 1,173,942.00 from € 187,504,222.00 to a maximum of € 188,678,164.00 by the issuance of up to 1,173,942 new registered shares against cash contribution. The capital increase and the implementation were entered in the commercial register on May 22, 2019.

On May 21, 2019, the Management Board resolved to use the Authorized Capital/IV to increase the Company's share capital by up to € 96,875.00 from € 188,678,164.00 to a maximum of € 188,775,039.00 by the issuance of up to 96,875 new registered shares against cash contribution. The capital increase and the implementation were entered in the commercial register on June 3, 2019. The Authorized Capital/IV still amounts to € 6,116,978.00 after partial utilization.

On December 13, 2019, the Management Board resolved to use the Authorized Capital/VII to increase the Company´s share capital by up to € 42,087,761.00 from the registered share capital by the date this decision is implemented through the issuance of up to 42,087,761 new no-par value registered shares against mixed contribution in kind. The capital increase and the implementation has not taken place yet.

On January 15, 2020, the Management Board resolved to use the Authorized Capital/III to increase the Company's share capital by € 8,158,550.00 from € 188,775,039.00 to € 196,933,589.00 by the issuance of 8,158,550 new registered shares against cash contribution. The capital increase and the implementation were entered in the commercial register on January 17, 2020. The Authorized Capital/III was fully utilized.

On March 3, 2020, the Management Board resolved to use the Authorized Capital/IV to increase the Company's share capital by up to € 657,251.00 from € 196,933,589.00 to € 197,590,840.00 by the issuance of up to 657,251 new registered shares against cash contribution. The capital increase and the implementation were entered in the commercial register on March 5, 2020. The Authorized Capital/IV still amounts to € 5,459,727.00 after partial utilization.

On March 3, 2020, the Management Board resolved to use the Authorized Capital/IV to increase the Company's share capital by up to € 8,125.00 from € 197,590,840.00 to € 197,598,965.00 by the issuance of up to 8,125 new registered shares against cash contribution. The capital increase and the implementation were entered in the commercial register on March 12, 2020. The Authorized Capital/IV still amounts to € 5,451,602.00 after partial utilization.

On March 15, 2020, the Management Board resolved to use the Authorized Capital / VII to increase the Company´s share capital by up to € 178,585.00 from € 197,598,965.00 to € 197,777,550.00 by the issuance of up to 178,585 new registered shares against a mixed contribution in kind. The capital increase and the implementation were entered in the commercial register on March 20, 2020. The Authorized Capital/VII still amounts to € 53,893,364.00 after partial utilization."

The share capital of the Company was originally conditionally increased by up to € 61,219,560.00 by issuing up to 61,219,560 new no-par value registered shares of the Company with a fractional amount of the registered share capital of € 1.00 per share (Conditional Capital 2017/I). By resolution of the annual general meeting on June 12, 2019 (agenda item 6), the Conditional Capital 2017/1 was completely cancelled and conditionally increased by € 61,219,560.00 to € 61,219,560.00 (Conditional Capital 2019/1). The conditional capital increase serves the granting of shares on the exercise of conversion or option rights or the fulfilment of conversion or option obligations to the holders or creditors of convertible bonds, warrant bonds, profit participation rights and/or income bonds (or a combination of these instruments), issued on the basis of the authorizing resolution of the general meeting of June 13, 2017. The new shares participate in profits from the beginning of the fiscal year in which they are created and for all subsequent fiscal years. In deviation hereof, the Management Board can, insofar as legally permissible and with the approval of the Supervisory Board, determine that the new shares participate in profits from the beginning of the fiscal year for which at the time of the exercise of the conversion or option rights, the fulfilment of the conversion or option obligations or the granting (of shares) instead of the amount due, still no resolution by the general meeting as to the appropriation of the balance sheet profit has been passed. The Management Board is authorized to determine the further details of the implementation of the conditional capital increase.

In accordance with authorization by the general meeting of June 13, 2017 (agenda item 4, lit. a), the share capital of the Company is conditionally increased by € 3,485,000.00 by issuing up to 3,485,000 new no-par value registered shares of the Company with a fractional amount of the registered share capital of € 1.00 per share (Conditional Capital 2017/II). The Conditional Capital 2017/II serves to secure subscription rights from stock options issued by the Company under the authorization of the general meeting (formerly Delivery Hero AG) of June 13, 2017, (agenda item 4, lit. a) as part of the Stock Option Program 2017/II from the date of the registration of Conditional Capital 2017/II until June 30, 2020 to members of the Management Board of the Company, members of managing corporate bodies of affiliated companies, as well as selected executives and employees of the Company or affiliated companies in Germany and abroad. The new shares will be entitled to dividends from the beginning of the fiscal year for which a resolution of the annual general meeting has not yet been made on the appropriation of the balance sheet profit at the time the subscription right is exercised. The Management Board of the Company or, to the extent members of the Management Board are affected, the Supervisory Board of the Company is authorized to determine the further details of the conditional capital increase and its consummation.

In accordance with authorization by the general meeting of June 12, 2019 (agenda item 11), the share capital of the Company is conditionally increased by € 3,000,000.00 by issuing up to 3,000,000 new no-par value registered shares of the Company with a fractional amount of the registered share capital of € 1.00 per share (Conditional Capital 2019/II). The Conditional Capital 2019/II serves exclusively to secure subscription rights from Stock Options issued by the Company to members of the Management Board of the Company, members of managing corporate bodies of affiliated companies, as well as selected executives and employees of the Company or affiliated companies in Germany and abroad. The new shares will be entitled to dividends from the beginning of the fiscal year for which a resolution of the annual general meeting has not yet been made on the appropriation of the balance sheet profit at the time the subscription right is exercised. The Management Board of the Company or, to the extent members of the Management Board are affected, the Supervisory Board of the Company is authorized to determine the further details of the conditional capital increase and its consummation.

On January 15, 2020, the Management Board resolved, that the Company will issue – partially utilizing the authorization by the annual general meeting of the Company of June 12, 2019 – against contribution in cash two tranches of convertible bonds in the principle amount of at least € 1,500,000,000.00, with conversion rights to new shares of the Company from the Conditional Capital 2019/I or to existing shares of the Company ("Convertible Bonds"), thereby excluding the subscription rights of the shareholders to the Convertible Bonds.

The complete version of these authorizations is set out in the Company's Articles of Association in the version of March 19, 2020 (registered in the trade registry on March 20, 2020). The current version of the Articles of Association of the Company is available in the subsection "Articles of Association" on the Company's website at https://ir.deliveryhero.com/websites/delivery/English/4400/articles-of-association.html.

Subject to approval by the Supervisory Board, and while upholding the principle of equality (Section 53a, AktG), the Management Board is (or respectively – regarding the authorization to take their own shares as security – was), authorized, until June 12, 2022, to acquire shares to be held by the Company itself up to a total of 10% of the Company share capital existing at the time of the resolution or – if this value is smaller – of the share capital existing at the time that the authorization is exercised, or – subject to the time limit to June 30, 2017 – to take the same as security. Together with other shares held by the Company itself and which the Company has already acquired or taken as security and still owns, or which are attributed to it in accordance with Section 71a et seq AktG, the shares acquired under the above-mentioned authorization and taken as security must not exceed 10% of the respective share capital in the Company at any time. This authorization may be exercised by the Company once or multiple times, fully or in partial amounts, for a single or multiple purposes, but also by group companies or third parties for the account of the Company or group companies. The authorization must not be exercised for the purpose of trading the Company's own shares.

MATERIAL COMPANY AGREEMENTS THAT ARE SUBJECT TO THE CONDITION OF A CHANGE OF CONTROL RESULTING FROM A TAKEOVER BID AND SUBSEQUENT EFFECTS

The following material agreements of the Company exist that are subject to a change of control following a takeover bid:

The Company is party to two substantial software license contracts, which are subject to a change of control clause. One of them contains an automatic termination of a service component and the other one a termination right. Furthermore, the Company is party to two substantial lease contracts, which contain a common consent requirement for the transfer of the lease agreement.

COMPENSATION AGREEMENTS CONCLUDED BY THE COMPANY WITH MEMBERS OF THE MANAGEMENT BOARD OR EMPLOYEES FOR THE EVENT OF A TAKEOVER BID

In the event of a change of control, members of the Management Board are entitled to resign from their position within three months of the date of the change of control, subject to a notice period of three months to the end of a calendar month. Resignation from the Management Board becoming effective results in termination of the respective Board member's contract of employment.

In the case of resignation from office following a change of control, Management Board member Mr. Emmanuel Thomassin is entitled to compensation in the amount of 150% of the severance cap, which may not exceed the remaining term of the Service Agreement (CoC-Cap). In the case of resignation from office following a change of control, the incentive instruments held by Management Board members Mr. Niklas Östberg and Mr. Emmanuel Thomassin (such as convertible bonds and share options) become vested or are immediately allocated. In the case of Mr. Thomassin, the CoC-Cap is also applicable in this respect. The employment contracts for each of the Management Board members provide for payments in lieu of vacation in the event of resignation from office following a change of control.

The employment contracts for members of the Management Board do not provide for any other compensation in the event of the termination of the employment due to a change of control. There are no similar compensation agreements with other Company employees.

COMPENSATION REPORT PURSUANT TO SECTIONS 289a(2), 315a(2) HGB

(This Compensation report pursuant to §§ 289a (2), 315a (2) HGB constitutes part of the Combined management report 2019).

The following compensation report complies with the accounting standards for capital market-oriented companies (German Commercial Code, German accounting standards and International Financial Reporting Standards) along with the recommendations of the German Corporate Governance Code (*Deutscher Corporate Governance Kodex*) in the version of February 7, 2017 (hereinafter "DCGK"). The basic features of the compensation system for Executive and Supervisory Board members are described, and information is provided with respect to the remuneration granted and paid out to the members of the Management Board and the Supervisory Board of Delivery Hero SE in 2019.

BASIC FEATURES AND OBJECTIVES OF THE COMPENSATION SYSTEM FOR MEMBERS OF THE MANAGEMENT BOARD

The Supervisory Board adopts the compensation system for Management Board members as proposed by the Compensation Committee. The compensation system and the appropriateness of the total compensation, along with the individual compensation components, are regularly reviewed and adjusted as necessary. In particular, the provisions of § 87 AktG (*Aktiengesetz*, German Stock Corporation Act) and the recommendations and suggestions made in Section 4.2.2 and 4.2.3 DCGK have been taken into account. In its review of the appropriateness of the compensation level and system, the Supervisory Board of Delivery Hero SE was assisted by independent external compensation experts.

The remuneration system for the members of the Management Board was resolved by the Supervisory Board in June 2017 and revised effective January 1, 2018. The revised compensation system applies equally to all members of the Management Board. It is in alignment with the Company's corporate strategy and suitable to facilitate a sustainable corporate development. A distinct variable share-based compensation component is targeted to achieve a close alignment with shareholder interests. The agreed internal performance target corresponds with the Company's growth ambitions. The stock option plan awarded to the Management Board balances risk (total loss) and opportunities (upside without cap), thereby ensuring harmonization with the interest of shareholders.

The Supervisory Board will regularly review and adjust the compensation system to take account of the Company's further development.

THE STRUCTURE OF THE COMPENSATION SYSTEM

The current compensation system for Management Board members consists of two main components: the non-performance-based salary and a long-term performance-based compensation component. Consequentially, the variable compensation is provided for a multi-year period as recommended by DCGK.

NON-PERFORMANCE-BASED COMPENSATION

Base salary

The base salary of the Management Board members is paid in twelve monthly installments.

Fringe benefits

In addition to reimbursement of travel costs and other business-related expenses, the Management Board members receive monthly contributions to their health and nursing care insurance as provided by law.

The Company also grants the Management Board members accident insurance with coverage of € 350,000 in the case of death and € 800,000 in the case of disability. Additionally, the Company assumes the costs of a preventive medical examination every two years.

In addition, Mr. Östberg has been granted a personal budget of € 25,000 annually, which, subject to presentation of receipts, covers the costs for commuting between his place of residence and place of work.

PERFORMANCE-BASED COMPENSATION

Share-based compensation

Until the IPO, the performance-based compensation consisted of a virtual share program (VSP). The Management Board members received virtual shares from the Company's VSP. In connection with the IPO, all outstanding virtual shares of the Company's VSP were converted into option rights. Consequentially the Stock Option Program 2017 (SOP 2017) was launched. For the conversion into option rights and the grant of new option rights under the SOP 2017, the general meeting-authorized Share Capital IV was used.[3]

Under the SOP 2017 the beneficiaries receive share option rights that have an individual exercise price that depends on the date on which those rights were granted. The vesting period of the granted options is four years. In part, the granted stock options can be exercised after the first two years of the vesting period ("cliff"). All other options vest during the remaining two years of the vesting period. The options have to be exercised two years after the end of the four-year vesting period at the latest ("exercise period"). The exercise requires a share price higher than the exercise price at the exercise date. Instead of equity settlement, the Company reserves the right to cash settle the vested options, however the Company aims for equity settlement. In case of cash settlement the beneficiary receives for each option right an amount equal to the difference between the share price at the time of exercise and the exercise price. Only during the exercise periods specified by the Company option rights can be exercised. It was not permitted to exercise options during the first year after the IPO.

[3] For detailed information about SOP 2017 and other share-based compensation programs refer to Section H.01. of the consolidated financial statements.

Since 2018, the performance-based compensation consists of a new Long-Term Incentive Plan (LTIP).

Under the LTIP, the performance-based compensation is granted in the form of a stock option plan that is settled in shares. Contractually, a target value of stock options in euro is granted annually. The commitment is binding for four years. To calculate the number of stock options (SOPs) granted in a financial year, the annual target value in euro is divided by the fair value of an SOP at the grant date. The calculated number of SOPs granted is blocked for a period for four years from the date on which they are granted. Subsequently, an exercise period of two years is provided. The members of the Management Board do not receive any shares in the form of "Restricted Stock Units" (RSU), as is customary in the general LTIP.

The performance period of four years in total begins one year before the grant date and runs for three more years.

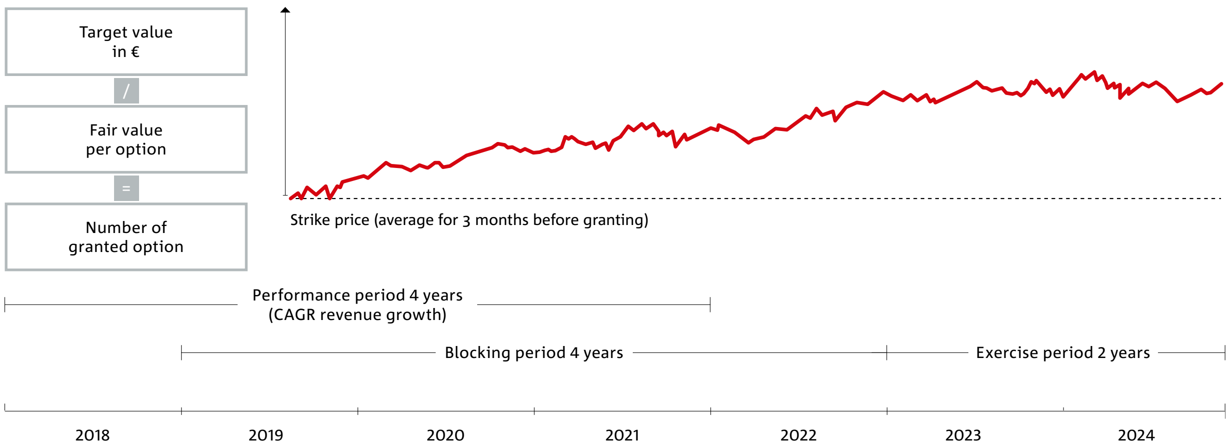
The exercisability of the SOP after the blocking period depends on the achievement of a revenue growth target. The performance target is derived from the Company's corporate strategy. It is defined as a compound annual revenue growth rate (CAGR) of at least 20% over the performance period, i.e., an average revenue growth of 20% annually. Should this target not be reached, all SOPs expire without substitute or compensation.

There are two exercise windows each year within the two-year exercise period. The exercise price is the equivalent of Delivery Hero's average share price during the three months before the grant date. The share price at which the option rights may be exercised is not capped in order to support a strong alignment with the interests of the shareholders. Because of equity settlement, the absence of a cap on the share price imposes no additional risks or costs on the Company. Hence no maximum value is provided for the SOP. In the event of extraordinary events, however, the Supervisory Board can, as called for in § 87 (1) sentence 3 AktG, set a limit to ensure the appropriateness of the compensation.

Special compensation

In the current and previous year no special compensation was granted. In 2018 the second tranche of Mr. Thomassin's special bonus granted in 2017 for his extraordinary efforts in connection with the IPO process became payable.

LONG-TERM INCENTIVE PROGRAM (LTIP)



PENSION COMMITMENTS

No pension arrangement with Management Board members exist.

PAYMENTS AT THE END OF MANAGEMENT BOARD SERVICE

In the event that a Management Board member dies before the term of his service contract ends, the spouse of the deceased is entitled to a grant of the unreduced remuneration for the month of death and the six following months, but for no longer than the end of the original term of the service contract.

If the service relationship ends early due to dismissal or resignation from office, or as a result of a termination agreement, then the Management Board members are entitled to severance pay. This does not apply in the event that, in accordance with § 626 BGB, the Company terminates the employment agreement for good cause for which the Management Board member is responsible, respectively, in the event that the Management Board member terminates the employment agreement without good cause (§ 626 BGB) for which the Company is responsible. The severance pay may not exceed the value of two years' total compensation and may equate at a maximum to the compensation for the remaining term of contract (severance pay cap). The severance provision thus complies with the recommendation of DCGK.

In the event of a change of control, the Management Board member has the right to resign from his office with three months' notice. His employment agreement will also end at that time. A change of control is present if:

— the Company is delisted;
— the Management Board member's appointment is terminated by a change in the Company's form or by a merger of the Company with another company, unless an appointment as member of the Management Board of the new company on equal economic terms as before is offered to the Management Board member;
— an intercompany agreement according to §§ 291 et seqq AktG is made with the Company as a dependent company, or the company is integrated according to §§ 319 et seqq AktG;
— a shareholder or third party directly or indirectly acquires at least 30% of the voting rights in the Company, including the voting rights that are attributable to the shareholder or third party according to § 30 WpÜG (*Wertpapiererwerbs- und Übernahmegesetz*, German Securities Acquisition and Takeover Act).

In the event of a resignation from office or dismissal due to the change of control, Mr. Thomassin is entitled to a remuneration in the amount of 150% of the severance cap, which may not under any circumstances remunerate more than the remaining term of the employment agreement. This provision is likewise in compliance with the relevant recommendation of DCGK.

The Management Board members' contracts provide a post-contractual non-competition clause for two years. During the non-compete period the Management Board member is entitled to a waiting allowance equal to 50% of the remuneration lastly received. Other remuneration earned during the term of the non-compete period is offset with the waiting allowance to the extent that the total of the waiting allowance and the other remuneration would exceed the remuneration lastly received according to the contract.

LOANS AND ADVANCES

The Management Board members have not received advances or loans in 2019.

DISCLOSURES PURSUANT TO THE REQUIREMENTS OF DCGK

The following tables follow the recommendations of DCGK and present the individualized Management Board members' compensation. The table "Granted benefits" presents the target values (the value of the compensation at 100% target achievement) of the compensation components that were granted in financial year 2019, not the compensation that was actually paid. The value of the performance-based, share-based compensation components reflects the grant date fair values. Besides the target values, minimum and maximum compensation amounts to the extent applicable are also shown. The table "Payout" shows the compensation actually paid in financial year 2019. The values "Base salary" and "Fringe benefits" correspond to the values in the "Granted benefits" table, as they are paid irrespective of whether the performance targets are achieved.

Granted benefits

	NIKLAS ÖSTBERG CEO				EMMANUEL THOMASSIN CFO			
EUR K	**2018**	**2019**	**2019 (MIN)**	**2019 (MAX)**	**2018**	**2019**	**2019 (MIN)**	**2019 (MAX)**
BASE SALARY	*250.0*	*325.0*	*325.0*	*325.0*	*250.0*	*325.0*	*325.0*	*325.0*
FRINGE BENEFITS	*25.0*	*25.0*	*0.0*	*25.0*	*0.0*	*0.0*	*0.0*	*0.0*
SUM	**275.0**	**350.0**	**325.0**	**350.0**	**250.0**	**325.0**	**325.0**	**325.0**
SPECIAL BONUS	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*	*0.0*
MULTI-YEAR VARIABLE COMPENSATION	*1,000.0*	*2,202.6*	*0.0*	*N/A*	*500.0*	*1,101.3*	*0.0*	*N/A*
LTIP (4 YEAR PLAN TERM)	*1,000.0*	*2,202.6*	*0.0*	*N/A*	*500.0*	*1,101.3*	*0.0*	*N/A*
TOTAL COMPENSATION	**1,275.0**	**2,552.6**	**325.0**	**N/A**	**750.0**	**1,426.3**	**325.0**	**N/A**

Payout

	NIKLAS ÖSTBERG CEO		EMMANUEL THOMASSIN CFO	
EUR K	**2018**	**2019**	**2018**	**2019**
BASE SALARY	*250.0*	*325.0*	*250.0*	*325.0*
FRINGE BENEFITS	*25.0*	*25.0*	*0.0*	*0.0*
SUM	**275.0**	**350.0**	**250.0**	**325.0**
SPECIAL BONUS	*0.0*	*0.0*	*150.0*[1]	*0.0*
MULTI-YEAR VARIABLE COMPENSATION	*0.0*	*0.0*	*0.0*	*1,190.0*
VSP/SOP 2017	*0.0*	*0.0*	*0.0*	*1,190.0*
LTIP (4 YEAR PLAN TERM)	*0.0*	*0.0*	*0.0*	*0.0*
TOTAL COMPENSATION	**275.0**	**350.0**	**400.0**	**1,515.0**

[1] IN THE PREVIOUS YEAR MR. THOMASSIN WAS PAID THE SECOND TRANCHE OF A SPECIAL BONUS GRANTED IN 2017 FOR HIS EXTRAORDINARY EFFORTS IN CONNECTION WITH THE IPO PROCESS.

In the financial year, members of the Management Board became entitled to a one-time grant of LTIP options of € 1,054 k, of which € 703 k relates to Niklas Östberg and € 351 k to Emmanuel Thomassin. In the previous year, members of the Management Board became entitled to four annual tranches of LTIP with an annual grant of € 1,500 k, thereof € 1,000 k were granted to Niklas Östberg and € 500 k were granted to Emmanuel Thomassin. During the financial year, 40,000 options were exercised and sold by Emmanuel Thomassin resulting in a payout of € 1,190 k. In the previous year, no previously granted compensation components were exercised. There are still outstanding options, which have been granted in previous years but have not yet been exercised and may be exercised in 2020 or the following years.

DISCLOSURES PURSUANT TO THE GERMAN GAAP ("HGB")

According to the applicable international accounting standards, compensation for the Management Board members in financial year 2019 came to € 4.0 million (previous year: € 2.2 million), of which non-performance-based components accounted for € 0.7 million (previous year: € 0.5 million) and performance-based components accounted for € 3.3 million (previous year: € 1.7 million).

The individualized total compensation received by the Management Board members, broken down by non-performance-based and performance-based compensation components, can be seen in the following tables.

2019

EUR K	NON-PERFORMANCE-BASED COMPONENTS		PERFORMANCE-BASED COMPONENTS				
				LTIP			
ACTING BOARD MEMBERS	BASE SALARY	FRINGE BENEFITS	SPECIAL BONUS	ALLOCATION VALUE[1]	NUMBER OF SHARES/ OPTIONS[2]	FAIR VALUE[3]	TOTAL
NIKLAS ÖSTBERG	325.0	25.0	0.0	2,202.6	221,669	2,202.6	2,552.6
EMMANUEL THOMASSIN	325.0	0	0.0	1,101.3	110,833	1,101.3	1,426.3
TOTAL	**650.0**	**25.0**	**0.0**	**3,303.9**	**332,502**	**3,303.9**	**3,978.9**

[1] IN THE FINANCIAL YEAR, THE LTIP COMMITMENTS FROM THE PREVIOUS YEAR WERE RAISED FOR NIKLAS ÖSTBERG FOR THE 2019 TRANCHE TO € 1,500 K AND FOR THE TRANCHES OF 2020 AND 2021 TO € 2,500 K (PREVIOUSLY € 1,000 K EACH). THE LTIP COMMITMENTS FROM THE PREVIOUS YEAR FOR EMMANUEL THOMASSIN WERE INCREASED TO € 750 K FOR THE 2019 TRANCHE AND TO € 850 K FOR THE TRANCHES OF 2020 AND 2021 (PREVIOUSLY € 500 K EACH). BESIDES THERE WAS A ONE-OFF COMMITMENT IN THE AMOUNT OF € 703 K FOR NIKLAS ÖSTBERG AND IN THE AMOUNT OF € 351 K FOR EMMANUEL THOMASSIN.
[2] NUMBER OF OPTIONS GRANTED, SUBJECT TO THE ACHIEVEMENT OF THE PERFORMANCE TARGET. INFORMATION RELATES TO THE COMMITMENT FOR 2019. THE NUMBER OF FUTURE OPTIONS CAN ONLY BE MADE DURING THE RESPECTIVE ALLOCATION YEARS, AS THESE ARE DEPENDENT ON FUTURE SHARE PRICES.
[3] FAIR VALUE AT THE GRANT DATE (DATE OF THE LEGALLY BINDING COMMITMENT). INFORMATION ON THE VALUATION MODEL CAN BE FOUND IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

2018

EUR K	NON-PERFORMANCE-BASED COMPONENTS		PERFORMANCE-BASED COMPONENTS				
				LTIP			
ACTING BOARD MEMBERS	BASE SALARY	FRINGE BENEFITS	SPECIAL BONUS	ALLOCATION VALUE[1]	NUMBER OF SHARES/ OPTIONS[2]	FAIR VALUE[3]	TOTAL
NIKLAS ÖSTBERG	250.0	25	0.0	1,000	103,156	1,000.0	1,275.0
EMMANUEL THOMASSIN	250.0	0	150.0	500	51,578	500.0	900.0
TOTAL	**500.0**	**25.0**	**150.0**	**1,500**	**154,734**	**1,500.0**	**2,175.0**

[1] IN 2018, MEMBERS OF THE EXECUTIVE BOARD WERE GRANTED STOCK OPTIONS WORTH € 1,500 K FOR THE NEXT FOUR YEARS (OF WHICH € 1,000 K EACH YEAR IS TO NIKLAS ÖSTBERG AND € 500 K EACH YEAR IS TO EMMANUEL THOMASSIN).
[2] NUMBER OF OPTIONS GRANTED, SUBJECT TO THE ACHIEVEMENT OF THE PERFORMANCE TARGET. INFORMATION RELATES TO THE COMMITMENT FOR 2018 (€ 1,000 K NIKLAS ÖSTBERG AND € 500 K EMMANUEL THOMASSIN). THE NUMBER OF FUTURE OPTIONS CAN ONLY BE MADE DURING THE RESPECTIVE ALLOCATION YEARS, AS THESE ARE DEPENDENT ON FUTURE SHARE PRICES.
[3] FAIR VALUE AT THE GRANT DATE (DATE OF THE LEGALLY BINDING COMMITMENT). INFORMATION ON THE VALUATION MODEL CAN BE FOUND IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

The expense from share-based compensation recognized in 2019 amounted to € 5.1 million (previous year: € 1.2 million) for Mr. Östberg and € 2.4 million (previous year: € 0.6 million) for Mr. Thomassin.

In 2019, a total of 221,669 new stock options in the amount of € 2.2 million were granted under the LTIP to Mr. Östberg. Mr. Thomassin was granted a total of 110,833 new stock options in the amount of € 1.1 million in 2019. The option rights can be exercised in financial year 2023 at the earliest. In the previous year, a total of 103,156 new stock options in the amount of € 1.0 million were granted under the LTIP to Mr. Östberg. Mr. Thomassin was granted a total of 51,578 new stock options in the amount of € 0.5 million in 2018. The option rights granted to the Management Board members and outstanding are shown below:

STOCK OPTIONS SOP 2018

	NIKLAS ÖSTBERG		EMMANUEL THOMASSIN	
	WEIGHTED AVERAGE EXERCISE PRICE IN EUR	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE IN EUR	NUMBER OF OPTIONS
OUTSTANDING STOCK OPTIONS AS OF JAN. 1 2018	**5.71**	**846,600**	**11.67**	**390,000**
GRANTED IN THE REPORTING PERIOD	*N/A*	–	*N/A*	–
FORFEITED IN THE REPORTING PERIOD	*N/A*	–	*N/A*	–
EXERCISED IN THE REPORTING PERIOD	*N/A*	–	*N/A*	–
EXPIRED IN THE REPORTING PERIOD	*N/A*	–	*N/A*	–
OUTSTANDING STOCK OPTIONS AS OF JAN. 1 2019	**5.71**	**846,600**	**11.67**	**390,000**
GRANTED IN THE REPORTING PERIOD	*N/A*	–	*N/A*	–
FORFEITED IN THE REPORTING PERIOD	*N/A*	–	*N/A*	–
EXERCISED IN THE REPORTING PERIOD	*N/A*	–	*5.00*	*40,000*
EXPIRED IN THE REPORTING PERIOD	*N/A*	–	*N/A*	–
OUTSTANDING STOCK OPTIONS AS OF DEC. 31 2019	**5.71**	**846,600**	**12.43**	**350,000**
EXERCISABLE ON DEC. 31 2019	*N/A*	–	*N/A*	–

STOCK OPTIONS LTIP

	NIKLAS ÖSTBERG		EMMANUEL THOMASSIN	
	WEIGHTED AVERAGE EXERCISE PRICE IN EUR	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE IN EUR	NUMBER OF OPTIONS
OUTSTANDING STOCK OPTIONS AS OF JAN. 1 2018	N/A	–	N/A	–
GRANTED IN THE REPORTING PERIOD	38.30	103,156	38.30	51,578
FORFEITED IN THE REPORTING PERIOD	N/A	–	N/A	–
EXERCISED IN THE REPORTING PERIOD	N/A	–	N/A	–
EXPIRED IN THE REPORTING PERIOD	N/A	–	N/A	–
OUTSTANDING STOCK OPTIONS AS OF JAN. 1 2019	**38.30**	**103,156**	**38.30**	**51,578**
GRANTED IN THE REPORTING PERIOD	36.89	221,669	36.89	110,833
FORFEITED IN THE REPORTING PERIOD	N/A	–	N/A	–
EXERCISED IN THE REPORTING PERIOD	N/A	–	N/A	–
EXPIRED IN THE REPORTING PERIOD	N/A	–	N/A	–
OUTSTANDING STOCK OPTIONS AS OF DEC. 31 2019	**37.34**	**324,825**	**37.34**	**162,411**
EXERCISABLE ON DEC. 31 2019	N/A	–	N/A	–

FORMER MANAGEMENT BOARD MEMBERS' COMPENSATION

As of the balance sheet date, Delivery Hero SE has no pension recipients or other beneficiaries among its former Executive Board members or Management Board members. Total remuneration for former Management Board members and their survivors, along with pension liabilities to former Management Board members and their survivors, therefore amount to € 0.

OTHER PROVISIONS

In the event of a temporary incapacity to work because of illness, accident or other reason for which the Management Board member is not at fault, the member continues to receive its unreduced remuneration for six months, but no longer than the term of its employment. Mr. Thomassin is entitled to receive for another six months, but no longer than the term of his employment, a payment of 80% of his remuneration.

Both Management Board members are covered by the Company's directors' and officers' liability insurance with a standard coverage level. The insurance provides a minimum deductible of 10% of any claim up to a maximum of 150% of the fixed annual salary, as prescribed by the German Stock Corporation Act.

Payments at the end of Management Board service

In the event of early termination of Management Board services before the applicable performance period of a current SOP tranche ends, the SOPs expire without substitute or compensation in the following cases:

- Revocation of the appointment for good cause
- Revocation of the appointment without good cause in the first year of the first contractual four-year commitment
- The Management Board member's resignation from office in the first two years of any contractual commitment

Otherwise the Management Board members are entitled to the already non-forfeitable SOP at the normal end of the blocking period.

COMPENSATION OF MEMBERS OF THE SUPERVISORY BOARD OF DELIVERY HERO SE

The compensation received by the members of the Supervisory Board is specified in § 15 of the Articles of Association of Delivery Hero SE. The members of the Supervisory Board receive a fixed annual salary of € 15,000. The chairman of the Supervisory Board receives an annual fixed salary in the amount of € 150,000 (previous year: € 75,000), while the deputy chairman receives a fixed salary in the amount of € 20,000. The chairman of the Audit Committee receives additionally a fixed annual salary of € 15,000. The other chairmen of committees additionally receive a fixed annual remuneration of € 5,000.

In addition, all out-of-pocket expenses incurred in the performance of the duties as a Supervisory Board member as well as a the value added tax on the Supervisory Board compensation are reimbursed.

For service in a committee of the Supervisory Board an annual salary of € 2,000 is granted in addition. The committee chairman receives no additional committee salary.

The individual values for the financial year are shown in the following table.

	FIXED SALARY		COMMITTEE COMPENSATION		TOTAL COMPENSATION	
EUR	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
DR. MARTIN ENDERLE	150,000	75,000	14,000	9,058	164,000	84,058
PATRICK KOLEK	20,000	9,027	21,000	15,090	41,000	24,118
HILARY GOSHER (FROM 13.07.2018)	15,000	7,068	7,000	1,677	22,000	8,745
VERA STACHOWIAK (FROM 13.07.2018)	15,000	7,068	2,000	838	17,000	7,907
BJÖRN LJUNGBERG (FROM 13.07.2018)	15,000	7,068	2,000	838	17,000	7,907
CHRISTIAN GRAF VON HARDENBERG (FROM 01.04.2019)	11,301	–	–	–	11,301	–
SEMIH YALCIN (FROM 13.07.2018 UNTIL 01.04.2019)	3,740	–	–	7,068	3,740	7,068
GEORG GRAF VON WALDERSEE (UNTIL 13.07.2018)	–	–	–	15,945	–	15,945
JEFF LIEBERMANN (UNTIL 13.07.2018)	–	10,630	–	2,126	–	12,756
JONATHAN GREEN (UNTIL 13.07.2018)	–	7,973	–	–	–	7,973
JANIS ZECH (FROM 06.06.2018 UNTIL 13.07.2018)	–	1,562	–	–	–	1,562
TOTAL	**230,041**	**125,397**	**46,000**	**52,641**	**276,041**	**178,038**

In 2019, a total of € 6,525 (previous year: € 28,053) has been reimbursed for expenses.

In 2019, a total of 7,381 new stock options in the amount of € 75,000 were granted under the LTIP to Christian Graf von Hardenberg, member of the Supervisory Board. In addition, a total of 663 shares in the form of RSUs in the amount of € 25,000 were granted.

NON-FINANCIAL STATEMENT **FOR THE GROUP**

CORPORATE GOVERNANCE, RESPONSIBILITY AND SUSTAINABILITY

Letter from the CEO

Fellow Shareholders and Heroes,

For Delivery Hero to be successful over the long term, we need to live our values in addition to creating an amazing experience for our customers. A core part of living our values is taking responsibility for our impact in the world and working towards ensuring our contribution is a positive one. I am pleased to say we have made great progress in this area by developing our Corporate Social Responsibility, Sustainability, and Diversity and Inclusion programs.

Delivery Hero is is a leader in the food delivery and marketplace industry and is growing quickly. We also want to be a leader in our industry for sustainability and set a standard for using sustainable business approaches. To make sure that we grow responsibly and sustainably, we have further developed some key initiatives that provide sustainable solutions for our business. I have personally joined the Leaders for Climate Action in 2019 and prioritized an environmental program to offset and reduce our carbon emissions. Delivery Hero has now committed to being carbon neutral globally by 2021.

In 2019, our focus was building the strategies for each of our CSR and sustainability pillars and laying the foundations for global projects. We expanded our program, which now includes the following four pillars:

— **Environment:** sustainable packaging and emissions
— **Diversity & Inclusion (D&I):** inclusive leadership, equitable systems, inclusive culture, empowered employees
— **Ethics:** rider welfare, health and safety, human rights
— **Giving Back:** volunteering, meal donations, hero month

Our global brands are also involved in many of the initiatives that we have put forward in 2019, particularly sustainable packaging, emissions, meal donations and inclusive culture. While we have much more work to do, I am excited about the opportunities for Delivery Hero to create a positive impact in the world. Our ambitious goals will push us towards delivering excellence and long-term success.

Please find in the following overview a summary of what we have achieved in 2019 and our plans for the future.

Yours,
Niklas Östberg

SUSTAINABILITY AND CORPORATE SOCIAL RESPONSIBILITY AT DELIVERY HERO

Sustainable thinking and action based on fixed values and principles – these are essential foundations of Delivery Hero's success. We seek to contribute to creating stable economic, social and ecological conditions for present and future generations by accepting the responsibility for the impacts of our business. In this way, we are following the principles of sustainable development.

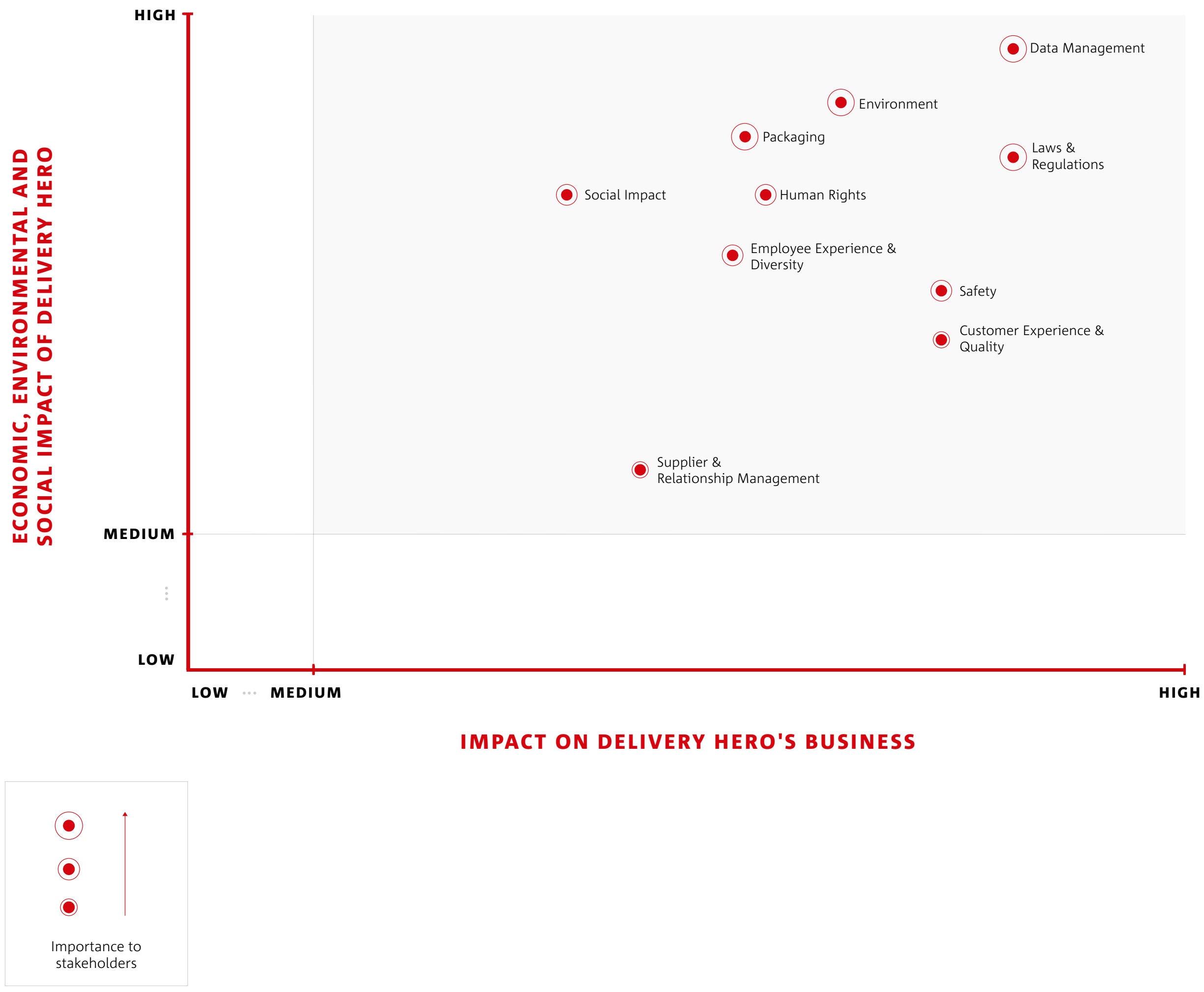
Strategy and materiality
In 2019, we enhanced the strategic direction of our Sustainability and Corporate Social Responsibility (CSR) programs. We developed strategic frameworks for the three pillars created in 2018: **"Environment," "Diversity & Inclusion"** (D&I) and "**Giving Back."** We also chose to prioritize business ethics and safety by adding a new pillar called **"Ethics."** The following graphic gives an overview of our strategic CSR approach and its underlying intentions.

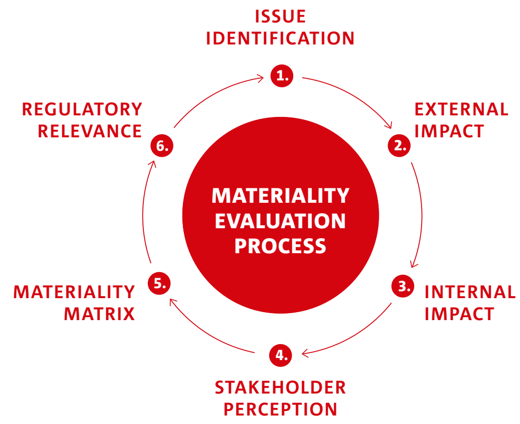
The original materiality analysis, which was carried out in 2018, assesses and prioritizes the relevance of social, environmental and governance issues for Delivery Hero and its stakeholders. The results from the 2018 assessment were used to support the organization's CSR decision-making and strategy development process. From this process, the material topics that are able to affect the value creation for the company, and at the same time, are recognized as being important for Delivery Hero's different stakeholders were selected.

In late 2019, we undertook an additional materiality analysis to review how we classify and categorize our material issues. As a result, we have changed the names of the material issues and now have ten material topics identified, which are outlined in the image of the materiality matrix.

Environment	Diversity & Inclusion	Ethics	Giving Back
Sustainable packaging	Inclusive Leadership	Rider Welfare	Volunteering
Emissions	Equitable Systems	Health and Safety	Meal Donations
	Inclusive Culture	Human Rights	Hero Month
	Empowered Employees		

DELIVERY HERO'S MATERIALITY MATRIX





To undertake the review of material issues in 2019, we followed the following steps:

1. Issue identification: Identification of the topics that are potentially relevant for Delivery Hero
2. External impact: Internal evaluation of the level of economic, environmental and social impact of Delivery Hero's business activities on each topic
3. Internal impact: Internal evaluation of the impact of each of the topics on Delivery Hero's vision, strategy and performance, taking into consideration magnitude and probability of occurrence
4. Stakeholder perception: Evaluation of how important stakeholders believe the topics are

5. Materiality matrix: Review of the materiality matrix, which maps the issues based on economic, environmental and social impacts of Delivery Hero to the impact on Delivery Hero's business

6. Regulatory relevance: Allocation of the material topics to non-financial aspects in accordance to the CSR Directive Implementation Act

MATERIAL TOPICS AND CONTENTS OF THE NON-FINANCIAL STATEMENT

NON-FINANCIAL ASPECTS	MATERIAL TOPICS	PAGE
Cross-cutting issue, affects all non-financial aspects (environmental matters, employee matters, respect for human rights, social matters, anti-corruption and bribery matters)	Laws & Regulations Data Management Supplier & Relationship Management	
Environmental matters	Packaging Environment	p. 52
Employee matters	Employee Experience & Diversity	p. 53–54
	Safety	p. 55
Respect for human rights	Human Rights	p. 55
Social matters	Social Impact	p. 56–57
Additional-non financial aspect	Customer Experience & Quality	p. 51

Stakeholders engagement
Our stakeholders are key to our business, therefore, building and maintaining a close relationship with them is critical to our success. To define and implement a Sustainability and CSR strategy, Delivery Hero developed a stakeholders' consultation and engagement process through which we actively collect their expectations and ideas, on an ongoing basis. This enables key stakeholder participation to help us define and evaluate our CSR strategy, which is constantly updated with their feedback in an agile manner.

Maintaining good relationships with suppliers and restaurants helps our business grow. Material items such as on-time payments, fair treatment and timely onboarding contribute towards successful relationships. In addition, at the end of 2019, we began developing a code of conduct for our suppliers to promote responsible business practices and minimize financial, reputational and supply chain risks.

DELIVERY HERO'S STAKEHOLDERS

Stakeholder	Why is the stakeholder important?	Examples of engagement activities/resources
Investors and shareholders	We are committed to growing and increasing the return on investment of our investors	Annual financial statements, provisional reports, investor meetings, dedicated e-mail communications
Customers	We are focused on improving our customers' lives by providing amazing and innovative services and good food	Satisfaction surveys, social media, brand studies (focus groups + surveys)
Employees	We want to motivate and engage our people so they can achieve their maximum	Engagement survey, performance management process, all-hands/update meetings, Supervisory Board representation
Restaurant partners and suppliers	We intend to implement high social, ethical and environmental standards in all relationships with our partners and suppliers	Engagement surveys (restaurant NPS), account management operations, supplier onboarding
Local community	We are determined to improve the communities where we operate and work in	Volunteering program, conferences, partnerships
Regulators	We are interested in maintaining an open dialogue with regulators and being compliant with legislation and regulation	Dialogue with regulators in local markets

Why is the stakeholder important?

Examples of engagement activities/resources

Customer experience & quality

The experience we give customers when they use our platform and receive deliveries from us has a material impact on our business. Customer experience can include a variety of items such as the user interface of an app, delivery times, transparency of ingredients, price and restaurant choice.

Whether or not a customer is satisfied with the experience will determine how likely he or she is to order again and to recommend the brand. That's why our Global Customer Experience Team designed a process to work with our brands around the globe on understanding and improving customer experience. One main part of this process is analyzing the drivers of customer loyalty, measured by a NPS (Net Promoter Score), which reflects why customers order from our brands.

ENVIRONMENT

We are committed to making our business more environmentally friendly and minimizing the negative impacts of our activities. Our sector impacts the environment primarily through the greenhouse gas emissions we and our partners emit, as well as the plastic used in food packaging. To manage these impacts, we developed a strategic framework for the environment program in 2019, focusing on packaging and emissions.

Our achievements in 2019:

- Designed a globally scalable sustainable packaging program, which will launch with a pilot in Q3 2020
- Field tested sustainable packaging products to ensure solutions will meet the rigors of food delivery
- Identified preferred sustainable packaging providers
- Invested in Bio-Lutions, a biodegradable packaging manufacturer
- Measured our carbon footprint for European entities in 2019
- Achieved carbon neutrality across our European operations on January 1, 2020
- Committed to be carbon neutral globally by 2021

Packaging

Food ordered through our platforms is packaged for delivery, which historically has been made from plastic due to cost and availability of the raw material. We recognize the impact that plastic has on the environment, whether that's from the emissions made during its manufacturing or the lasting presence of plastic after the packaging is discarded. We want to find solutions that can reduce this impact.

Our restaurant partners source their packaging materials independent of Delivery Hero. We have a connection to restaurants and believe we can help educate restaurants about the sustainability of materials and provide access to alternative and more sustainable forms of packaging.

The main way we're doing this is by developing a globally scalable sustainable packaging program where we will supply packaging to restaurants. In 2019, we laid out the groundwork to model, design and test the concept of a scalable sustainable packaging program. We sourced and field-tested packaging solutions to find the best products to rollout. In 2020, we will be piloting the project in selected markets to gain further insights into finding the best approach to roll it out globally.

In May 2019, we also invested in Bio-Lutions International AG, which produces sustainable packaging and disposable tableware made from agricultural residues. Our investment is an important step towards creating sustainable packaging options within our supply chain.

Emissions

Like most organizations, our activities and those of our supply chain and partners emit greenhouse gases. As global warming is an issue impacting the world, we believe that we have a responsibility to limit the impact of these emissions. We believe action starts with commitment. We set an ambition to become carbon neutral by the end of 2021. Our approach is to measure our footprint so we can identify the areas to offset, because this will minimize the impact of our emissions footprint quickly. We then explore opportunities to reduce the emissions and lower the cost of offsetting.

Our effort in 2019 focused on completing the methodology for measuring CO_2 emissions, establishing the offsetting program and establishing the foundations of an environmental reduction program. We worked with our partner ClimatePartner, which supported the development of our methodology and measurement of our footprint. Our methodology is informed by the Greenhouse Gas Protocol and we differentiate between emissions (Scope 1–3) that are directly caused by Delivery Hero, i.e., our own delivery fleets, materials we sell to restaurants, our internal operations, and the emissions caused by our partners, e.g., packaging sourced by restaurants from third parties, our restaurant partners delivery activities, etc. We want to ensure that we have an accurate understanding of which emissions we can operationally reduce as we directly control them, compared to the emissions that are created in relation to our activities but without our direct control.

Our management approach to this topic is centralized, as calculating an accurate greenhouse gas footprint requires special expertise and we want to ensure a consistent methodology is used. Therefore, we have a project team in our central team at Delivery Hero SE that collects data from our local businesses and works with the consultancy to calculate the greenhouse gas footprint (in t CO_2 equivalent). Where accurate data is not available, we use estimations in line with common and accepted approaches.

In 2019, the CO_2 emissions of our Berlin headquarters amount to 8,537 t CO_2. We offset these emissions by supporting a forest protection project in Peru. As we expand the measurement of our greenhouse gas footprint, we intend to report the emissions.

WORKING AT DELIVERY HERO

Delivery Hero's accomplishments and success are provided by our highly engaged and qualified workforce around the world. Attracting, developing and retaining highly skilled employees that are aligned to our values is important. We focus on creating a working environment with great conditions that are diverse, inclusive, equal and safe.

Our achievements in 2019:

- Refreshed our corporate values globally
- Achieved an employee Net Promoter Score (eNPS) of 35
- Created a Diversity & Inclusion Strategy and established program
- Hosted tech and product meetups to showcase our work and develop connections
- Trained more than 400 people at our headquarters in Berlin about unconscious bias
- Began a global rollout for unconscious bias training
- Integrated diversity and inclusion into our onboarding process
- Facilitated the creation of two employee resource groups
- Delivery Hero participated its first Pride festival in Berlin

Delivery Hero as an employer

Delivery Hero employs thousands of people across the world. Our work with restaurants drives further employment, helping to create jobs in the communities we operate in. We are a business that strives to be as diverse as the societies in which we operate. Our culture encourages openness and respect with opportunities for anyone to share opinions and ideas.

Inclusive Leadership	**Equitable Systems**	**Inclusive Culture**	**Empowered Employees**
Setting the tone from the top and leading by example	Ensuring parity in HR and business processes	Learning how we can interact and celebrate difference respectfully	Enabling our employees to connect with each other and build a diverse and inclusive environment

Delivery Hero's approach to people operations continues to be both centralized and decentralized. We have deepened the level of expertise within our central HR teams so that we deliver expert support globally, while building regional HR centers of excellence to expand the support aligned to local market requirements and regulation. In 2019, we introduced "Workday" to streamline our people systems processes. This is enabling us to manage a growing workforce more effectively, empowers our managers with the tools and data to lead their teams and supports the implementation of procedures such as standardized performance review processes. We will continue to rollout "Workday" regionally through 2020.

We offer various benefits that make our working environment attractive. By providing benefits such as gym passes and health checkups, we care for the well-being of our employees. Creating learning and development opportunities linked to an annual budget of € 1,000 per full-time equivalent employee helps us to thrive as an innovative and progressive company. On top of that, we offer individual corporate pension schemes to contribute to the long-term provision of our employees.

Regarding our recruitment processes, we host various tech and product meetups to showcase our work, gain connections and take on new employees. In 2019, we hosted 25 tech and product meetups at our Berlin headquarters.

Diversity and equal opportunity

Delivery Hero strives to be a diverse and inclusive Company that reflects the customers and markets we serve. Through diversity, we can develop the products, platforms and services that engage our broad customer base most effectively, as well as motivate and engage our people. Delivery Hero is committed to providing equal opportunity to all employees so we can create an amazing employee experience for everyone.

In 2019, we formalized our Diversity & Inclusion (D&I) program and introduced a D&I Strategy to define our approach towards building a fair and unbiased working environment. Our strategy comprises four parts: inclusive leadership, equitable systems, inclusive culture and empowered employees (see previous page).

We conducted activities across the four parts of our D&I program. Our management team participated in an off-site workshop to establish the tone from the top and set out strategic goals for the company on diversity and inclusion.

For equitable systems, our D&I team worked with every part of the People Operations department to audit HR and business processes. Where the potential for bias existed, action plans were developed to better ensure parity and equity.

For inclusive culture, we integrated D&I into our Talent Development program to ensure the wide range of training provided to our people helped them manage their unconscious biases and become more inclusive leaders. We set a goal in 2019 to train all our people managers on unconscious bias in 2020. By the end of 2019, we had trained 68% of our managers at our headquarters and 70% of our managers within our MENA businesses, and have a global rollout plan for remaining regions.

We believe an essential way to enable our employees to build an inclusive culture is to empower them through employee resource groups. At Delivery Hero, these are called Hero Communities. We were delighted that our people created two Hero Communities in 2019. Our “Proud Heroes” provide our employees who identify with or support the LGBTQI+ community to unite. In 2019, the “Proud Heroes” worked closely with our D&I team to have Delivery Hero participate in its first CSD Pride Event in Berlin, Germany, which is a parade to promote awareness and support for LGBTQI+ rights. Our Muslim employees also organized themselves into the Muslim Heroes. They worked with internal teams to run events during Ramadan and to secure additional prayer rooms in our Berlin offices.

Delivery Hero is committed to adhering to all global and local regulation. This in particular includes compliance with the Law for Promotion of Remuneration Transparency between Women and Men *(Entgelttransparenzgesetz)*. The reports required under this law are published separately to this report.

Further information on gender diversity at Delivery Hero and its subsequent goals regarding gender diversity of our management team, Supervisory Board and the two executive levels directly below, please see the Corporate Governance Report on page 22.

Employee satisfaction

Having engaged employees at Delivery Hero is essential for us to achieve our ambitions. Employee engagement contributes towards employee retention, company growth, future recruitment and corporate culture. To understand how we are performing and where we need to improve, we conduct regular employee engagement surveys, using employee Net Promoter Score (eNPS). This indicator describes the loyalty and commitment of our employees to Delivery Hero. We use the results to create action plans to address areas of improvement. In our last survey of 2019, our eNPS for our Berlin headquarters was 35 points with an participation rate of 74%. We also continued to rollout the use of the employee engagement survey across our global entities with all parts of the business now using our system.

ETHICS

Ethical conduct is one of our highest priorities. Our values, principles and standards create trust – and this is what we depend on to deliver excellent services to our customers.

We introduced new Values in 2019 and these are being rolled out across Delivery Hero. Trust starts with our leaders who are represented as role models for employees on ethical standards and norms of behavior. Our business success also depends on our employees acting in a moral and legally correct, responsible manner. These standards are reflected in our day-to-day business, in cooperation with each other, our business partners, our investors and other stakeholders of Delivery Hero.

To emphasize the importance of integrity, we have included Ethics as a fourth pillar of our Sustainability and CSR strategy.

Safety

Delivery Hero employs thousands of people globally and we want them to be safe at work, whether that's in the office, on the roads or travelling. As such, occupational health and safety is an important topic at Delivery Hero. We provide training to our employees about how to avoid accidents and how to maintain a safe working environment for everyone.

At our headquarters in Berlin, we have many occupational health and safety facilities for employees to use (specific rooms for prayers, first aid and napping). In 2020, we are building new spaces for employees that include a room for yoga and a health center. We also provide the use of ergonomically friendly workstations, which have adjustable desks, chairs and monitors to cater to specific needs.

The safety of our riders is of great importance for Delivery Hero. We are working towards introducing global standards on safety to ensure greater consistency across our operations.

Human rights

We are fully committed to respecting human rights in everything we do. We actively oppose forced or compulsory labor of any kind, and all other forms of modern slavery, child labor and human trafficking. Discrimination and inequality in employment and occupation have no place at Delivery Hero either. For us this is an integral and natural part of doing business anywhere.

LAWS & REGULATIONS

We must be compliant with all laws and regulations in the markets we operate. Below, we outline some of the ethical and legal standards we hold ourselves accountable to.

Values, principles, standards and norms of behavior

We act within the framework of ethics, integrity and applicable laws and always in the interest of Delivery Hero. Delivery Hero does not tolerate any form of fraud, bribery/corruption or other forms of non-compliant behavior by our employees or other stakeholders. We expect our employees not to engage in any activity or perform tasks that are contrary to the interests of Delivery Hero. All business decisions need to be made solely in the best interests of the Company, not for personal benefit. These business practices have been documented in a Code of Conduct, which is distributed within the organization and updated regularly. The local companies are responsible for communicating about the Code of Conduct.

Mechanisms for advice and concerns about ethics

Every employee at Delivery Hero is responsible for addressing violations or potential violations of the laws, the Delivery Hero Code of Conduct or internal policies. To report serious compliance breaches and illegal business practices an online whistleblower platform was made available in multiple languages and is available around the clock. Our whistleblower system guarantees anonymous submission and the highest level of security for whistleblowers. Employees should first contact their supervisor or their respective Compliance department and make use of the whistleblower platform only in cases where this appears not possible. All reported issues are carefully assessed by Delivery Hero and in appropriate cases, the case is managed as per the regulations and procedures for handling reported compliance concerns. The confidentiality of information given by the individual reporting a compliance violation is protected to the maximum extent possible. The recipient of the information of Delivery Hero may share it only on a need-to-know basis consistent with applicable law. Delivery Hero respects the request of confidentiality and anonymous reporting. The mechanisms for advice and concerns about ethics are assessed on a regular basis. The Sustainability and CSR team continuously monitors and updates our ethics by integrating concerns into business decisions.

Data management

The growing competitiveness in the markets where Delivery Hero has operations requires an increasing focus on the customer, especially on the continuous improvement of their experience. In a context of high digitalization and more informed, proactive and demanding customers, it becomes clear that technology should be used to achieve and ensure our clients maximum satisfaction, while handling their data with care.

The privacy policies of the operating companies comply with the requirements of Article 13 and 14 General Data Protection Regulation (GDPR). They are regularly checked to ensure they are up to date and correct.

We inform our customers and other stakeholders about the data collected when visiting our website and explain how this data is used. All customer care agents have been trained to deal appropriately with data subject requests and necessary templates have been provided. Personal data is information from which we can directly or indirectly relate to a person, such as first and last name, location data or e-mail address.

Our customers can exercise their data subject rights at any time by sending their requests to the e-mail addresses specified in the privacy policies or to dpo@deliveryhero.com. These will then be answered after the verification of identity within the legal deadline. On many platforms, a GDPR function was integrated into the accounts of the customers, which simplifies and guarantees the exercise of the data subject rights. Via this function, customers can view the stored data, submit advertising objections and delete their accounts at any time. The deletion takes place within 48 hours by overwriting the personal data several times.

Delivery Hero is committed to protecting the data of our customers and employees. Irrespective of external audits, systems that have been assessed as potentially risky according to internal risk analyses are subjected to a data protection impact assessment and continuously reviewed as part of a monitoring process. In addition, penetration tests are carried out regularly and adjustments made, if needed.

Every employee has to complete compulsory data protection training once a year and pass a test. Besides that, the acknowledgement of our Code of Conduct, which also contains passages addressing data protection and information security, is mandatory. In addition, department-specific training is carried out to take account of the relevant special requirements and to increase awareness.

GIVING BACK

Delivery Hero is driven by its values, one of which is “We Are Heroes Because We Care”. Social responsibility is at the heart of this. We aim to provide the most impact for society and the communities we operate in by strategically aligning our giving back pillar with the strengths of our business.

Our achievements in 2019:

- Enabled customers to donate meals through our apps
- Introduced a new, simpler volunteering policy
- Expanded our Hero Month volunteer campaign from Berlin to ten countries
- Volunteered 3,343 hours globally during Hero Month

Our giving back strategy seeks to create a positive social impact in three ways; by connecting our customers to causes important to them: leveraging our capabilities and systems for positive social impact; and by empowering our people to give back.

Fighting hunger is the key theme for our giving back pillar. This is a cause important to our customers and is one that aligns well to our business. In 2019, efoods and hipMenu, our brands in Greece and Romania, respectively, offered customers the opportunity to donate meals to people in need. In 2019, efoods and hipMenu helped feed approximately 126,321 people. We aim to expand the meal donations program in 2020 to more platforms and markets.

To help our employees give back, we established a new volunteering policy that allows everybody at Delivery Hero to contribute two working days per year to the community. Employees can use the allocated days throughout the year to volunteer with local non-profit organizations in groups or individually.

an annual volunteering campaign which takes place in October. We built on this in 2019 by expanding Hero Month to ten countries, involving three more of our brands. Globally, our Heroes volunteered more than 3,343 hours as part of Hero Month.

REPORTING PROFILE

This non-financial statement for the Group (NFS) of the Delivery Hero Group (hereinafter referred to as Delivery Hero) has been prepared in accordance with the information required under Sections 315b, c and 289b to e of the German Commercial Code (HGB) with regard to material, environmental, employee, social and human rights, and the fight against corruption and bribery.

In addition, this NFS has been prepared in orientation towards the GRI standards issued by the Global Reporting Initiative, this applies in particular to the description of our basic management approaches and to the materiality analysis performed. Going forward, Delivery Hero intends to expand the scope and depth of its reporting as its program grows. Until then, the Sustainability and CSR department, Investor Relations and PR departments can help with any questions about this NFS.

Delivery Hero provides online and food delivery services in over 44 countries in four geographical segments, comprising Europe, Middle East and North Africa (MENA), Asia and the Americas. Further information on Delivery Hero's business model can be found in the Group management report 2019 on page 58.

Within the individual aspects, the underlying concepts and due diligence processes are discussed and existing results are reported. In accordance with Section 315b (1) sentence 3 HGB, reference is also made to non-financial information in the Combined management report on individual aspects. In addition, the NFS reports significant risks in accordance with Section 289c (3) Nos. 3 and 4 HGB if the information is necessary for an understanding of the course of business, the business result, the position of the Group and its effects on non-financial matters.

Delivery Hero has not yet defined any non-financial performance indicators relevant to management in accordance with Section 289c (3) No. 5 HGB. Furthermore, there is no direct connection between the amounts reported in the annual financial statements pursuant to Section 289c (3) No. 6 HGB and non-financial concerns.

Delivery Hero seeks to recognize significant risks and opportunities that can influence the business at an early stage. To achieve this, Delivery Hero has a management system to identify and manage risks. The risk management function is performed by the Governance, Risk & Compliance (GRC) department.

Delivery Hero generally assesses risks from a net perspective after taking risk-mitigating measures into account. In connection with the effects on Delivery Hero's non-financial issues, no material risks were identified that are associated with the Company's own business activities or with its business relationships, products and services that have serious negative effects on non-financial issues.

Further information on risk management at Delivery Hero can be found in the risk and opportunity report 2019 on page 72.

COMBINED **MANAGEMENT REPORT**

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COMBINED MANAGEMENT REPORT

A. GROUP PROFILE

01. BUSINESS MODEL

Delivery Hero SE (the "Company") and its consolidated subsidiaries, together Delivery Hero Group (also "DH", "DH Group", "Delivery Hero" or "Group"), provide online and food delivery services in over 40 countries and four geographical segments, comprising Europe, Middle East and North Africa ("MENA"), Asia and Americas.

The Company has been trading as Delivery Hero SE with its registered office in Berlin. Further information on the Group structure and segments can be found in the chapters "Group structure" and "Segments".

The subsidiaries of the Group operate Internet platforms under various brand names, where users of the platform are referred to restaurants as well as other vendors and provided with on-demand delivery services. The Delivery Hero Internet platforms are aligned to the demands of the local end customers who can choose from a wide range of menu items from restaurants in their neighborhood. Orders can be placed by app or via website and are subsequently paid either in cash or via online payment methods. As an option, Delivery Hero offers its partner restaurants a point of sale system in order for them to immediately view and accept orders made on the platform. Furthermore, Delivery Hero offers products and services for restaurants, such as food packaging, advertising and printing services. In addition to the online food ordering platforms, the Group also offers own delivery services to restaurants without this capability. The own delivery fleet is coordinated using proprietary dispatch software.

Delivery Hero generates a large portion of its revenue from online marketplace services, primarily on the basis of orders placed. The commission fees are based on a contractually specified percentage of the order value. The percentage varies depending on the country, type of restaurant and services provided, such as the use of a point of sale system, last mile delivery and marketing support.

In addition to commissions, Delivery Hero generates revenue from delivery fees and non-commission based revenue in particular premium placements. Premium placement means that, for a fee, restaurants are ranked on top among all the listed restaurants in their relevant delivery area displayed in a specific manner.

In the second half of 2019 Delivery Hero accelerated the rollout of delivery-only stores ("dark stores"). Through our delivery platforms, customers are offered online a broad variety of stock keeping units (SKUs) that are delivered to the customer in less than 15 minutes on average.

Alongside the management of the Group, Delivery Hero SE assumes a range of IT, marketing and other services, in particular commercial and technical consultancy services. In addition, as the holding company, Delivery Hero SE assumes functions such as Group controlling and accounting, public relations, investor relations, risk management and human resources management.

The Delivery Hero Group's business model is based on the vision of the management team to provide platform users with an amazing on-demand experience. This includes appealing and seamless handling of the order as well as first-class quality of food and a top delivery service.

In order to enhance clarity we mainly limited the disclosures of the combined management report to those required by law. Therefore information on corporate strategy is no longer included in this management report. Information on our corporate strategy is available on our website and within other parts of the annual report.

02. GROUP STRUCTURE

The parent company Delivery Hero SE, with its headquarter in Berlin, was founded in 2011 and has since expanded its presence in local markets worldwide with various brands. Delivery Hero Group comprises 133 companies as of the reporting date (previous year: 126 companies). For further details, refer to Section D.01. of the consolidated financial statements. Delivery Hero SE exercises either direct or indirect control over all subsidiaries.

03. SEGMENTS

The business of Delivery Hero is divided into the following four geographical segments:

— MENA (Middle East and North Africa)
— Asia
— Americas
— Europe

The services and order platforms are suited to local market demand and the respective competitive situation.

The MENA segment includes Turkey, while Canada is part of the Americas segment. In the prior year, the Asia segment included Australia, which was closed in the third quarter 2018.

MENA
In the MENA segment, Delivery Hero is represented in the markets of Bahrain, Dubai, Egypt, Jordan, the Kingdom of Saudi Arabia (KSA), Kuwait, Oman, Qatar and the United Arab Emirates (UAE) with the brands Talabat, Carriage, Hungerstation and Otlob.

Furthermore the MENA segment includes Turkey, the most mature of our food delivery markets in the MENA segment, where the Group is represented with its Yemeksepeti brand. In 2019 in Turkey the brand banabi was established in connection with the rollout of delivery-only stores (dark stores).

In February 2019, the Group acquired the food delivery business of Zomato Media Private Ltd. ("Zomato") in UAE, which has been included in the MENA segment since then.

Asia
The Group has a strong presence in South Korea where the Group operates mainly the brand Yogiyo.

Further Asian markets in which Delivery Hero Group was present with its foodpanda brand during the reporting period comprise various high-growth markets such as Bangladesh, Hong Kong, Malaysia, Pakistan, the Philippines, Singapore, Taiwan and Thailand. The businesses are operating either an own delivery model or mixed models, which provide both own delivery and marketplace services. Further, at the end of 2019 the Group started operations in Laos, Myanmar and Cambodia.

Americas
In the Americas segment, Delivery Hero operates in eleven geographical markets, including Canada, where the Group is represented with the foodora brand.

In Latin America, Delivery Hero operates primarily the brands PedidosYa and Clickdelivery. PedidosYa connects customers and restaurants in Argentina, Bolivia, Chile, Paraguay and Uruguay. Clickdelivery operates in Columbia, Ecuador and Peru. In Panama Delivery Hero is present with the brand Appetito24.

In 2019 the footprint in the Americas segment was enlarged by acquisition of Movil Media S.R.L., Dominican Republic, ("Delivery RD"), the leading online food delivery business in the Dominican Republic operating under the brand "deliveryrd".

Europe
In the Europe segment, Delivery Hero operates with both business models – marketplace as well as own delivery – and is represented in Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, the Czech Republic, Finland, Greece, Hungary, Montenegro, Norway, Romania, Serbia and Sweden with their local brands.

In April 2019, Delivery Hero strategically invested in the Swedish market by acquiring RestaurangOnline Sverige AB and its subsidiary Hungry Delivery AB (together referred to as "Hungrig Group"). In July 2019, AA Foody Cyprus Ltd. ("Foody"), the leading restaurant marketplace for food delivery in Cyprus, operating under the brand name Foody, was acquired.

As of April 1, 2019, the sale of the German food delivery businesses to Takeaway.com N.V., including all three brands (pizza.de, Lieferheld, and foodora) was completed (refer to Section A.02. and D.03.d) of the consolidated financial statements). The German food delivery business is excluded from the segment performance.

04. MANAGEMENT SYSTEM

Delivery Hero SE's Management Board consists of two members. The Management Board is responsible for the strategy and management of the Group. The CEO Niklas Östberg is responsible for the areas Strategy, Operations, Technology, Personnel, Marketing, Public Relations and Investor Relations. Emmanuel Thomassin is responsible for the areas Finance, Purchasing, Legal, and Internal Audit, as well as Governance, Risk and Compliance. The Supervisory Board advises and supervises the Management Board. The Supervisory Board is involved in transactions of fundamental importance to the Company.

The Management Board steers the Group both at a segment level (i.e., Europe, MENA, Asia and Americas) and group level. The key financial performance indicators monitored are Total Segment Revenues[1] and adjusted EBITDA[2]. While Total Segment Revenue is indicative of the Group´s ability to grow and to provide attractive service offerings to its customers, adjusted EBITDA indicates the Groups ability to become profitable.

Delivery Hero also uses non-financial performance indicators to manage the Group:

— **Orders**[3] is a key performance indicator that drives revenue and growth. In 2019, orders of the segments increased by 80.3%.
— **Gross Merchandise Value**[4] (GMV) is influenced by the number of orders and has an instant impact on revenues. It is one of the key elements controlled by our management. In 2019, GMV of the segments increased by 66.9%.

	FY 2019	FY 2018	CHANGE IN %
GROUP			
ORDERS (MILLION)	666.0	369.4	80.3
GMV (EUR MILLION)	7,435.5	4,454.4	66.9

05. RESEARCH AND DEVELOPMENT

Our vision of always creating an amazing experience is contingent on constant innovation and technological development in all areas of the customer experience. Consequently, innovation and technology is focusing on the enhancement of the value for the platform users by refining our personalization, recommendation and search algorithms in order to provide more personalized offers, order tracking and visibility, as well as facilitating discovering of new restaurants and dishes and improving the user interface, performance and stability of our apps.

Innovation and technology is further aiming to enhance the value of our restaurant partners by improving the forecast of demand and supply, inventory management and enabling faster and better delivery and offering tailored marketing solutions. Further, we are increasingly investing into the development of new payment solutions (e.g., wallet solutions), machine learning, smart catalogue management and data infrastructure. Innovation and technology is additionally focusing on the further automatization of operations, e.g., enhancing processes in customer care, billing and rider onboarding.

The research and development (R&D) activities of Delivery Hero are focusing on the challenges of providing an exceptional on-demand experience today and in the future. These challenges include the processing of millions of orders in near real time without glitches, responsible collection of a staggering amount of data and coping with widely different local requirements across our markets.

The R&D activities continue to concentrate on the development and enhancement of local technology and platforms in order to provide highly localized solutions combined with an approach of innovations by a central support function in:

— Data and analytics
— Logistics, including fleet management and driver/rider scheduling
— Marketing, CRM and campaign automation
— Restaurant order transmission, driver tracking and POS integration
— Consumer experience

[1] Total Segment Revenue is defined as revenue in accordance with IFRS 15, excluding the effect of vouchers and other discounts. Further, revenues for which the Group acts as a principal are included on a net basis with corresponding cost-of-sales to increase comparability to revenue from transactions where the Group acts as agent.
[2] Performance measure not defined by International Financial Reporting Standards (IFRS). Adjusted EBITDA is defined as earnings from continuing operations before income taxes, financial result, depreciation and amortization and non-operating earnings effects. Non-operating earnings effects comprise, in particular (i) expenses for share-based compensation, (ii) expenses for services in connection with corporate transactions and financing rounds, (iii) expenses for reorganization measures, (iv) expenses for the implementation of information technology and (v) other non-operating expenses and income, especially the result from disposal of tangible and intangible assets, the result from the sale and abandonment of subsidiaries, allowances for other receivables, and non-income taxes. Adjusted EBITDA excludes depreciation from right-of-use assets under IFRS 16 that were included in the prior period as corresponding rent expenses.
[3] Orders represent orders made by end consumers in the period indicated. Orders for our South Korean click-to-call operations (similar to a restaurant-specific business directory where customers click on a button that will connect them directly with the restaurant via telephone) have been estimated based on the number of phone calls made by users to restaurants through these click-to-call platforms in the relevant period that lasted 25 seconds or longer multiplied by 60%.
[4] GMV refers to gross merchandise value, which means the total value of orders (including VAT) transmitted to restaurants. GMV for our click-to-call operations (similar to a restaurant-specific business directory where customers click on a button that will connect them directly with the restaurant via telephone) have been estimated based on the estimated number of orders multiplied by the average basket size for the orders placed through our South Korean non-click-to-call online marketplaces during the same period.

In order to provide local solutions but also leveraging from our global platform, we follow a flexible approach with strong and agile regional tech teams in all our segments. The largest team is situated in Berlin.

In 2019, R&D expenses of the Group amounted to about € 65.0 million (previous year: € 42.2 million). This corresponds to 5.1% (previous year: 5.5%) of revenue. Development costs of € 13.0 million were capitalized (previous year: € 5.1 million), this represents 19.9% (previous year: 12.1%) of total development costs of the year. Amortization of capitalized development costs amounted to € 4.1 million (previous year: € 3.1 million). Third-party R&D services are used only to a minor extent.

At the end of the financial year, 1,289 people (previous year: 906 people) were employed in our R&D activities. This represents 5.2% (previous year: 3.6%) of total employees.

B. ECONOMIC REPORT

01. MARKET AND INDUSTRY ENVIRONMENT

Global growth decelerated in 2019, with continued weakness in global trade and investment. However, as of December 31, 2019, global growth was expected to recover to 2.5% in 2020. Moreover, growth was then projected to gradually rise to 2.6% by 2021, predicated on continued benign global financing conditions and a modest recovery in emerging market and developing economies. Risks are firmly on the downside, aside from the possibility of a further escalation of trade tensions[5], particularly that the outbreak of the coronavirus disease will have effects on global growth. Beginning March 2020, concerns that global growth assumptions cannot be maintained were raised. At that time it was analyzed that global growth might be significantly impacted by the worldwide outbreak of the coronavirus (COVID-19) and might drop by 0.5% to 1.5% compared to initial expectations – depending on the intensity of the coronavirus outbreak. However, accelerated outbreaks throughout Europe and North and South America may have a more severe impact on the global economy. Research analysts project a significant contraction of GDP of the US economy and the eurozone in the first and second quarters of 2020 with a potential to rebound in the third and fourth quarters of the year.[6] The global growth prospects for 2020 are contingent on many aspects, including the duration and intensity of the outbreak, the effectiveness of public health measures and supportive macroeconomic measures, and remain highly uncertain.[7]

Below we examine the environment and outlook by region based on the World Bank Global Economic Prospect Report as of December 31, 2019.[8, 9]

MENA

MENA regional growth is projected to rise to 2.4% in 2020, largely driven by a rebound in growth among oil exporters. Growth among oil exporters is anticipated to pick up to 2.0% in 2020, supported by capital investment in the GCC. Among oil importing economies, increasing growth is predicated on policy reform progress and healthy tourism prospects.

Asia

Growth in the East Asia and Pacific region is projected to slow from 5.8% in 2019 to 5.7% in 2020. The year 2019 marked the first time since the 1997–1998 Asian financial crisis that growth in the region dropped below 6%. Outside of China, the region is expected to grow at a moderate 4.9% in 2020, broadly flat compared to 5.1% growth in 2019, before rebounding in 2021 as global trade stabilizes. The outlook for South Asia remains solid, with growth picking up to 5.5% in 2020 and 5.9% in 2021. Domestic demand growth is expected to remain robust with support from monetary and fiscal policy.

Americas

After subdued growth of 0.8% in 2019, reflecting challenging conditions in several of the largest economies, the regional growth is expected to accelerate to 1.8% in 2020, helped by a rebound in fixed investment and private consumption. Argentina is projected to revert to positive growth in 2020 as the effects of financial market pressures fade.

Since Delivery Hero has significant operations in countries outside of the eurozone, a substantial percentage of its sales, earnings and liabilities are denominated in currencies other than the euro. Delivery Hero is therefore exposed to fluctuations in the values of these currencies relative to the euro. In the financial year 2019 Delivery Hero operations in its MENA and Americas segments were adversely impacted by the volatility and devaluation of some currencies, such as the Turkish lira and the Argentinian peso, respectively.

Since Q3 2018, the Americas segment's revenues and growth rates were impacted by the Argentinian operation qualifying as a hyperinflationary economy under IAS 29, starting from the September 1, 2018 (refer to Section B.14.b) of the consolidated financial statements). This assessment has remained applicable in 2019. No other country of operation has qualified as hyperinflationary to date.[10]

[5] www.worldbank.org/en/publication/global-economic-prospects

[6] www.jpmorgan.com/global/research/coronavirus-impact
[7] OECD Interim Economic Assessment Coronavirus: The world economy at risk; March 2, 2020
[8] www.worldbank.org/en/publication/global-economic-prospects
[9] Definitions of segment differ from Delivery Hero segments.

[10] Company information as of December 31, 2019.

Europe
Europe and Central Asia region is expected to grow at 2.6% in 2020, slightly up from 2.0% in 2019, with a tailwind from modest growth in domestic demand offset by a small drag from net exports. In Central Europe, fiscal stimulus and the resulting boost to private consumption will begin to fade in some of the subregion's largest economies next year, while growth is expected to slightly recover in Eastern Europe.

Outside of the aforementioned impact, all segments exhibited positive business developments.

Regarding the foreign exchange rates, within 2019 the euro appreciated versus a basket of currencies with the most appreciation relative to the following three currencies[11]:

— Argentinian peso (ARS) +58.19%
— Turkish lira (TRY) +12.48%
— South Korean won (KRW) +1.68%

Sector development
Delivery Hero boasts a wide geographic footprint with operations across a number of attractive markets in Europe, MENA, Asia and Americas regions. In our view the positive outlook for the online food and on-demand delivery services market is predicated on secular growth trends that will drive compounding growth for decades to come:

— Perpetually increasing online and smartphone penetration
— Development of last mile logistics technology
— Lifestyle, urbanization and socio-demographic trends, such as a higher incidence of single-person households

While Delivery Hero's first phase of disruption was propelled by the transition of orders from over the phone to online, establishing own delivery capabilities allowed Delivery Hero to connect incremental restaurants to our platforms and expand the total addressable market ("TAM") for food delivery by offering a wider selection of restaurants to more customer. By continuously investing in logistics and technology, we are looking for ways to maximize the efficiency of our operations and utilization of our rider network.

The growing consumer demand for on-demand services encouraged us to extend our product offering beyond our core business pillar of food delivery, in order to capture a greater share of consumer wallet. And while food delivery will remain the core of our business model, we see significant upside to cohort quality by investing into additional verticals. As a result, in 2019 we took the strategic decision to accelerate the transition to a third-generation delivery company, which involved the following initiatives:

— Provision of kitchen spaces and expertise, including knowledge on industrialization of kitchens and virtual restaurant concepts
— Successful dark store launch and rollout in the MENA and Asia segment
— Continued rollout of additional verticals such as groceries and other everyday items

02. BUSINESS PERFORMANCE

a) Performance
In 2019 the revenue of the Group increased to € 1,237.6 million (previous year: € 665.1 million). This increase is mainly attributable to strong organic growth across all segments as a result of investments in improved service offering, including the further rollout of own delivery services and targeted investments into customer acquisition. The organic growth is supplemented by the acquisition of the Zomato business in February 2019.

In 2019 orders and GMV grew significantly (+80.3% and +66.9%, respectively) compared to 2018, fully meeting the target of a significant year-on-year increase. Total Segment Revenue amounted to € 1,455.7 million, exceeding the target range of between € 1,080 million and € 1,150 million that was announced in the annual report 2018 and subsequently increased to between € 1,440 million and € 1,480 million.

For 2019 adjusted EBITDA of the segments was negative € 430.9 million and accordingly outside the expected range of between negative € 270 million and negative € 320 million, which was modified throughout 2019 to the lower end of the range of negative € 370 million and negative € 420 million due to accelerated investments into additional verticals.

[11] Calculated from FactSet data on annual end-of-period foreign exchange rates per euro (EUR).

In 2019 the adjusted EBITDA of the MENA segment of € 43.3 million was below the expectation of € 70 million due to higher costs incurred mainly in association with a third-party logistics change at Hungerstation, the integration of Zomato UAE and investments into dark stores and virtual restaurants in MENA.

The Europe segment was expected to break even on an adjusted EBITDA basis during the second half of 2019, which was achieved for the month of December 2019.

b) Acquisitions and investments

Acquisitions during the reporting period comprise the food delivery business of Zomato Media Pvt. Ltd. in the United Arab Emirates ("Zomato UAE") in February 2019 as well as a minority investment in Zomato Holding, India, in the amount of € 43.2 million. Further, Delivery Hero acquired the Hungrig Group in April 2019, Foody in July 2019 and Delivery RD in July 2019, food delivery platforms based in Sweden, Cyprus and Dominican Republic. The total consideration for the acquisitions was € 207.8 million.

In 2019 Delivery Hero participated in a funding round of the Glovo Group and invested a further € 19.1 million, resulting in a total stake of 12.7%. Further minority investments in the total amount of € 5.2 million were carried out in BIO-LUTIONS International AG, Germany, a producer of packaging from agricultural waste, in NOSH services, Cayman Islands, a B2C and B2B virtual cafeteria and food retail company operating in Hong Kong, and in Wisefood GmbH, Germany, a producer of fruit and vegetable-based edible straws.

On December 13, 2019 Delivery Hero SE entered into agreements to acquire approximately 88% of the shares in the South Korean Woowa Brothers Corp. and resolved on a capital increase against a contribution in kind under the exclusion of subscription rights. The closing of the transaction is subject to certain conditions such as financing of the cash consideration and regulatory approvals, including merger control clearance by the Korean Fair Trade Commission, and is expected to occur in the second half of 2020. The consideration will consist of up to approx. € 1.7 billion in cash and up to approx. € 1.9 billion in Delivery Hero new shares. In the context of financing the cash component of the consideration on January 15, 2020 Delivery Hero placed € 1.75 billion convertible bonds and new shares from a cash capital increase with gross proceeds of about € 571 million (refer to section I. of the consolidated financial statements).

c) Discontinued operations and divestments

On April 1, 2019, Delivery Hero closed the sale of its German food delivery operations. The businesses comprising Lieferheld, Pizza.de and foodora were sold to Takeaway.com N.V. ("Takeaway.com") in exchange for cash and an equity stake in Takeaway.com.

The total consideration amounted to (i) 5.7 million ordinary shares in Takeaway.com, (ii) 3.8 million warrants convertible into ordinary shares of Takeaway.com at zero cost and (iii) € 508 million of cash, including the cash position of the transferred entities. Measured at market values, at closing date the consideration amounted to € 1.2 billion.

The warrants were exercised and converted into ordinary shares of Takeaway.com in May 2019. The share component post warrant exercise represented 15.5% of the total issued and outstanding share capital of Takeaway.com at the date of closing.

The gain from this divestment contributed € 930.1 million to the net profit for the full year 2019 of € 230.2 million.

03. NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

a) Financial performance of the Group

Business activities presented as discontinued operations are not subject to the following discussion of net assets, financial position and result of operations (unless otherwise stated).

Consolidated statement of profit or loss and other comprehensive income

The 2019 Group result developed as follows:

CONTINUING OPERATIONS

EUR MILLION	2019	2018	CHANGE EUR MILLION	CHANGE %
REVENUE	1,237.6	665.1	572.5	86.1
COST-OF-SALES	−926.4	−318.0	−608.4	> 100
GROSS PROFIT	**311.2**	**347.2**	**−36.0**	**−10.4**
MARKETING EXPENSES	−495.2	−313.9	−181.3	57.8
IT EXPENSES	−94.8	−54.3	−40.5	74.6
GENERAL ADMINISTRATIVE EXPENSES	−373.5	−217.2	−156.3	72.0
OTHER OPERATING INCOME	19.9	10.0	9.8	97.8
OTHER OPERATING EXPENSES	−6.7	−9.2	2.6	−27.6
IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS	−8.8	−4.3	−4.5	> 100
OPERATING RESULT	**−648.0**	**−241.7**	**−406.3**	**> 100**
NET INTEREST COST	−9.4	2.8	−12.2	> 100
OTHER FINANCIAL RESULT	93.7	18.8	74.9	> 100
SHARE OF THE PROFIT OR LOSS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	−99.7	−38.6	−61.1	> 100
EARNINGS BEFORE INCOME TAXES	**−663.4**	**−258.8**	**−404.6**	**> 100**

The 2019 segment performance excludes the operations of the German businesses that were sold in 2019.

Adjusted EBITDA of the segments reconciles to earnings before income taxes as follows:

CONTINUING OPERATIONS

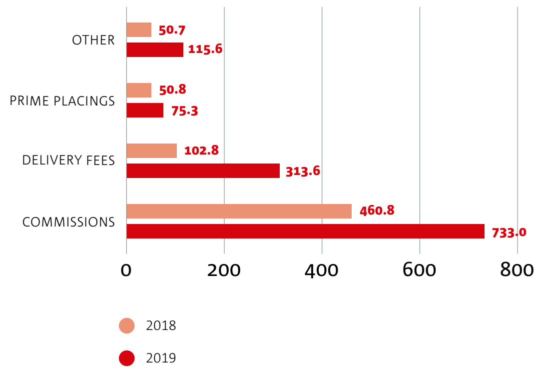
EUR MILLION	2019	ADJUSTED 2018	CHANGE EUR MILLION	CHANGE %
ADJUSTED EBITDA OF THE SEGMENTS	**−430.9**	**−100.2**	**−330.7**	**> 100**
CONSOLIDATION ADJUSTMENTS	−6.3	−12.3	6.0	−48.7
ITEMS EXCLUDED FROM SEGMENT PERFORMANCE	−22.0	−20.0	−2.0	10.0
MANAGEMENT ADJUSTMENTS	−49.0	−44.1	−4.9	11.1
EXPENSES FOR SHARE-BASED COMPENSATION	−44.8	−17.2	−27.6	> 100
OTHER RECONCILIATION ITEMS	2.3	−0.2	2.5	> 100
AMORTIZATION AND DEPRECIATION	−97.2	−47.7	−49.5	> 100
NET INTEREST AND OTHER FINANCIAL RESULT	−15.5	−17.1	1.6	−9.3
EARNINGS BEFORE INCOME TAXES	**−663.4**	**−258.8**	**−404.6**	**> 100**

Development of revenue

The Delivery Hero Group increased its revenue in 2019 to € 1,237.6 million (previous year: € 665.1 million). The revenue increase was mainly driven by high organic revenue growth, especially in MENA and Asia, resulting from continuing investments in our service offering, customer experience, and the expansion of the Group's own delivery services, as well as the accelerated rollout of dark stores.

Rebates and voucher expenses increased from € 41.0 million in 2018 to € 225.3 million in 2019, mainly in the Asia segment as part of additional marketing investments.

GROUP REVENUE BY TYPE[1]
EUR MILLION



[1] DISCOUNTS DEDUCTED FROM COMMISSION REVENUE.

Commissions revenues increased to € 733.0 million (previous year: € 460.8 million) representing 59.2 % (previous year: 69.3 %) of total revenue and remaining the largest component of revenue, while the share of revenue from delivery fees charged to the customer increased significantly from 15.4 % (€ 102.8 million) in 2018 to 25.3 % (€ 313.6 million) in 2019.

Development of adjusted EBITDA

Delivery expenses (€ 777.0 million, previous year: € 258.3 million) represent 83.9 % (previous year: 81.2 %) of cost-of-sales in 2019. The continuous expansion of the delivery business, additionally pronounced by the ramp up of dark stores in the second half of 2019, resulted in a disproportional increase of cost-of-sales (191.3 %) compared to the increase of revenue year on year. Delivery expenses comprise own delivery personnel expenses (€ 144.8 million, previous year: € 95.7 million) and external riders and other operating delivery expenses (€ 632.1 million, previous year: € 162.6 million). In addition, fees for payment services increased by € 32.0 million due to a higher transaction number as well as an increase in the online payment share.

Gross profit margin in 2019 was 25.1 % (previous year: 52.2 %). The decline is mainly attributed to the higher delivery expenses as described above.

Marketing expenses increased by € 181.3 million year on year to € 495.2 million due to higher investments particularly in the Asia segment. They mainly include expenses for customer acquisition of € 239.3 million (previous year: € 148.6 million) and expenses relating to restaurant acquisitions of € 150.4 million (previous year: € 91.7 million). This increase reflects the increased competition in certain markets, the extension of the Group's restaurant portfolio as well as the rollout of supplementary service offerings, e.g., dark stores.

IT expenses increased by € 40.5 million to € 94.8 million. They mainly comprise personnel expenses. Most of our IT expenses is attributable to research and development activities, predominantly for the refinement of our local platforms to enhance the value for our partner restaurants and to further improve the customer experience (2019: about € 65.0 million; previous year: € 36.2 million).

General administrative expenses amount to € 373.5 million in 2019 (previous year: € 217.2 million). They include depreciation expenses of € 27.0 million (previous year: n/a) for right-of-use assets that were recognized upon transition to IFRS 16 as of January 1, 2019. Consequently, lease expenses decreased by € 9.1 million to € 6.6 million in 2019 reflecting short-term and low value leases. Expenses for share-based compensation increased to € 44.8 million (previous year: € 17.2 million) and other personnel-related general administrative expenses increased to € 128.6 million (previous year: € 96.8 million) in 2019. This is primarily driven by an increase in administrative headcounts. Consulting expenses increased to € 48.3 million (previous year: € 22.6 million) mainly due to services related to the preparation and execution of M&A transactions.

Other operating income of € 19.9 million (previous year: € 10.0 million) includes primarily gains from a settlement of warranty claims related to the acquisition of the foodpanda group in 2016 of € 9.3 million as well as gains from the recharge of costs to Takeaway of € 7.3 million.

Other operating expenses amount to € 6.7 million in 2019 (previous year: € 9.2 million) and include primarily goodwill and asset impairments of € 1.9 million (previous year: € 4.3 million) and losses from the wind ups and liquidations of subsidiaries in 2019 of € 2.0 million (previous year: € 3.8 million).

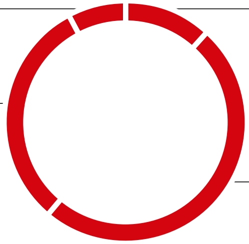
The impairment losses on trade receivables and other assets increased to € 8.8 million (2018: € 4.3 million) due to an increase of rider receivables in the context of implementing new payment opportunities for orderers in 2019.

Development of adjusted EBITDA of the segments

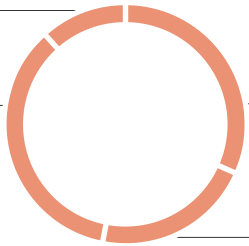
In 2019, the negative adjusted EBITDA of the Segments increased to negative € 430.9 million (previous year: negative € 100.2 million). The raise of the negative adjusted EBITDA margin to 34.8 % (previous year: negative 15.1 %) is mainly driven by higher cost-of-sales as a result of the continued expansion of own delivery services in many markets, including the rollout of further on-demand items (groceries, flowers, etc.) and an accelerated rollout of dark stores in the second half of 2019.

b) Business development by segment
The key financial performance indicators for managing the Group on segment level are Total Segment Revenues and adjusted EBITDA of the Segments.

SEGMENT REVENUE 2019
EUR MILLION



SEGMENT REVENUE 2018 ADJUSTED
EUR MILLION



The performance of our segments is summarized based on these main KPIs below:

REVENUE

EUR MILLION	2019	ADJUSTED 2018	CHANGE EUR MILLION	CHANGE %
MENA	716.6	316.4	400.2	>100
ASIA	455.5	192.5	263.0	>100
EUROPE	173.2	115.9	57.3	49.4
AMERICAS	110.4	62.1	48.3	77.8
TOTAL SEGMENT REVENUE	**1,455.7**	**686.9**	**768.8**	**>100**
DISCOUNT	−225.3	−41.0	−184.3	>100
OTHER RECONCILING ITEMS	7.2[1]	19.2[2]	−12.0	−62.5
GROUP REVENUE	**1,237.6**	**665.1**	**572.5**	**86.1**

[1] FOR SEGMENT REPORTING PURPOSES REVENUES FROM OTHER ON-DEMAND ITEMS WHERE DELIVERY HERO ACTS AS PRINCIPAL ARE PRESENTED NET OF MERCHANDISE VALUE (GROSS PROFIT PRESENTATION).
[2] RECONCILIATION EFFECTS IN 2018 INCLUDE GROSS REVENUE (BEFORE VOUCHER DEDUCTION) OF OPERATIONS ABANDONED OR SOLD DURING THE REPORTING PERIOD THAT ARE NOT IN THE SCOPE OF IFRS 5. IN 2018 THESE DIVESTMENTS INCLUDED AUSTRALIA, FRANCE, ITALY AND NETHERLANDS.

ADJUSTED EBITDA

EUR MILLION	2019	ADJUSTED 2018	CHANGE EUR MILLION	CHANGE %
MENA	43.3	18.1	25.2	>100
ASIA	−312.2	−51.9	−260.3	>100
EUROPE	−19.0	−15.4	−3.6	23.4
AMERICAS	−143.0	−50.9	−92.1	>100
ADJUSTED EBITDA OF THE SEGMENTS	**−430.9**	**−100.2**	**−330.7**	**>100**
CONSOLIDATION ADJUSTMENTS	−6.3	−12.3	6.0	−48.7
ITEMS EXCLUDED FROM SEGMENT PERFORMANCE	−22.0	−20.0	−2.0	10.0
MANAGEMENT ADJUSTMENTS	−49.0	−44.1	−4.9	11.1
EXPENSES FOR SHARE-BASED COMPENSATION	−44.8	−17.2	−27.6	>100
OTHER RECONCILIATION ITEMS	2.3	−0.2	2.5	>100
AMORTIZATION AND DEPRECIATION	−97.2	−47.7	−49.5	>100
FINANCIAL RESULT	−15.5	−17.1	1.6	−9.3
EARNINGS BEFORE INCOME TAXES	**−663.4**	**−258.8**	**−404.6**	**>100**

Consolidation adjustments substantially relate to the elimination of transactions with discontinued operations.

Items excluded from segment performance of € 22.0 million in 2019 relate to expenses for operations, which were divested in 2018 (previous year € 20.0 million). Management adjustments include (i) expenses for services related to corporate transactions of € 34.8 million (previous year: € 40.1 million), thereof € 13.3 million expenses recognized for earn-out liabilities in connection with acquisitions of current and previous years (previous year: € 30.1 million) and (ii) expenses for corporate restructuring of € 14.3 million (previous year: € 3.9 million), which include in 2019 expenses for legal consulting in connection with the reorganization of the management structure of Hungerstation.

Other reconciling items include non-operating income and expenses. In 2019, this item included in particular gains from the settlement of warranty claims related to the acquisition of the foodpanda group in 2016 of € 9.3 million, losses on the disposal or discontinuation of business activities of € 2.0 million (previous year: gain of € 4.4 million) as well as non-income-tax expenses of € 4.3 million (previous year: € 5.5 million).

NUMBER OF ORDERS

MILLION	2019	ADJUSTED 2018	CHANGE MILLION	CHANGE %
MENA	298.6	190.6	108.0	56.7
ASIA	227.0	82.6	144.4	>100
EUROPE	85.0	60.3	24.7	41.1
AMERICAS	55.4	36.0	19.4	53.9
TOTAL	**666.0**	**369.5**	**296.5**	**80.3**

GMV

EUR MILLION	2019	ADJUSTED 2018	CHANGE EUR MILLION	CHANGE %
MENA	3,476.8	2,099.9	1,376.9	65.6
ASIA	2,357.5	1,213.7	1,143.8	94.2
EUROPE	1,047.5	734.6	312.9	42.6
AMERICAS	553.6	406.3	147.3	36.3
TOTAL	**7,435.4**	**4,454.5**	**2,980.9**	**66.9**

MENA

In 2019, the MENA segment continued to grow strongly in revenue by 126.5% to € 716.6 million (previous year: € 316.4 million) and in orders by 56.7% to 298.6 million (previous year: 190.6 million). The strong organic growth is primarily driven by the further rollout of own delivery services. The revenues from own delivery services increased by 222.3% from € 147.7 million in 2018 to € 476.1 million in 2019. The acquisition of the Zomato UAE business on February 28, 2019 further contributed to the growth. The appreciation of the euro against the Turkish lira softened the increase in segment revenue.

The adjusted EBITDA in the MENA segment increased from € 18.1 million in 2018 to € 43.3 million in 2019. The growth in adjusted EBITDA of the region was in particular softened by investments into dark stores and virtual restaurants in 2019. The adjusted EBITDA was further affected by costs related to the restructuring of the fleet management of Hungerstation and the integration of Zomato UAE. The adjusted EBITDA margin slightly improved to 6.0% in 2019 (previous year: 5.8%).

Asia

During the year 2019, the Asia segment has shown a strong growth, with an increase in segment revenue by 136.6% to € 455.5 million (previous year: € 192.5 million). Orders grew even stronger by 174.8% to 227.0 million (previous year: 82.6 million). Positive revenue and order development are driven by investments in affordability, restaurant coverage and an improved service offering, including the launch of new payment and product solutions “Panda Pay” and “Pandamart” in 2019, as well as the expansion to new cities and areas.

The negative adjusted EBITDA increased to negative € 312.2 million (previous year: negative € 51.9 million) mainly as a result from the investments in own delivery services and marketing mentioned above. Consequentially, the adjusted EBITDA margin deteriorated to negative 68.5% (previous year: negative 27.0%).

Americas

In 2019, revenue in the Americas segment increased by 77.8 % to € 110.4 million (previous year: € 62.1 million) and the number of orders grew by 53.9 % to 55.4 million (previous year: 36.0 million). The growth in revenue is further positively affected by the continuous rollout of delivery services including the expansion of delivery services to further on-demand items. Revenue was further affected by partially compensatory effects from inflation and the appreciation of the euro, in particular in relation to the Argentinian peso.

Adjusted EBITDA increased by 181.0 % to negative € 143.0 million in 2019 (previous year: negative € 50.9 million), representing particularly the higher investments in own delivery services, including new verticals as well as customer acquisition and retention activities in a highly competitive market.

Europe

The revenue of the Europe segment increased by 49.4 % to € 173.2 million mainly driven by a higher number of orders (85.0 million, plus 41.1 %). The strong organic growth was thereby accompanied by strategic acquisitions in Sweden and Cyprus in 2019.

The negative adjusted EBITDA increased from € 15.4 million to € 19.0 million resulting in an adjusted EBITDA margin of negative 10.9 % (previous year: negative 13.2 %). The increase of the negative adjusted EBITDA results mainly from continued investments in own delivery services and marketing.

c) Financial position

The Delivery Hero Group treasury function manages the liquidity requirements for Delivery Hero SE and its consolidated subsidiaries. The primary goal of financial management is the timely provision of liquidity to the Group's subsidiaries, meeting the Group's payment obligation in due course and efficiently consigning excess funds to banks. Financial management is based on twelve months' cash forecast for the Group and a detailed monthly liquidity plan for the operating entities of the Group. The cash inflow from the disposal of assets and capital increases are administrated by Delivery Hero SE. They will be allocated in accordance with the business plan to subsidiaries and provided for strategic measures as needed. During the reporting period, the Group was able to meet its payment obligations at any time.

The condensed statement of cash flows of the Group is as follows:

EUR MILLION	2019	2018
CASH AND CASH EQUIVALENTS AS OF JAN. 1[1]	439.8	640.9
CASH FLOWS FROM OPERATING ACTIVITIES	−364.8	−164.6
CASH FLOWS FROM INVESTING ACTIVITIES	627.3	−37.1
CASH FLOWS FROM FINANCING ACTIVITIES	−0.1	10.6
EFFECT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS	−2.8	−10.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	262.4	−191.1
CASH AND CASH EQUIVALENTS AS OF DEC. 31[1]	**699.4**	**439.8**

[1] CASH INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE DECEMBER 31, 2019: NIL (DECEMBER 31, 2018: € 75.7 MILLION).

In 2019 cash flow from operating activities (continued and discontinued operations) was negative at € 364.8 million, due to the emphasis on growth resulting in many group entities not having reached profitability yet. The negative cash flow from operating activities was overcompensated by the positive cash flow from investing activities.

The investing activities in 2019 are characterized by the net cash inflow from the divestment of the German operations of € 487.5 million, as well as cash inflows of € 226.5 million in connection with the sale of shares in Takeaway.com and a cash inflow of € 208.0 million in connection with a multi-year collar-loan agreement with respect to 3.2 million shares in Takeaway.com. Cash outflows of € 133.2 million (net of cash) relate to the acquisitions of Zomato UAE, Hungrig Group, Foody, Delivery RD and the additional investment in Glovo. The cash flow from investing activities in 2018 reflected mainly the cash inflow from the consideration for the divestment of hungryhouse group (€ 233.5 million) in January 2018 and the cash outflow from the investment in a minority stake of Rappi Inc. (€ 138.1 million).

Cash flow from financing activities in 2019 consists of cash inflows of € 27.6 million (2018: € 12.2 million) resulting from capital increases in connection with the exercise of equity-settled stock options. In 2019 cash flow from financing activities include cash outflows of € 28.2 million from repayment of lease liabilities following the first time application of IFRS 16. In 2018 cash outflows from operating leases were reflected in cash flow from operating activities. The cash flow from financing further includes the inflow from the bridge financing for the acquisition of the Zomato business and corresponding repayment with proceeds from the divestment of the German operations (see cash flow from investing activities).

Cash and cash equivalents were not subject to any significant restrictions as of the reporting date.

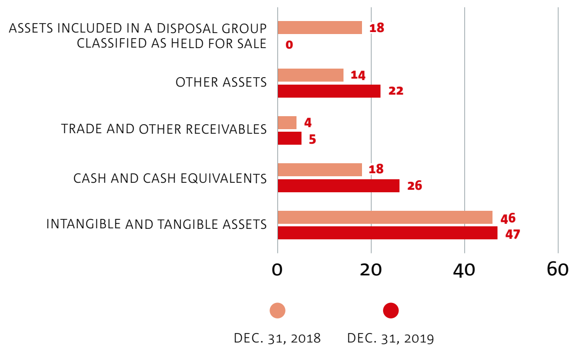
d) Net assets

The Group's balance sheet is structured as follows:

EUR MILLION	DEC. 31, 2019	%	DEC. 31, 2018	%	CHANGE
NON-CURRENT ASSETS	1,723.0	64.5	1,129.2	56.3	593.8
CURRENT ASSETS	949.7	35.5	875.8	43.7	73.9
TOTAL ASSETS	**2,672.7**	**100.0**	**2,005.0**	**100.0**	**667.8**

EUR MILLION	DEC. 31, 2019	%	DEC. 31, 2018	%	CHANGE
EQUITY	1,869.5	69.9	1,615.0	80.6	254.5
NON-CURRENT LIABILITIES	185.4	6.9	62.6	3.1	122.8
CURRENT LIABILITIES	617.9	23.1	327.4	16.3	290.5
TOTAL LIABILITIES AND EQUITY	**2,672.7**	**100.0**	**2,005.0**	**100.0**	**667.7**

STRUCTURE OF STATEMENT OF FINANCIAL POSITION
(IN % OF TOTAL ASSETS)

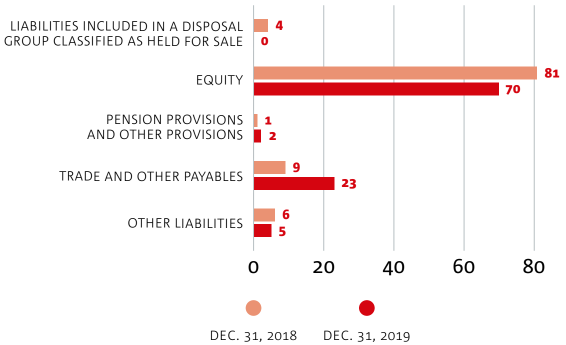


The Group's total assets as of December 31, 2019 increased by 33.3 % compared to the previous year.

Non-current assets remain the largest portion of the balance sheet with 64.5 % as of December 31, 2019 (previous year: 56.3 %). They mainly comprise intangible assets of € 1,046.7 million (previous year: € 878.0 million), thereof goodwill € 766.6 million (previous year: € 570.4 million), trademarks € 161.3 million (previous year: € 187.7 million) and the customer base € 83.9 million (previous year: € 86.2 million). Intangible assets increased by € 168.7 million mainly due to additions in goodwill in connection with the acquisition of Zomato UAE and Hungrig Group in 2019. Investments account for 21.8 % (€ 379.1 million) of the non-current assets and mainly relate to shares in Takeaway.com. Right-of-use assets that were recognized in accordance with IFRS 16 contributed € 115.0 million to the higher non-current assets. The increase was partly offset by currency effects in connection with the appreciation of the euro to some currencies like the Turkish lira and Argentinian peso.

The increase in current assets in 2019 is mainly due to an increase of € 335.3 million in cash and cash equivalents. Further the organic growth of the Group in 2019 led to higher trade and other receivables, which increased by 51.9 % to € 129.3 million. Contrary, assets included in a disposal group classified as held for sale decreased by € 366.8 million due to the divestment of the German business in April 2019.

STRUCTURE OF STATEMENT OF FINANCIAL POSITION
(IN % OF LIABILITIES AND EQUITY)



In 2019 the Group's equity increased by 15.7 % due to the net profit of € 230.2 million. Capital increases from the authorized capital in connection with the exercise of equity-settled stock options raised equity by € 27.5 million. Further services received under equity-settled share-based payment arrangements increased equity by € 32.7 million. Contrary currency translation losses reflected in other comprehensive income reduced equity by € 27.7 million.

As of the reporting date, non-current liabilities increased significantly by 196.4% compared to the previous year. They were impacted by the recognition of long-term lease liabilities of € 89.7 million, in accordance with IFRS 16. Further, non-current liabilities as of December 31, 2019 include earn-out liabilities and deferred compensation from acquisitions of € 36.4 million primarily from the Zomato UAE acquisition.

The increase of current liabilities resulted mainly from the Group's organic growth during the reporting period leading to higher restaurant liabilities (increase of € 109.0 million) and from the recognition of short-term lease liabilities of € 29.7 million as of December 31, 2019, in accordance with IFRS 16. Contrary, liabilities included in a disposal group classified as held for sale decreased by € 74.8 million due to the divestment of the German business in April 2019.

e) Overall assessment

The Management Board assesses the financial position, financial performance and earnings situation as positive. Beginning in 2019, Delivery Hero implemented a comprehensive investment program that was further extended in the second half of 2019. The program was targeted at strengthening the Group's customer offering through significantly expanding restaurant coverage, enhanced technology and product innovation, as well as an improved service offering through additional verticals. Total Segment Revenue of € 1,455.7 million exceeded expectations in 2019. The positive impact on accelerated order growth and revenue 2019 resulted in adjusted EBITDA of the segments of negative € 430.9 million (2018: negative € 100.2 million), which is slightly higher than the targeted adjusted EBITDA range. However, the additional revenue growths and the enhanced service offering, we believe, outweighs the higher than expected costs.

04. EMPLOYEES

The average number of employees within our continued operations increased from 16,627 in 2018 to 22,515 in 2019. This change occurred primarily in the areas of delivery, sales, product development and business administration. As of December 31, 2019, Delivery Hero employed 24,617 staff (previous year: 20,608).

C. RISK AND OPPORTUNITY REPORT

01. RISK POLICY PRINCIPLES AND RISK STRATEGY

The constant monitoring, assessment and weighing of known and emerging risks is a fundamental principle of Delivery Hero and the responsibility of the Group's risk management. The aim of risk management is to develop a strategy and to set objectives that ensure an optimal balance between the growth of business, on the one hand, and the mitigation of associated risks, on the other hand, thereby systematically and sustainably fostering the Group's shareholder value.

A risk is considered as a threat of an event, action or non-action occurring that could adversely affect Delivery Hero's ability to achieve its business objectives or implement its strategy. When identifying risks, both negative impacts and lost opportunities are considered equally.

The Group's formalized risk management system (RMS) focuses solely on managing risks, whereas the consideration of opportunities is not part of this formalized system. Possible opportunities arising in business activities are described in Section C.06. Opportunity report.

a) Risk policy principles

Our Enterprise Risk Management ("ERM") is based on the following principles:

- Conscious acceptance of economically viable risks is an essential part of any business activity.
- The goal of ERM is not to avoid risks but to ensure risk transparency through a systematic ERM process. Thereby, risks can be accepted if they are known, assessed, managed and monitored. Further, in consideration of cost-benefit aspects, an accepted risk should correlate with a potential higher return and added value for the Group.
- ERM is an integral part of Delivery Hero's business processes and relates to all business activities within the Group.
- The Management Board, the global and local ERM functions and local management teams are responsible for enhancing risk culture and risk awareness. Delivery Hero stands for a strong tone from the top with regards to ERM and all other Governance, Risk and Compliance matters ("GRC") in general. Accordingly, over the past years Group management strengthened the GRC and Internal Audit function by adding relevant expertise, embedding local risk management policies in subsidiaries supported by central subject matter experts.
- The ERM ensures a uniform risk understanding throughout the Group by setting definitions, rules and procedures and by documenting them in the ERM manual.
- Every employee within the Group has the responsibility to proactively participate in and support the ERM.
- The ERM enables risk awareness in business decisions.

b) Risk strategy

The main goal of Delivery Hero's risk strategy is not necessarily to avoid all present and future risks, but to assess risk with regards to costs and benefits from running the risk as well as to preserve risk transparency. As we conduct an innovative and growing business with relatively high inherent risks that rewards with potential future returns, we are willing to accept risks and even seeking certain risks to achieve our goals within the defined and pursued strategy (risk appetite).

Materiality thresholds

Risk-related materiality thresholds are derived from our risk appetite. Based on the continuing growth focus of the Group, the key metric used as a reference for the definition of the materiality thresholds is revenue.

Delivery Hero distinguishes between two types of materiality thresholds:

- Reporting thresholds for the identification and assessment of risks: if exceeded, the risks have to be included in the Group's enterprise risk assessment and our regular reporting process. The reporting threshold, considered to have an insignificant financial impact, is defined as follows: Group revenue x 1% x 0.5 (€ 6.2 million).

— Materiality limits/escalation criteria for ad-hoc reporting: if exceeded during the monitoring phase, risks have to be immediately reported to the risk manager, the Management Board or the Supervisory Board, depending on the risk level (low, medium, high). The materiality limit/escalation criteria for ad-hoc reporting, corresponding to a medium financial impact, is defined as follows: Group revenue x 2.5% (> € 30.9 million).

Local entities apply the same formulas with local revenue input for determining risks to be reported to the GRC function.

02. GROUP-WIDE RISK MANAGEMENT SYSTEM ("RMS")

The key objectives of Delivery Hero's RMS are to manage and streamline the group-wide risk management process, to control all risk management-related activities and to ensure a comprehensive view on all significant risks of the Group. The RMS identifies, assesses, treats, monitors and reports risks.

Delivery Hero's RMS considers the key elements in accordance with Section 315 (2), No. 1a HGB and the internationally recognized COSO framework of the Committee of Sponsoring Organizations of the Treadway Commission.

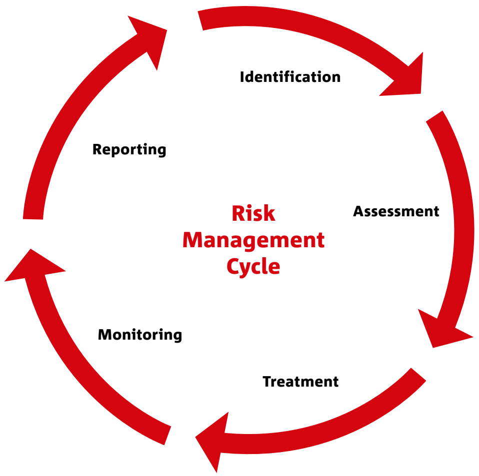
It consists of the pillars risk identification, risk assessment, risk treatment, risk monitoring and risk reporting. This includes the risk management process and its instruments as well as all underlying principles and guidelines. The RMS is closely aligned with the determination of the Group's strategy and its business objectives, including safeguarding of the Group's assets and the value chain. The RMS deals with all significant risks, not only with risks that could jeopardize the existence of the Group.

a) Risk identification

Risks are identified by all employees of Delivery Hero, including our nominated risk owners throughout the different departments of the Group and by the Global Risk Manager or local risk managers on the basis of data analyses, process reviews, interviews and actual events.

b) Risk assessment

After identification, the risk owners, supported by local risk managers, assess their individual risks based on the evaluation criteria described as following. Those criteria are applicable to all subsidiaries of Delivery Hero to ensure that all risks are assessed uniformly in order to ensure comparability.



Identification
Risks are identified and listed through data research, interviews, review of processes and follow-up incidents.

Assessment
Identified risks are assessed according to their likelihood and impacts, which determines the risk rating.

Treatment
Assessed risks are treated according to one of the selected risk responses: avoid, reduce/mitigate, transfer or accept.

Monitoring
All identified risks and the related response strategies are closely and regularly monitored. Key Risk Indicators are the main tools used for monitoring.

Reporting
Monitored risks are periodically reported to management.

Risks are assessed with respect to two dimensions:

- **Impact** is the extent to which the risk, if realized, would affect Delivery Hero and its objectives.
- **Likelihood** is defined as the probability of a risk occurring over a predefined period.

The combination of likelihood of occurrence and impact results in the risk assessment.

Identified risks in the red area of the matrix require immediate action from management with high priority or need to be monitored closely. Risks in the amber area are categorized as medium risks, which require mid-term action and/or regular monitoring. Risks in the green area are not excluded from actions but have a lower priority.

For assessing the potential impact of a risk, different perspectives are considered. Risks can be evaluated either from a quantitative (financial) perspective and/or from qualitative perspectives such as business objectives, brand image, operations, health, legal and environment.

The impact scale ranges from insignificant (score of one) to critical (score of five):

I. Insignificant: The risk does not affect the daily performance/insignificant financial losses/no injuries

II. Low: Minimal impairment of daily business/first aid for injuries required/situation immediately under control/low financial losses

III. Medium: Medium interruptions of daily business/medical care needed in case of injuries/medium financial losses/damage is limited by external assistance

IV. High: Temporary loss of business functionality and capacity, major violation/damage to reputation, but without long-term and subsequent effects or large financial losses

V. Critical: Massive financial losses/bankruptcies/death, reputational damage or damage of the relationship with the stakeholders.

The financial impact is usually the primary scale for the impact assessment.

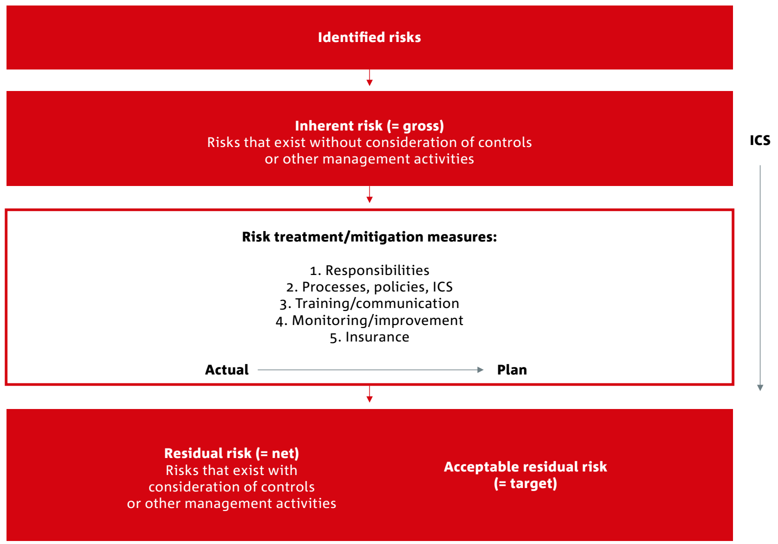
RISK MATRIX AND FINANCIAL IMPACT SCALE OF DELIVERY HERO

Impact	Likelihood (1–20%)	(>20–40%)	(>40–60%)	(>60–80%)	(>80%)
Critical (€ >123.8 million)	Medium	Medium	High	High	High
High (€ 61.9–123.8 million)	Medium	Medium	Medium	High	High
Medium (€ 30.9–61.9 million)	Low	Medium	Medium	Medium	High
Low (€ 6.2–30.9 million)	Low	Low	Medium	Medium	Medium
Insignificant (€ <6.2 million)	Low	Low	Low	Medium	Medium

Gross versus net risk
In a first step, we evaluate a risk without considering the effect of the risk treatment strategy and the risk mitigation measures (the gross risk). In the second step, we then define the remaining net risk, taking into account the risk treatment as well as the implementation of any risk mitigation measures.

The chart below presents the differences between gross and net risk.

DIFFERENCES BETWEEN GROSS AND NET RISK



c) Risk treatment
The treatment of risks encompasses actions or strategies to manage identified and assessed risks. One of the five following options needs to be chosen by the risk owner in alignment with management:

I. Risk avoidance: Risk can be avoided by stopping a certain activity that is posing the risk

II. Risk reduction/mitigation: Risk can be reduced by taking necessary measures

III. Risk transfer: The risk can be transferred to a third party, insurance or consulting company

IV. Risk acceptance: Taking no action can be favored considering a cost-benefit analysis

V. Risk diversification: e.g., spreading risk through serving of multiple markets

d) Risk monitoring
Risk monitoring refers to the continuous follow-up of identified, assessed and treated risks with the respective risk controller and/or local risk and compliance manager with the purpose of evaluating the latest likelihoods and impacts as well as to monitor and re-evaluate the defined actions and the progress of implementation. Continuous risk monitoring is a collective responsibility between the Global Risk Manager, local risk managers, as well as with the respective risk owners. Continued risk monitoring is carried on a regular basis.

e) Risk reporting
We have established the following reporting structure for the key risks identified:

I. Quarterly Risk & Compliance Committee Meeting

II. Regular updates to the Audit Committee

III. On-demand updates to the Supervisory Board

IV. Ad-hoc updates for critical risks to the Management Board and/or Supervisory Board

03. SYSTEM OF INTERNAL FINANCIAL REPORTING CONTROLS

Delivery Hero has implemented a detailed system of internal financial reporting controls. This system aims to identify, evaluate and control all risks that could have a significant impact on the proper preparation of the consolidated financial statements in compliance with the relevant accounting standards and applicable laws. As a key component of the accounting and reporting process, the system of internal financial reporting controls comprises preventive, monitoring and investigative control measures in accounting and operational functions, which ensure a methodical and consistent process for preparing the financial statements. The control system is based on the various Group processes that have a significant impact on financial reporting.

These processes and the relevant risk for the financial reporting are analyzed and documented. A control matrix contains all controls, including a description of the control, type of control and the frequency with which it is carried out. We have implemented standardized monthly reporting and review procedures for subsidiary financial statements. These are subject to a multi-level monthly review process on a regional and Group level to ensure consistency and correctness across the Group.

Our global accounting manual provides detailed accounting instructions for all key components of the financial statements to the Group's finance teams. The identification of risks for the consolidated financial statements further involves the observations of the Group's internal audit function, the results of statutory audits and the risk assessment of the Group accounting function. Based on the assessment of complexity and the involvement of judgment within the application of accounting policies, the accounting for selected complex reporting topics, e.g., business combinations and share-based compensation arrangements, is centrally administered to comply with the Group's reporting requirements. Risks are further mitigated by the cross-functional exchange among central functions, in particular between Legal, Strategy, Group Accounting and Group Controlling. Identified risks are continuously monitored and reassessed. Based on this assessment and in accordance with the requirements of the respective International Financial Reporting Standards, the risks are reflected and disclosed in the Group's consolidated financial statements. The system of internal controls is subject to regular reviews by the GRC department and/or risk-based assessments performed by internal audit.

04. INTERNAL AUDIT SYSTEM

Independence is the cornerstone of Delivery Hero's internal audit function. Internal Audit provides independent and objective assurance to the Management Board, Audit Committee and Supervisory Board regarding the adequacy and effectiveness of the Group's other governance processes (risk management, compliance management and internal controls). This is accomplished via risk-based audits performed by the Internal Audit Team throughout the Delivery Hero Group and subsequent reporting to the Management Board and the Supervisory Board.

Internal Audit serves to promote responsible corporate governance in accordance with the standards and code of ethics of the Institute of Internal Auditors (IIA) and Deutsches Institut für Interne Revision (DIIR). It provides the Audit Committee of the Supervisory Board with a report on its activities on a quarterly basis, and the Supervisory Board with a report at least once a year. These reports contain, inter alia, an account of the current status of the various audits conducted under the flexible audit plan, significant findings of completed audits and any outstanding issues relating to implementation of management action plans.

05. RISK REPORT AS OF DECEMBER 31, 2019

In 2019 the Delivery Hero Group´s risk and opportunity profile did not substantially change compared to the profile as described in the risk and opportunity report of the annual report 2018.

Individual risks are generally assessed for existence for a twelve-month period from the reporting date. The key risks in each risk area are described below. These risks are applicable to all our segments (unless explicit reference to individual segments is made) and based on the gross risk assessment. The actions taken as described below are – unless otherwise stated – considered adequate to mitigate the respective risks.

a) Strategic risks

The online food delivery market is continuing to grow very quickly, supported by the Internet penetration and the use of smartphones worldwide.

The industry continues to be highly competitive. In various countries Delivery Hero is subject to pressure from other existing aggregators, own delivery models, large food chains and brands, as well as new well-funded market entrants. Our success depends crucially on our ability to maintain a strong position in our markets.

If we are unable to protect leading market positions, our service may be exposed to pricing pressure and sales may decline. Complementary delivery services and “super-apps” that extend the scope of services and products to be delivered (e.g., groceries) may attract our brands’ customers and consequently affect our market position.

Delivery Hero is continuously focusing on increasing its restaurant base and on the enhancement of the customer loyalty by investing in a seamless customer experience. Additionally, we are improving our logistics services by replacing delivery time estimates with custom-built machine learning algorithms based on proprietary data.

In addition, in 2019 Delivery Hero started rolling out complementary service offerings in selected cities to enhance the frequency of orders on its platforms. The risk of increasing competitive pressure is considered high.

Technological changes and disruptive technologies may affect our current business model, if we are not able to keep a technological leadership position. New generations of consumers and restaurants might expect different technological applications and solutions. Delivery Hero’s product and technology teams are constantly focusing on innovation in all areas of the consumer experience. In this context technological developments in the online food delivery space and in other Internet-based business models are constantly evaluated. The risk of disruptive technologies is considered high.

As we are operating in emerging and developing markets, we are subject to economic, political and legal risks in these countries. Unexpected regulatory- or capital market requirements as well as changes in applicable laws may require Delivery Hero to flexibly react to changes to its business processes. Furthermore, financial turbulences, economic and institutional instability in certain markets, an expansive monetary policy of large central banks worldwide and an unresolved debt problem in numerous industrial and developing countries result in considerable risks for our business. Further considering the expansion into new markets and investments in new verticals with differing applicable regulations, overall, the risk of economic, political, legal and financial risks is considered high.

Online food delivery is based on the aggregation of customer demand for food and beverages as well as the offering of a broad selection of menu options by our restaurant partners. Disruptions in the restaurant supply may have an adverse effect on the performance of our business model. The outbreak of the coronavirus in the beginning of 2020 is one of the rare events that resulted in broad restrictions to restaurant operations, including temporary closure of restaurants, as well as curfews in cities and countries. Such restrictions in the first place have a harmful effect on restaurants’ ability to continue operations, but in the second place may disruptively affect the success of Delivery Hero’s business model in the relevant markets. Potential authoritative measures for pandemic control can be initiated and altered at short notice and might impact our business operations extensively. The impact is contingent on many aspects, including the duration and intensity of the outbreak, the effectiveness of public health measures and supportive macroeconomic measures. Considering our diversification in several markets that are differently exposed to the corona outbreak and corresponding pandemic control measures, we currently assess the risk as medium.

To identify such strategic risks in a timely manner, we promote local entrepreneurship to enable our local management teams to react quickly to individual market changes. In addition, Delivery Hero promotes the strategical and technological collaboration between local and central teams to leverage the global organization. If a reaction to local developments is needed, mitigating actions are established based on the individual facts and circumstances identified.

b) Operational risks

Delivery Hero operates websites, platforms, payment solutions and other data processing systems, which we use to collect, maintain, transmit and store information about our partner restaurants, customers and suppliers. They all rely on the security of our systems and the fact that their data is handled properly and is not misused. Any breaches may result in material reputational damage. Therefore, we maintain and continuously improve our technical and organizational measures and implement our standards worldwide.

However, IT security risks, in particular cybersecurity, remain the biggest inherent risk of our business model. As the nature and characteristics of cyberattacks are constantly evolving, the risk that new security gaps can only be closed with a time lag exists.

Delivery Hero is also subject to several business continuity risks. As an Internet-based company, we are strongly dependent on the functionality, security and stability of our websites and online order platforms. As online food delivery is preferred mainly because of its convenience, even short system downtimes can lead to high financial losses, including reputational damage to our brands. The risk is considered high.

To avoid harm to our systems, we are continuously evaluating, improving and implementing processes with the aim to reflect best practice processes, which include comprehensive internal controls, process improvements and employee IT expertise. Before implementation, proprietary software is subject to a quality assurance process. Methods used to protect against external attacks include the use of external service providers, redundant systems and regular stress and penetration tests. Moreover, an incident management process is in place that enables a systematic search for the causes of any malfunctions. The continuous monitoring and constant efforts of improving our system security is of utmost priority for the Group. Due to the importance of data to our business, we assess the risk of data security issues and system malfunctions as high.

We are continuously increasing the number of deliveries and expanding our logistics business in several regions. This may be combined with a larger volume of cash that is collected and transferred, bearing the risk of theft, inconsistencies in cash reconciliations and administrative effort. To mitigate this risk, several control mechanisms are established that secure the cash-payment procedure. In addition, several projects have been initiated to mitigate the named risks. At the same time, we are strongly promoting online payment options to our business partners and customers. The risk is considered as medium.

Country-specific and economic requirements, including employment legislation and social security, increase the complexity of the rider management as part of the own delivery services. The constant analysis of regulatory developments is needed to find the best approach in advancing the logistics business. Non-compliance with regulatory requirements may lead to higher rider costs and possible non-compliance fines. This also includes the risk of unavailability of rider personnel restraining the further expansion of the logistic services. In order to mitigate the risks, global projects with a focus on rider contracts, rider safety and cash-on-delivery solutions have been initiated with the aim of complying with local regulatory employment requirements. This risk is considered as high.

c) Compliance risks

Government regulations and legal uncertainties may place administrative and financial burdens on our business. As the Internet continues to revolutionize commercial relationships on a global scale, the use of the Internet and mobile devices in everyday life becomes more prevalent and the business of food delivery gets more and more attention from local governments and the media. New laws and regulations relating to the Internet and the e-commerce and food sector in particular may be changed and published. These laws and regulations may affect many aspects of our business, such as the collection, use and protection of data from website visitors and related privacy issues, online payment services, pricing, anti-bribery, tax, commission rates charged to our partner restaurants, content, copyrights, trademarks and the origin, distribution and quality of goods, foods and services. Furthermore, in 2019 the Group launched delivery-only stores (“dark stores”) in several cities, which exposes Delivery Hero to additional regulations.

Delivery Hero is, in many countries of its Europe segment, subject to the EU Payment Services Directive II (PSDII), which covers online-based payment services and provides a uniform regulation of payments via the Internet and mobile phones. It increases customer protection and the requirements for user authentication. In particular, the Payment Services Directive II prevents European companies without a banking or payment services license to collect and hold payments resulting from online transactions on behalf of others (e.g., restaurants in Delivery Hero’s business model). This forces companies to either outsource the provision of payment services to third parties, to discontinue online payment services or to apply for a banking or payment services license. Monitoring of adherence as well as modification of or non-compliance with such regulations could adversely affect our business by increasing compliance costs, including non-compliance fines and administrative burdens. An assessment and design of relevant processes has been conducted under consideration of external advice. The Group has initiated first steps for license application. The risk from payment service regulations is considered as high.

Privacy-related regulation of the Internet could interfere with our strategy to collect and use personal information as part of our marketing efforts and operations. With the General Data Protection Regulation (Regulation 2016/679/EU of the European Parliament and Council of April 27, 2016, the “General Data Protection Regulation”), which came into force on May 25, 2018, data controllers have more obligations when it comes to handling personal data. Due to different interpretation possibilities of the General Data Protection Regulation (GDPR) with regard to marketing activities as well as the use of new and innovative technologies or processes, the risk exists that regulatory authorities and judicature may represent an interpretation of the legislative language that deviates from our understanding. Due to a lack of guidance that is not conducive to the overall complexity, the question of whether and how the cookie banner settings must be set remains a matter of legal uncertainty. The mitigation of this uncertainty can exist through the complete and thus possibly disproportionate adjustment of the cookie banner setting to the requirement formulated by the European Court of Justice in its decision (case number ECLI:EU:C:2019:801- C-673/17) of October 1, 2019. Alternatively, a potential risk can be reduced to an acceptable level by continuously monitoring the overall situation, regularly assessing the risk of varying likelihood and severity for the rights and freedoms of natural persons, evaluating changes of the legal situation and preparing suitable measures for immediate implementation. Regarding GDPR, we review our data processing activities critically, particularly for compliance with the principles of data processing and adjusted security measures as defined by Art. 25 and Art. 32 GDPR. Additionally, the Group has established a data protection management system to ensure compliance with the GDPR requirements. The non-compliance with applicable regulations can result in fines and other sanctions. The risk is considered as high.

Restaurants and grocery retailers in our European segments are subject to numerous food labeling regulations such as the EU Regulation on the provision of food information to consumers. Our online marketplaces in the European Union are subject to those regulations. Compliance with these regulations by our partner restaurants requires the awareness of ingredients, allergens and cross-contamination risks. We are dependent on the accuracy of the relevant information being supplied to our marketplaces by our partner restaurants. In order to support our partner restaurants, we have worked on several process improvements and training courses for our restaurant care agents. Our dark stores and kitchens are not only subject to food labeling regulations in each country, but also to hygiene and safety requirements. Food safety refers to the proper handling, cooking and preservation of food in order to protect people from foodborne illnesses. To achieve this, we need to adhere to several global and local standards to ensure the delivery of high-quality products, which are safe to consume. Each country has certain requirements in kitchen hygiene and warehouse infrastructure. A project has been initiated to mitigate the risks. Food safety and food compliance risks are inherent to our service offering and therefore rated as high.

Delivery Hero is subject to the antitrust and competition laws in place in the countries in which it operates and carries out transactions. In a number of these countries, antitrust laws and authorities are relatively new and there is therefore a lot of uncertainty as to how these laws are interpreted and enforced by the authorities. In some countries, antitrust law enforcement has become more systematic than in the past, leading to an increased risk of allegations of violations of antitrust laws. In general, antitrust laws, and in particular those relating to vertical agreements and merger notifications, require the self-assessment of behavior, which is never without risk. The self-assessment of such behavior is carried out under consideration of external legal advice, and Delivery Hero is constantly looking to enhance its internal compliance systems and resilience to adapt to changes in the regulatory environment. Non-compliance with antitrust regulations can result in fines and other sanctions. The risk from antitrust regulations is considered as high.

d) Financial risks

As an internationally operating group we are exposed to various financial risks. The risks comprise liquidity risks, financial market risks and default risks.

Risk management in relation to the use of financial instruments

The objective of our financial risk management is to limit financial risks arising from business activities and to generally avoid transactions outside the operating business activities that may expose the Group to additional financial risks. Accordingly, such risks are monitored within our risk management system and managed by the Group's treasury function. Financial risk management addresses the risk by selecting appropriate means, including the limitation of external financing in order to minimize interest rate risks, matching when possible foreign currency denominated cash inflows and outflows within the Group to mitigate the foreign currency exposure as well as the performance of aging analyses and the enforcement of a higher share of online payment to reduce the default risk.

Liquidity risk

Liquidity risk is the potential inability to meet the Group's financial obligations due to the lack of financial resources. Liquidity risks may arise in the form of limited access to financing opportunities as a result of the general market situation or rising refinancing costs, including the risk of the DH Group credit rating being downgraded. The exposure to liquidity risk is closely monitored on group level using weekly liquidity status reports and regular cash forecast reports to ensure adequate distribution of funds and early identification of additional funding needs. An undrawn revolving credit facility of € 125 million further secures the funding of operations of the Group. In addition, cash received in the sale of the German operations and in connection with a multi-year agreement with respect to 3.2 million of its shares in Takeaway.com N.V. positively affected the liquidity of the Group in 2019. The liquidity risk is assessed as medium.

Subject to the closing of the transaction with Woowa that is expected to occur in the second half of 2020 (refer to Section D.02. of the consolidated financial statements) a cash consideration of up to approx. € 1.7 billion will become payable. Delivery Hero intends to finance the cash component of the consideration for the purchased shares in Woowa through a combination of debt and equity/equity-linked instruments. In this context on January 15, 2020, Delivery Hero placed € 1.75 billion in convertible bonds and new shares from a cash capital increase with gross proceeds of about € 571 million (refer to section I. of the consolidated financial statements).

Financial market risk
Since our operations are conducted in many different currencies, we are exposed to risks from changes in foreign currency exchange rates. Driven by our geographic footprint and investing activities outside the European Monetary Union, such risks are caused by fluctuations or devaluations of currencies as well as foreign exchange controls or governmental measures that impact our ability to convert currencies and repatriate dividends, if any. Currency exchange risks and movements in foreign exchange rates between the euro and the currencies of the local markets may materially impact the results of our operations due to translation effects. The Group's entities are exposed to currency risk in particular with regard to intercompany loan obligations denominated in foreign currencies and intercompany receivables and payables. Adverse translation effects are caused by the translation of financial results of our consolidated subsidiaries prepared in their respective functional currencies into euros, our reporting currency, in the course of preparing the Group's consolidated financial statements. The foreign currency exposure includes, among others, the Turkish lira, the Argentinian peso, the Korean won, the US dollar, the Saudi riyal and the Kuwaiti dinar. The volatility of foreign exchange rates and depreciations of currencies against the euro are especially noted for the Turkish lira and Argentinian peso. Argentina's economy continues to be considered highly inflationary and is reported as a hyperinflationary economy under IAS 29 (refer to Section B.14. of the consolidated financial statements). No other country has qualified as hyperinflationary to date. Foreign currency devaluations are closely monitored and the associated financial risks are reassessed. For material foreign currency positions, financial instruments to mitigate the risk are evaluated by the Treasury department and entered into if assessed to be economically reasonable. Currency risks are considered medium.

The effects on profit or loss that would result if the foreign currencies had appreciated or depreciated by 10 % as of the reporting date are presented in Section H.02. of the consolidated financial statements.

Since the Group currently does not have significant interest-bearing liabilities, the Group is currently not exposed to risks arising from interest rate fluctuation.

Default risk
The default risk is the risk that business partners, primarily restaurants, do not meet their payment obligations, which may result in a loss for the Group. This risk mainly involves current trade receivables from offline payments. Delivery Hero is not exposed to a significant default risk from a single customer. The default risk is generally spread widely over multiple restaurant partners. Besides an active accounts receivable management, the Group mitigates the default risk by aiming for a higher online payment share. Overall, the default risk is classified as low risk considering the high degree of diversification.

06. OPPORTUNITY REPORT

The opportunity report deals with the business opportunities for Delivery Hero, which can materialize during the year following the reporting date.

Macroeconomic development
Every person that has access to the Internet is a potential customer. We believe that growth opportunities in our markets will continue to increase by online and mobile customer engagement and last-mile logistics capabilities, as well as shifts in customer behavior due to changes in lifestyle, urbanization and convenience. In our view this trend is particularly driven by a generation of millennials that heavily relies on smartphones for everyday transactions and appreciates overall convenience, and represents the growing on-demand culture. Additionally, technology evolves and fundamentally changes consumption habits.

Other market developments

Also 2019 was driven by order growth. We expect this trend to continue in the upcoming years, as we believe that the need of daily items like groceries will further increase. Especially our new dark stores and kitchen concepts that offer a variety of products are expected to drive a further increase in the frequency of orders and customer loyalty.

As more consumers generate more orders, the marketplace becomes more attractive to restaurants, and being listed in the marketplace becomes an operational necessity at some point.

We envision growth opportunities by focusing on and investing in markets where we are leading players and markets where we see a potential to become market leaders with a reasonable investment level. Delivery Hero operates in more than 40 countries, which provides us with a substantially larger growth opportunity in comparison with our peers, lower operational and financial risks, and a better opportunity in terms of the significant investments in technology.

Logistics

Investments in logistics services provide opportunities to reduce delivery time and offer a more seamless customer experience. Innovation in delivery, including demand forecasting models, fleet management and route optimization will enable us to cost-optimize our own delivery business further and increase customer loyalty and satisfaction.

As a result of the investments we made in our logistics services, our deliveries have continuously increased. We expect that the near future will see a steady rise in the use of our delivery services by restaurants and new verticals like dark stores worldwide.

Our logistics infrastructure and management enabled us to deliver other on-demand products and expand our market to the non-food sector (e.g., groceries or flowers). We expect that our efforts and investment in logistics will be valuable to respond to the developing customer demands and the delivery of other on-demand products as fast as we did regarding grocery delivery. Finally, alternative delivery options, including automated guided vehicles and drones, may complement the delivery options and increase the coverage of our services.

Personalization and customer experience

The hyper personalization of services and recommendation of menu options enhance the end-customer experience. Based on data collection and analysis, we aim to identify users' meal and grocery preferences before they decide themselves. Such an aspect of convenience may provide further growth potential.

Enhancing the customer experience by providing services tailored to individual preferences may further increase the user exposure to our websites. This may enable us to generate complementary revenue from marketing services as well as the cross-listing of other services and products. We believe that the ongoing development of personalized offerings will have a significant impact on customer retention.

Technology

The group continues to integrate global solutions into local platforms and aims at standardization. This approach will further simplify our complex IT landscape and reduce maintenance. This will also have a positive effect on IT development expenses. By advancing the automatization of operations, we expect to improve pace and service quality in areas like customer care, billing and rider onboarding in the near term. In addition, we will further invest in technological innovation to constantly improve our on-demand platforms.

Personnel opportunities

Delivery Hero has professionals worldwide, which enables us to grow at speed while maintaining best practices. We are able to dedicate our resources to challenges we may face in any country.

Our people operations department supports the business in core operations, people partnering, talent development, employee engagement, employee experience and talent acquisition. This ensures the ability to retain those talented professionals we work alongside, attract new talent worldwide and further grow our reputation and business.

D. OUTLOOK

01. MACROECONOMIC AND INDUSTRY OUTLOOK

As of December 31, 2019, global growth was expected to recover to 2.5% in 2020, predicated on continued benign global financing conditions and a modest recovery in emerging markets and developing economies. Europe and Central Asia region was expected to grow at 2.6% in 2020. MENA regional growth was projected to rise to 2.4% in 2020, largely driven by rebound in growth among oil exporters. Growth in South Asia was expected to pick up to 5.5% in 2020. Americas' regional growth was expected to accelerate to 1.8% in 2020.[12]

Subsequent to December 31, 2019, on March 11, 2020 the World Health Organization (WHO) officially declared the coronavirus outbreak a global pandemic after it had spread to more than a hundred countries with accelerating infections outside of China.[13] At the beginning of March 2020, concerns that global growth assumptions cannot be maintained were raised. At that time it was predicted, that global growth might be significantly impacted by the worldwide outbreak of the coronavirus (COVID-19) and might drop by 0.5% to 1.5% compared to initial expectations – depending on the intensity of the coronavirus outbreak. However, accelerated outbreaks throughout Europe and North and South America may have a more severe impact on the global economy. Research analysts project a significant contraction of GDP of the US economy and eurozone in the first and second quarters of 2020 with a potential to rebound in the third and fourth quarters of the year.[14] While online food delivery is less impacted by COVID-19, and the government measures that come with it, than other sectors, the effect on online food delivery is depending from market to market. While some markets note an acceleration in order growth throughout COVID-19 driven by an expansion of the customer base and customers preferring to order online in times of social distancing, other markets have temporarily been impacted negatively (i.e., due to government imposed curfews) but have recovered in recent weeks. It is expected that COVID-19 expands the market opportunity and that it is beneficial to online food delivery in the long term, given an increased level of restaurants and customer acquisitions.

The global growth prospects for 2020 are contingent on many aspects, including the duration and intensity of the outbreak, the effectiveness of public health measures and supportive macroeconomic measures, and remain highly uncertain.[15]

The highly fragmental global food service market continues to provide further growth opportunities.[16] Delivery Hero's Total Addressable Market (TAM) is expected to continue expanding into a larger food services market opportunity. The expansion is mainly driven by structural trends such as:

— Online & mobile engagement

— On demand & last mile logistics

— Lifestyle, urbanization & convenience[17]

This assessment is also supported by current independent studies.

Delivery Hero is well positioned to benefit from these favorable trends and developments due to its global footprint, its leading market position in key markets and its broad customer base. Impacts from the coronavirus outbreak need to be closely monitored.

02. COMPANY EXPECTATIONS

In 2019, on a total segment level Delivery Hero has achieved an order, GMV and revenue growth of 80.3%, 66.9% and 111.9%, respectively. For 2020, the Group expects to achieve Total Segment Revenues above € 2.4 billion and thus significantly higher compared to 2019. The growth is expected to be driven by a significant increase in orders and GMV compared to 2019 as a result of investments into marketing, restaurant coverage, technology and product capabilities, the continuous rollout of new vertical concepts as well as deployed investments into early-stage markets during 2019, which are expected to continue throughout 2020.

The budgeted measures and investments for 2020 are expected to result in a negative adjusted EBITDA of the segments at a level slightly lower compared to the 2019 adjusted EBITDA of € 430.9 million.

Due to the comparatively short history of the Group and the fact that Delivery Hero is operating in a relatively new market, and the outbreak of the coronavirus pandemic in 2020, any forecast on the earnings trend is subject to considerable uncertainty. Besides factors that can be impacted by Delivery Hero, adjusted EBITDA is also contingent on factors that cannot be influenced. For example, if our restaurant partner or customers in our markets are exposed to long-lasting restrictive measures in context with the coronavirus outbreak, or the Group were forced to defend its position against new competitors in specific markets or

[12] www.worldbank.org/en/publication/global-economic-prospects
[13] www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020
[14] www.jpmorgan.com/global/research/coronavirus-impact
[15] OECD Interim Economic Assessment Coronavirus: The world economy at risk; March 2, 2020
[16] Euromonitor, Independent Consumer Foodservice
[17] KBB Review (2018): www.kbbreview.com/news/is-the-kitchen-dead-new-report/

to react to revenue downturns, then measures that may not have been scheduled previously may have to be implemented, which can negatively affect adjusted EBITDA and trigger considerable deviations from the estimated results.

The assumptions on the economic development of the market and the industry are based on assessments that the management of the Delivery Hero Group considers realistic in line with currently available information. However, these estimates are subject to uncertainty and bring with them the unavoidable risk that the forecasts do not occur, either in terms of direction or in relation to extent. The forecast for the forecast period is based on the composition of the Group at the time the financial statements were prepared.

E. OTHER DISCLOSURES

01. TAKEOVER-RELATED INFORMATION PURSUANT TO SECTIONS 289A AND 315A OF THE GERMAN COMMERCIAL CODE (HGB)

Takeover related information pursuant to Sections 289a and 315a of the German Commercial Code (HGB) presented in section Corporate governance report – Takeover-related disclosures and explanatory notes by the Management Board of the 2019 annual report are incorporated by reference into this Combined management report.

02. COMPENSATION REPORT PURSUANT TO SECTION 162 OF GERMAN STOCK CORPORATION ACT (AKTG)

The compensation report pursuant to Section 162 of the Stock Corporation Act (AktG) presented in the section Corporate governance report – Compensation report of the 2019 Annual report is incorporated by reference into this Combined management report.

03. CORPORATE GOVERNANCE CODE

The Management and Supervisory Boards of Delivery Hero SE have issued a statement of conformity pursuant to the German Corporate Governance Code (Section 161 of the German Stock Corporation Act (AktG)) in the version dated February 7, 2017, which was published on the website of Delivery Hero SE in December 2019 (https://ir.deliveryhero.com/websites/delivery/English/4500/declaration-of-compliance.html).

The Statement of Corporate Governance according to Section 289f and Section 315d of the German Commercial Code (HGB) is included in section Corporate Governance report of the 2019 Annual report.

04. NON-FINANCIAL REPORT

The unaudited combined separate non-financial report of Delivery Hero SE and the Group prepared in accordance with Sections 315b and c and 289 b to e of the German Commercial Code (HGB) is included in the annual report 2019 in section non-financial statement for the Group and is published on the website of Delivery Hero SE (https://ir.deliveryhero.com/websites/delivery/English/4050/non-financial-statement.html).

05. TREASURY SHARES

For information of the treasury shares held as of the reporting date in accordance with Section 160 (1) no. 2 of the German Stock Corporation Act (AktG) we refer to the notes to the 2019 financial statements of Delivery Hero SE, section III. Notes to the individual balance sheet items – Equity, published on the website of Delivery Hero SE (https://ir.deliveryhero.com/websites/delivery/English/3100/financial-reports.html).

F. SUPPLEMENTARY MANAGEMENT REPORT TO THE SEPARATE FINANCIAL STATEMENTS OF DELIVERY HERO SE

The management report of Delivery Hero SE and the group management report have been combined. The annual financial statements of Delivery Hero SE were prepared in accordance with the German Commercial Code (*Handelsgesetzbuch*/HGB).

01. BUSINESS MODEL

Delivery Hero SE (the “Company” or “DH SE”), a European stock corporation, is the parent company of the Delivery Hero Group with its registered office at Oranienburger Strasse 70, 10117 Berlin, Germany.

Delivery Hero SE is the holding company of the Group’s subsidiaries that operate online food ordering and delivery marketplace businesses under the brand Delivery Hero as well as certain regional brands. Its operating activities include the administration of participation in other companies as well as the provision of general administrative-, marketing- and IT-related services and financing to these direct and indirect participations.

Through merger agreements dated June 27, 2019 and shareholder approvals of June 26, 2019 and July 2, 2019, the wholly owned subsidiaries RGP Local Holding IV GmbH and Luxembourg Investment Company 43 S.à r.l. were fully merged with Delivery Hero SE. The assets of RGP Local Holding IV GmbH were acquired with effect from January 1, 2019 and those of Luxembourg Investment Company 43 S.à r.l. from May 1, 2019. The acquiring legal entity, Delivery Hero SE, continued the carrying amounts of the merged entities. The mergers were registered with the Company in August 2019 in the Berlin-Charlottenburg commercial register.

Due to the mergers, the amounts in the balance sheet as of December 31, 2019 are not comparable with those as at December 31, 2018 and the amounts in the income statement 2019 are not comparable with the previous year's amounts.

The Company is represented by its Management Board, which also determines the corporate strategy of the Group. In its capacity as a Group holding company, Delivery Hero SE maintains central functions including group controlling, group accounting, investor relations, risk management, internal audit, corporate taxes, mergers and acquisitions, treasury and human resources.

02. NET ASSETS, FINANCIAL POSITION AND RESULT OF OPERATIONS OF THE COMPANY

a) Results of operations

The results of operations of Delivery Hero SE are shown below in a summarized income statement:

			CHANGE	
EUR MILLION	**2019**	2018	EUR MILLION	%
REVENUE	91.5	55.6	35.9	64.6
INCREASE OR DECREASE IN FINISHED AND UNFINISHED PRODUCTS AND SERVICES	−0.6	0.0	−0.6	N/A
OTHER OWN WORK CAPITALIZED	3.8	1.5	2.3	> 100
OTHER OPERATING INCOME	874.6	281.9	592.7	> 100
MATERIAL EXPENSES	−7.8	−5.9	−1.9	32.2
PERSONNEL EXPENSES	−132.7	−79.0	−53.7	68.0
DEPRECIATION, AMORTIZATION AND IMPAIRMENTS	−157.3	−110.7	−46.6	42.1
OTHER OPERATING EXPENSES	−307.5	−168.7	−138.8	82.3
NET INTEREST RESULT	38.4	16.9	21.5	> 100
INCOME FROM INVESTMENTS	57.2	3.3	53.9	> 100
EARNINGS BEFORE TAXES (EBT)	**459.7**	**−5.0**	**464.7**	**> 100**
TAXES	−13.2	−2.0	−11.2	> 100
NET PROFIT/LOSS	**446.5**	**−7.0**	**453.6**	**> 100**

The increase in revenue in 2019 was mainly attributable to higher services recharges to Group subsidiaries.

Other operating income increased by € 592.7 million year on year due to the completion of the sale of the German subsidiaries Delivery Hero Germany GmbH and Foodora GmbH to Takeaway.com in 2019, which – at € 797.0 million – has mainly driven the considerable increase in other operating income. The disposal gain includes income not related to the accounting period in the amount of € 37.6 million from the reversal of the impairment of the stake in Delivery Hero Germany GmbH. Other operating income in 2019 further includes € 40.1 million of recharged costs incurred on behalf of Group subsidiaries (previous year: € 38.1 million), € 20.2 million (previous year: € 0.0 million) income from the sale of shares and € 6.0 million (previous year: € 12.9 million) of realized and unrealized foreign currency gains.

The increase of € 1.9 million in material expenses compared to the previous year results mainly from restaurant merchandise and equipment, which was purchased as part of shared service center functions for the Group subsidiaries.

Personnel expenses rose by € 53.7 million on the previous year. This is primarily attributable to an increase in the number of staff and increased share-based compensation expenses (2019: € 47.7 million; previous year: € 15.9 million).

Other operating expenses increased by € 138.8 million to € 307.5 million, mainly due to merger losses of € 131.8 million from the merged companies RGP Local Holding IV GmbH and Luxembourg Investment Company 43 S.à r.l. results (previous year: merger losses of € 65.8 million). In addition, expenses for impending losses were recognized in the amount of € 41.5 million resulting from the valuation of derivatives that were concluded as part of a multi-year hedging transaction in relation to 3.2 million shares in

Takeaway.com ("collar transaction"). Furthermore, the increase in other operating expenses is attributable to higher expenses for IT and licenses of € 23.2 million (previous year: € 13.8 million), expenses for servers of € 12.0 million (previous year: € 4.7 million) and higher expenses for consulting services of € 34.0 million (previous year: € 19.9 million).

In connection with the planned transaction with Woowa Brothers Corp., South Korea, a transaction-dependent foreign currency option (deal-contingent option) was concluded on December 13, 2019 to hedge the USD-nominated cash component of the purchase price. As of the reporting date, the valuation of the deal-contingent option resulted in a loss of € 3.0 million.

Depreciation, amortization and impairments include amortization of intangible assets of € 4.8 million (previous year: € 3.1 million), depreciation of property, plant and equipment of € 2.6 million (previous year: € 2.0 million), impairment of shares in affiliated companies of € 67.7 million (previous year: € 28.7 million), impairment of shares in equity investments of € 1.5 million (previous year: € 0.0 million), and impairment of loans of € 80.0 million (previous year: € 58.4 million) as well as trade receivables from third parties (€ 0.6 million; previous year: € 3.3 million) and trade receivables from affiliated companies (€ 0.1 million; previous year: € 11.0 million).

In 2019, the impairment of shares in and loans to affiliated companies and receivables from affiliated companies related to entities in South America (€ 84.6 million), Asia (€ 27.8 million), Middle East (€ 15.1 million) and Europe (€ 20.3 million).

Income from investments relates to dividends received from profitable group companies.

The disposal gain from the sale of German operations contributed significantly to the improvement of the net result in 2019.

The net profit in 2019 includes research and development expenses of € 31.1 million (previous year: € 19.3 million). Furthermore, development costs of € 3.8 million (previous year: € 1.5 million) were capitalized in 2019.

b) Financial position

The following condensed cash flow statement (indirect method) shows the Company's financial position:

EUR MILLION	2019	2018
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	*111.4*	*403.0*
CASH FLOWS FROM OPERATING ACTIVITIES	*–130.8*	*–38.1*
CASH FLOWS FROM INVESTING ACTIVITIES	*37.7*	*–261.7*
CASH FLOWS FROM FINANCING ACTIVITIES	*232.8*	*5.6*
NET CHANGE IN CASH AND CASH EQUIVALENTS	*139.7*	*–294.2*
EFFECT OF MOVEMENTS IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	*1.1*	*2.6*
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**252.2**	**111.4**

The negative cash flow from operating activities is mainly the result of usual business payments, for example personnel and consulting expenses, which are only partially recharged to the companies within the Group as a result of the Group-wide cost-allocation concept.

The cash flow from investing activities mainly includes payments for investments in other companies, capital increases in subsidiaries and payments for long-term loans to subsidiaries totaling € 802.8 million. Cash inflows of € 852.7 million result from the sale of Delivery Hero Germany GmbH and Foodora GmbH and from dividends received.

The positive cash flow from financing activities mainly results from cash receipts from capital increases in connection with the exercise of equity-settled stock options in the amount of € 27.6 million and cash receipts in the amount of € 208.0 million from a loan in connection with the collar transaction. The loan is included in liabilities to banks.

c) Net assets

Net assets are illustrated by means of a condensed balance sheet:

	DEC. 31, 2019		DEC. 31, 2018		
	EUR MILLION	SHARE (%)	EUR MILLION	SHARE (%)	CHANGE (%)
ASSETS					
NON-CURRENT ASSETS	3,005.4	87.4	2,421.4	91.4	24.1
CURRENT ASSETS	421.1	12.3	222.8	8.4	89.0
PREPAID EXPENSES	10.3	0.3	4.4	0.2	>100
TOTAL ASSETS	**3,436.8**		**2,648.6**		**29.8**
LIABILITIES					
EQUITY	3,074.3	89.5	2,563.3	96.8	19.9
PROVISIONS	139.5	4.1	22.0	0.5	>100
LIABILITIES	222.0	6.5	62.2	2.3	>100
DEFERRED INCOME	1.0	0.0	1.1	0.0	−12.2
TOTAL EQUITY AND LIABILITIES	**3,436.8**		**2,648.6**		**29.8**

The total assets of Delivery Hero SE increased by 29.8 % in 2019. This increase results primarily from the sale of the German companies and payments from a loan that Delivery Hero received as part of the collar transaction. The Company used the funds received to finance its affiliates.

Non-current assets as at December 31, 2019 mainly comprised shares in affiliated companies (€ 1,479.0 million; previous year: € 1,686.3 million), investments (€ 269.3 million; previous year: € 206.2 million), loans to affiliated companies (€ 766.9 million; previous year: € 500.4 million); and securities (€ 464.3 million; previous year: € 7.3 million).

Current assets as at December 31, 2019 consisted primarily of cash and cash equivalents of € 252.1 million (previous year: € 111.4 million) and receivables and other assets of € 164.2 million (previous year: € 106.2 million).

Equity increased to € 3,074.3 million as of December 31, 2019 (previous year: € 2,563.3 million) as a result of the positive net result of € 446.5 million driven by the sale of the German business and due to additions to the capital reserve for services received as part of the share-based compensation programs. The equity ratio is 89.5% (previous year: 96.8%) and has slightly decreased compared to the previous year.

Provisions mainly comprise € 44.8 million for the deal-contingent obligation to pay the option premium of the deal-contingent option that was concluded in order to hedge the USD-nominated purchase price liability of the planned Woowa transaction in South Korea), provisions for invoices not yet received (€ 28.6 million; previous year: € 15.1 million), provisions for share-based compensation (€ 10.5 million; previous year: € 0.0 million) and provisions for personnel expenses (€ 3.4 million; previous year: € 2.0 million). Further, a contingent loss provision in the amount of € 41.5 million (previous year: € 0.0 million) was recognized for the valuation of derivatives that were concluded as part of the collar transaction.

The liabilities as of December 31, 2019 of € 222.0 million (previous year: € 62.2 million) mainly include the liability from a loan granted as part of the collar transaction (€ 208.0 million). All loans to other Delivery Hero Group companies that were included in the previous year were repaid in 2019 (previous year: € 54.2 million).

d) Overall assessment

Overall, the management assesses the Company's net assets, financial position and results of operations as positive. Due to the disposal gain from the sale of the German entities, a significantly positive net result was achieved, which substantially strengthened the financial position of the Company.

The net result in 2019 is decisively driven by the disposal gain from the sale of the German entities. As it is assumed that the expansion in the Asian segment and the expansion of vertical services within the Group will result in an increase in costs also at central level, Delivery Hero expects that the annual result for 2020 will be significantly lower than the result of the current reporting period, based on the assumed cost increase and the disposal gain from the sale of the German operations that was recognized in 2019.

Berlin, April 22, 2020

Niklas Östberg
Chief Executive Officer

Emmanuel Thomassin
Chief Financial Officer

CONSOLIDATED **FINANCIAL STATEMENTS**

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR MILLION	NOTE	DEC. 31, 2019	DEC. 31, 2018
NON-CURRENT ASSETS			
INTANGIBLE ASSETS	F. 01.	1,046.7	878.0
PROPERTY, PLANT AND EQUIPMENT	F. 02.	193.4	38.8
OTHER FINANCIAL ASSETS	F. 03.	395.2	49.8
OTHER ASSETS	F. 05.	1.8	0.3
DEFERRED TAX ASSETS	F. 06.	0.4	0.0
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	D. 03. C)	85.6	162.3
		1,723.0	**1,129.2**
CURRENT ASSETS			
INVENTORIES	F. 07.	8.4	3.1
TRADE AND OTHER RECEIVABLES	F. 04.	129.4	85.1
OTHER FINANCIAL ASSETS	F. 03.	41.8	–
OTHER ASSETS	F. 05.	65.6	54.5
INCOME TAX RECEIVABLES	F. 14.	5.0	2.2
CASH AND CASH EQUIVALENTS	F. 08.	699.4	364.1
ASSETS INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	D. 03. E)	–	366.8
		949.6	**875.8**
TOTAL ASSETS		**2,672.7**	**2,005.0**

EQUITY AND LIABILITIES

EUR MILLION	NOTE	DEC. 31, 2019	DEC. 31, 2018
EQUITY			
SHARE CAPITAL / SUBSCRIBED CAPITAL	F. 09. A) AND B)	188.8	185.9
CAPITAL RESERVES	F. 09. C)	2,745.6	2,688.2
RETAINED EARNINGS AND OTHER RESERVES	F. 09. D)	−1,062.8	−1,256.7
TREASURY SHARES	F. 09. E)	−0.1	−0.1
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		1,871.5	1,617.4
NON-CONTROLLING INTERESTS		−2.0	−2.3
		1,869.5	**1,615.0**
NON-CURRENT LIABILITIES			
PENSION PROVISIONS	F. 10.	5.7	2.7
OTHER PROVISIONS	F. 11.	6.9	6.2
TRADE AND OTHER PAYABLES	F. 12.	132.6	8.6
OTHER LIABILITIES	F. 13.	4.1	3.2
DEFERRED TAX LIABILITIES	F. 06.	36.1	41.8
		185.4	**62.5**
CURRENT LIABILITIES			
OTHER PROVISIONS	F. 11.	47.2	4.9
TRADE AND OTHER PAYABLES	F. 12.	472.9	172.0
OTHER LIABILITIES	F. 13.	77.4	68.4
INCOME TAX LIABILITIES	F. 14.	20.4	7.3
LIABILITIES INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	D. 03. E)	–	74.8
		617.9	**327.4**
TOTAL EQUITY AND LIABILITIES		**2,672.7**	**2,005.0**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR MILLION	NOTE	2019	2018
CONTINUING OPERATIONS			
REVENUE	G. 01.	1,237.6	665.1
COST-OF-SALES	G. 02.	−926.4	−318.0
GROSS PROFIT		**311.2**	**347.2**
MARKETING EXPENSES	G. 03.	−495.2	−313.9
IT EXPENSES	G. 04.	−94.8	−54.3
GENERAL ADMINISTRATIVE EXPENSES	G. 05.	−373.5	−217.2
OTHER OPERATING INCOME	G. 06.	19.9	10.0
OTHER OPERATING EXPENSES	G. 07.	−6.7	−9.2
IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND OTHER ASSETS	G. 07.	−8.8	−4.3
OPERATING RESULT		**−648.0**	**−241.7**
NET INTEREST RESULT	G. 08.	−9.4	2.8
OTHER FINANCIAL RESULT	G. 09.	93.7	18.8
SHARE OF THE PROFIT OR LOSS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	D. 03. E)	−99.7	−38.6
EARNINGS BEFORE INCOME TAXES		**−663.4**	**−258.8**
INCOME TAXES	G. 10.	−26.5	−18.3
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**−689.9**	**−277.1**
NET INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS		920.2	234.8
NET RESULT		**230.2**	**−42.2**

EUR MILLION	NOTE	2019	2018
OTHER COMPREHENSIVE INCOME (NET)			
ITEMS NOT RECLASSIFIED TO PROFIT OR LOSS:			
REMEASUREMENT OF NET LIABILITY (ASSET) ARISING ON DEFINED BENEFIT PENSION PLANS	F. 09. E)	−1.3	−0.4
ITEMS RECLASSIFIED TO PROFIT OR LOSS IN THE FUTURE:			
EFFECT OF MOVEMENTS IN EXCHANGE RATES	F. 09. E)	−27.4	−93.0
OTHER COMPREHENSIVE INCOME		**−28.7**	**−93.4**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**201.5**	**−135.6**
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO:			
SHAREHOLDERS OF THE PARENT		231.4	−38.2
NON-CONTROLLING INTERESTS		−1.1	−4.0
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
SHAREHOLDERS OF THE PARENT		202.7	−131.6
NON-CONTROLLING INTERESTS		−1.1	−4.0
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS IN EUR		−3.62	−1.47
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUED AND DISCONTINUED OPERATIONS IN EUR		1.22	−0.21

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

JAN. 1, 2019–DEC. 31, 2019

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT								
			RETAINED EARNINGS AND OTHER RESERVES						
EUR MILLION	SUBSCRIBED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS	CURRENCY TRANSLATION RESERVE	REVALUATION RESERVE FOR PENSION COMMITMENTS	TREASURY SHARES	TOTAL	MINORITY INTERESTS	TOTAL EQUITY
NOTE	*F. 09. A) AND B)*	*F. 09. C)*	*F. 09. D)*	*F. 09. D)*	*F. 09. D)*	*F. 09. E)*			
BALANCE AS OF JAN. 1, 2019	**185.9**	**2,688.2**	**–971.5**	**–284.3**	**–0.9**	**–0.1**	**1,617.4**	**–2.3**	**1,615.0**
NET RESULT	–	–	*231.4*	–	–	–	*231.4*	*–1.1*	*230.2*
OTHER COMPREHENSIVE INCOME	–	–	–	*–27.4*	*–1.3*	–	*–28.7*	*0.0*	*–28.7*
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**231.4**	**–27.4**	**–1.3**	**–**	**202.7**	**–1.1**	**201.5**
TRANSACTIONS WITH OWNERS – PAYMENTS RECEIVED AND CHANGE IN NON-CONTROLLING INTERESTS									
CAPITAL INCREASES	*2.8*	*24.7*	–	–	–	–	*27.5*	–	*27.5*
EQUITY-SETTLED SHARE-BASED PAYMENTS	–	*32.7*	–	–	–	–	*32.7*	–	*32.7*
ACQUISITION OF NON-CONTROLLING INTERESTS WITHOUT CHANGE OF CONTROL	–	–	–	–	–	–	–	–	–
OTHER CHANGES TO EQUITY	–	–	*–8.8*[1]	–	–	–	*–8.8*	*1.4*	*–7.4*
TRANSACTIONS WITH OWNERS	**2.8**	**57.4**	**–8.8**	**–**	**–**	**–**	**51.4**	**1.4**	**52.8**
BALANCE AS OF DEC. 31, 2019	**188.8**	**2,745.6**	**–749.0**	**–311.6**	**–2.2**	**–0.1**	**1,871.5**	**–2.0**	**1,869.5**

[1] *INCLUDES RESULTS FROM HYPERINFLATIONARY ECONOMIES OF € –8.8 MILLION.*

JAN. 1, 2018–DEC. 31, 2018

EUR MILLION	ATTRIBUTABLE TO THE OWNERS OF THE PARENT								
			RETAINED EARNINGS AND OTHER RESERVES						
	SUBSCRIBED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS	CURRENCY TRANSLATION RESERVE	REVALUATION RESERVE FOR PENSION COMMITMENTS	TREASURY SHARES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
NOTE	*F. 09. A) AND B)*	*F. 09. C)*	*F. 09. D)*	*F. 09. D)*	*F. 09. D)*	*F. 09. E)*			
BALANCE AS OF JAN. 1, 2018	**182.5**	**2,661.3**	**−932.8**	**−191.3**	**−0.5**	**–**	**1,719.3**	**1.5**	**1,720.9**
NET LOSS	–	–	*−38.2*	–	–	–	*−38.2*	*−4.0*	*−42.2*
OTHER COMPREHENSIVE INCOME	–	–	–	*−93.0*	*−0.4*	–	*−93.4*	–	*−93.4*
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**−38.2**	**−93.0**	**−0.4**	**–**	**−131.6**	**−4.0**	**−135.6**
TRANSACTIONS WITH OWNERS – PAYMENTS RECEIVED AND CHANGE IN NON-CONTROLLING INTERESTS									
CAPITAL INCREASES	*3.4*	*8.1*	–	–	–	–	*11.5*	–	*11.5*
EQUITY-SETTLED SHARE-BASED PAYMENTS	–	*18.8*	–	–	–	–	*18.8*	–	*18.8*
ACQUISITION OF NON-CONTROLLING INTERESTS WITHOUT CHANGE OF CONTROL	–	–	*−0.6*	–	–	–	*−0.6*	*0.3*	*−0.3*
OTHER CHANGES	–	–	–	–	–	*−0.1*	*−0.1*	–	*−0.1*
TRANSACTIONS WITH OWNERS	**3.4**	**26.9**	**−0.6**	**–**	**–**	**−0.1**	**29.6**	**0.3**	**29.9**
BALANCE AS OF DEC. 31, 2018	**185.9**	**2,688.2**	**−971.5**	**−284.3**	**−0.9**	**−0.1**	**1,617.4**	**−2.3**	**1,615.0**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR MILLION	NOTE	2019	2018
1. CASH FLOWS FROM OPERATING ACTIVITIES			
NET RESULT		230.2	−42.2
INCOME TAXES		29.9	5.4
INCOME TAX PAID		−15.3	−13.6
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	F. 01./F. 02.	99.6	57.9
WRITE DOWNS OF FINANCIAL ASSETS		0.8	0.0
INCREASE (+)/DECREASE (−) IN PROVISIONS	F. 10.	44.2	−11.5
NON-CASH EXPENSES FROM SHARE-BASED PAYMENTS	G. 05.	44.8	17.2
OTHER NON-CASH EXPENSES (+) AND INCOME (−)		79.0	25.5
GAIN (−)/LOSS (+) ON DISPOSALS OF NON-CURRENT ASSETS		−20.4	0.5
GAIN ON DECONSOLIDATION	D. 03. D)	−938.6	−270.0
INCREASE IN INVENTORIES, TRADE RECEIVABLES AND OTHER ASSETS		−54.3	−2.7
INCREASE IN TRADE AND OTHER PAYABLES		189.4	71.6
INTEREST AND SIMILAR INCOME (−)/ EXPENSE (+)	G. 08./ G. 09.	−54.1	−2.7
CASH FLOWS FROM OPERATING ACTIVITIES		**−364.8**	**−164.6**
2. CASH FLOWS FROM INVESTING ACTIVITIES			
PROCEEDS FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		1.6	0.7
PAYMENTS FOR INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	F. 02.	−69.2	−29.6
PROCEEDS FROM DISPOSAL OF INTANGIBLE ASSETS		2.1	0.3
PAYMENTS FOR INVESTMENTS IN INTANGIBLE ASSETS	F. 01.	−25.9	−19.7
PROCEEDS (+)/PAYMENTS (−) FOR INVESTMENTS IN OTHER FINANCIAL ASSETS		381.8	−15.6
NET PAYMENTS FOR LOANS TO THIRD PARTIES		−0.5	−1.3
NET PAYMENTS FOR ACQUISITIONS	B. 02. B)	−133.2	−18.7
NET PROCEEDS FROM THE SALE OF SUBIDIARIES OR DISCONTINUED OPERATIONS	D. 03. E)	487.5	232.6
PAYMENTS FOR THE ACQUISITION OF EQUITY INVESTMENTS	F. 08.	−24.5	−190.6
INTEREST RECEIVED		7.3	4.8
DIVIDENDS RECEIVED (+)		0.2	0.0
CASH FLOWS FROM INVESTING ACTIVITIES		**627.3**	**−37.1**
3. CASH FLOWS FROM FINANCING ACTIVITIES			
PROCEEDS FROM CAPITAL CONTRIBUTIONS	F. 09.	27.6	12.0
PROCEEDS FROM LOANS AND BORROWINGS		175.0	0.1
REPAYMENTS OF LOANS AND BORROWINGS		−202.6	−1.3
INTEREST PAID		−0.2	−0.2
CASH FLOWS FROM FINANCING ACTIVITIES		**−0.1**	**10.6**
4. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
NET CHANGE IN CASH AND CASH EQUIVALENTS		262.4	−191.1
EFFECT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS		−2.8	−10.1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD[1]	F. 08.	439.8	640.9
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD[1]		**699.4**	**439.8**

[1] *CASH OF € 75.7 MILLION INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AS OF DECEMBER 31, 2018.*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. GENERAL INFORMATION

01. Company information

The Delivery Hero Group (also: DH, DH Group, Delivery Hero or Group) offers online food ordering and delivery services in more than 40 countries on five continents, Africa, Asia, Europe, North America and South America.

Delivery Hero SE is the parent company and is domiciled at Oranienburger Strasse 70, 10117 Berlin, Germany (the "Company"). It is registered with the commercial register of the Local Court, Berlin Charlottenburg under HRB 198015 B.

The consolidated financial statements and the combined management report were authorized for issue by the Management Board on April 22, 2020.

02. Basis of preparation of the consolidated financial statements in accordance with IFRS

The consolidated financial statements of DH Group have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted and issued by the International Accounting Standards Board (IASB), as adopted by the European Union. The preparation of the consolidated financial statements occurred under application of the provisions of Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002, on the application of international accounting standards in conjunction with Section 315e (1) of the German Commercial Code (HGB) taking into consideration the supplementary provisions of German commercial law.

The consolidated financial statements are prepared in euros.

This is the first set of consolidated financial statements of DH Group in which IFRS 16 has been applied. Changes to significant accounting policies are described in Section C.

Argentina continues to be considered a hyperinflationary economy. Accordingly, the Group applied the hyperinflationary accounting requirements of IAS 29 – Financial Reporting in Hyperinflationary Economies to its Argentinian operations.

In accordance with IFRS 5 the German business was classified as a discontinued operation in December 2018. The sale of the German operations was completed on April 1, 2019 (refer to Section D.03.e).

Unless otherwise stated, all figures have been rounded to the nearest € million. Disclosures on changes are based on exact values. In addition, for computational reasons, there may be rounding differences to the exact mathematical values in tables and references.

The consolidated financial statements and the combined management report are published in the German Federal Gazette *(Bundesanzeiger)*.

The preparation of consolidated financial statements in accordance with IFRS requires judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. Areas involving a higher degree of judgment or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Section B.14.

B. ACCOUNTING POLICIES

The financial statements of the Company and of the subsidiaries are prepared according to uniform accounting policies. Unless otherwise stated, the Group consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

01. Methods of consolidation

a) Subsidiaries

Subsidiaries are entities directly or indirectly controlled by the Company. The Company controls an entity when it is exposed to variable returns from its involvement with the entity and has the ability to affect those returns through its ability to use power over the entity. Subsidiaries are consolidated in the consolidated financial statements of the Group. First-time consolidation occurs at the date of obtaining control.

The Group accounts for business combinations applying the acquisition method. In applying the acquisition method, the consideration transferred and the net assets identified are measured at fair value. A positive difference between the consideration transferred and the identifiable net asset is capitalized as goodwill. A negative difference is immediately recognized in profit or loss.

Non-controlling interests constitute the share of profit or loss and net assets in a subsidiary that is not attributed to the parent's shareholders and are presented separately. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Obligations arising from written put options issued to holders of non-controlling interests are accounted for as financial liabilities and the related non-controlling interests are no longer recognized.

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary and all related non-controlling interests and other equity components. Any gain or loss is recognized in profit or loss. Any retained interest in the former subsidiary is recognized at fair value on the date when control was lost.

Expenses and income, as well as receivables and payables between consolidated entities, are eliminated along with intragroup profits and losses arising from intragroup transactions.

The list of shareholdings in Section H.10. contains a detailed overview of all the subsidiaries.

b) Associates

Associates are entities in which the Group has a significant influence, which is presumed in case of a holding of between 20% and 50% of voting rights or if an ability to exercise significant influence can clearly be demonstrated. As of the reporting date, the Group had five (previous year: five) associates included at-equity in the consolidated financial statements. They are listed in the list of shareholdings in Section H.10.

As in the prior years, the Group did not have any joint arrangements according to IFRS 11 as of the reporting date.

02. Currency translation

The functional currency of the subsidiaries included in the consolidated financial statements of the Group is usually the respective local currency, unless it is assessed to be different than the local currency due to specific circumstances. The consolidated financial statements are presented in euros (presentation currency).

Transactions in foreign currencies are translated into the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at each reporting date. Foreign exchange gains and losses are generally recognized in profit or loss. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognized in OCI in the consolidated financial statements.

For the purposes of inclusion in the consolidated financial statements, the assets and liabilities (including goodwill and fair value adjustments arising on acquisition) of subsidiaries whose functional currency is not the euro are translated into euros at the exchange rates at the reporting date. Income and expenses are translated into euros at the dates of the transactions, approximated by average exchange rates.

For entities operating in a hyperinflationary economic environment, the inflation effects of the origin country are recognized pursuant to IAS 29. Results and financial positions of the entities are translated into euros at the exchange rates at the reporting date.

When a foreign operation is disposed of, the cumulative amount of foreign exchange reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

03. Recognition of revenue

DH Group generates revenue mainly from providing online food ordering services to restaurants, prime placement and other advertising services.

For the online marketplace services, DH Group entities act as an agent. The Company also offers delivery services. The DH Group entities carry out the delivery services as principal. For advertising services, DH Group entities act also as principal.

The revenue is recognized when the control passes to the customer. The control over the online marketplace services passes to the customer at a point in time when the meal is ordered. The control over the delivery services passes at a point in time when the meal is delivered. The control over the advertising services mainly passes over time.

The consideration for the online marketplace services with and without delivery primarily comprise commission fees. Further included in the consideration are online payment fees if the orderer selects the online payment option and subscription fees. If an additional delivery fee is charged directly to orderers this is also included in the consideration. The payments are collected via online payment providers, as cash or via invoices to the restaurants. For services performed over time, at each reporting date, the revenue is recognized in the amount to which the DH

Group entity has a right to invoice. Since the advertising services are mainly provided as a series of distinct monthly services, this provides a faithful depiction of the transfer of the services.

Invoices are generated on a weekly, bi-weekly or monthly basis based on an individual contractual agreement. The payment terms vary between two and 90 days. Any discounts are treated as a reduction of revenue. If the transaction price includes a variable amount, the transaction price is estimated and recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

For the sale and delivery of a variety of grocery items through our delivery-only stores ("dark stores") Delivery Hero acts as a principal. The revenue is composed of the merchandise value of ordered items and delivery fees charged to the customer. Revenue is recognized when control over the ordered items passes to the customer.

04. Property, plant and equipment
Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on a straight-line basis over the time period of the expected useful life of the asset.

In the reporting year, depreciation was based on the following useful lives:

USEFUL LIFE IN YEARS

	2019	2018
OPERATING AND OFFICE EQUIPMENT	*2–15*	*2–15*
LEASEHOLD IMPROVEMENTS	*2–20*	*3–17*

If there is objective evidence that items of property, plant and equipment are impaired, the recoverable amount is determined. If the carrying amount exceeds the recoverable amount, impairment losses are recognized directly in the statement of profit or loss. If the requirements for impairment are no longer in place in subsequent years, previous impairment losses are reversed.

Repair and maintenance expenses are expensed at the time of their occurrence. Material innovations and improvements are capitalized.

An item of property, plant and equipment is derecognized on disposal (when the recipient obtains control of that item) or when no future economic benefits are expected from its use or disposal.

05. Intangible assets and goodwill
Intangible assets acquired separately are recognized at costs. Intangible assets acquired in a business combination except for goodwill are initially measured at their fair value and subsequently at cost. The amortization is calculated on a straight-line basis over the individual useful lives. Goodwill is measured at cost less accumulated impairment losses.

Internal development expenditure is capitalized if development costs can be reliably measured, the product or process is technically and commercially feasible, future benefit is probable and the Group intends – and has sufficient resources to be able – to complete development and to use or sell the asset. Other expenditures are recognized in profit or loss when they are incurred. Capitalized development expenditure is measured at cost less accumulated amortization and impairment losses.

Amortization is based on the following useful lives:

USEFUL LIFE IN YEARS

	2019	2018
SOFTWARE	*2–5*	*2–5*
TRADEMARKS	*3–25*	*3–25*
CUSTOMER AND SUPPLIER RELATIONSHIPS	*3–10*	*3–10*

The expected useful life of a trademark is forecast in accordance with verifiable history and observable user behavior. The underlying useful life of customer and supplier relationships is determined individually corresponding to historical restaurant churn rates.

Impairment of intangible assets

Intangible assets are tested for impairment as part of a cash generating unit (CGU), which is defined as the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs depending on the level at which it is monitored by management.

A CGU or a group of CGUs is tested for impairment if impairment indicators are present. In addition, CGUs and groups of CGUs to which goodwill is allocated are subject to an annual impairment test.

An impairment loss is recognized if the carrying amount of a CGU exceeds its recoverable amount. The recoverable amount corresponds to the larger of fair value less costs of disposal and value in use of the CGU or a group of CGUs.

The fair value less costs of disposal of the CGU is calculated by applying the discounted cash flow method, as follows: The expected future cash flows are determined based on a detailed planning period of five years for each CGU. For the perpetuity, the expected future cash flows are determined under consideration of CGU-specific revenue- and EBITDA-growth assumptions. Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, 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 amortization, if no impairment loss had been recognized.

06. Leases

A right-of-use asset and a lease liability are recognized at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received. It is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

Except for short-term leases of transport vehicles, the Group has elected to apply the recognition exemptions to leases of low-value assets and short-term leases with a (remaining) lease term of twelve months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate. The lease liability is subsequently measured at amortized costs using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes the assessment of whether a purchase or lease extension option is exercised, or a termination option is not exercised.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in “property, plant and equipment”, and lease liabilities in “trade and other payables”.

In order to determine the lease term for lease contracts in which the Group is a lessee that include renewal or termination, options judgments is applied to assess the exercise of the respective option.

As explained in note C – Changes in significant accounting policies, in the comparative period the Group determined whether the arrangement was or contained a lease in accordance with the previously effective IAS 17 Leases.

Under IAS 17, leases of property, plant and equipment in which the Group, as lessee, has substantially all the risks and rewards of ownership, were classified as finance leases. For finance lease arrangements the asset was recognized at an amount equal to the fair value of the leased property or – if lower – at the present value of the minimum lease payments and depreciated over its useful life. The corresponding payment obligations from future lease payments net of finance charges were included in other current and non-current liabilities.

If lease arrangements in which the Group was a lessee did not meet the criteria for finance leases they were classified as operating leases. Lease payments were recognized as expenses on a straight-line basis over the lease term.

Note C also explains the changes between the previous and current treatment of lease arrangements.

07. Inventories

Inventories are carried at cost, which is determined on the basis of direct production costs and production-related overheads. Inventories are carried at the lower of cost and net realizable value as of each reporting date.

Cost includes all costs of purchase, production and other costs that are incurred in bringing the inventories to their present location and condition. For the inventory of dark stores, costs are measured by the weighted average costs. For all other inventory items, the first-in, first-out method (FIFO) is used to measure costs. Net realizable value is the estimated selling price less estimated costs of completion and estimated costs necessary to finalize the sale.

08. Income taxes

Taxes on income for the period are the sum of current and deferred income taxes.

a) Current income taxes

The current income tax expense is calculated by applying the tax regulations enacted as of the reporting date in the countries in which the DH Group operates. In assessing income tax positions, estimates are required. The assessment by the respective tax authorities may deviate. This uncertainty is reflected by recognizing uncertain tax positions only if DH assesses the probability of acceptance of the uncertain tax treatment by the tax authorities as less than 50%.

b) Deferred income taxes

Deferred taxes are recognized 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 income. Furthermore, deferred tax assets are recognized for tax loss carryforwards.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for temporary differences and tax loss carryforwards to the extent to which it is probable that sufficient future taxable income will be available against which deductible temporary differences and/or loss carryforwards can be utilized.

Deferred taxes are measured in accordance with IAS 12. They are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled.

The change in deferred taxes is recognized in the statement of profit or loss provided it relates to items in the consolidated statement of financial positions that were recognized in the statement of profit or loss. If the items in the consolidated statement of financial position are recognized directly in equity or other comprehensive income, the corresponding changes in deferred taxes are also recognized in these line items, respectively.

Deferred tax assets and liabilities arising through temporary differences related to investments in subsidiaries, associates or joint arrangements are taken into account unless the date for reversal of temporary differences cannot be determined at Group level or/and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset if the Group has a legally enforceable right to set off current tax assets against current tax liabilities, and deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and concern the same taxable entity.

09. Financial instruments

a) Financial assets

Initial measurement of financial assets

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of a financial asset measured at fair value through profit or loss are recognized in profit or loss. A trade receivable is initially measured at the transaction price.

Classification of financial assets

The Group classifies financial assets at initial recognition as financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income (not applicable at the reporting date) or financial assets measured at fair value through profit or loss.

Financial assets measured at amortized cost

A financial asset that meets both of the following conditions is classified as a financial asset measured at amortized cost.

- The financial asset is held within the Group's business model whose objective is to hold assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

"Principal" is the fair value of the financial asset on initial recognition and "interest" is consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g., liquidity risk and administrative costs), as well as a profit margin. When assessing the contractual terms, the Group considers contingent events that would change the amount or timing of cash flows; terms that may adjust the contractual interest rate, including variable rate features; prepayment and extension features; and terms that limit the Group's claim to cash flows from specified assets (e.g., non recourse features).

After initial recognition, the carrying amount of the financial asset measured at amortized cost is determined using the effective interest method, net of impairment loss.

Within DH Group such financial assets are represented by cash and cash equivalents, receivables against payment service providers, trade receivables, loans granted, security deposits and other receivables.

Cash and cash equivalents comprise all cash-related assets that have a remaining term of less than three months at the date of acquisition or investment. This includes mainly cash at banks and cash on hand. Cash and cash equivalents are measured at nominal value.

Fair value through profit or loss financial assets (FVTPL)

When a financial asset is not measured at amortized cost or at fair value through other comprehensive income (FVTOCI – currently not relevant for the Group), a financial asset is classified as "at fair value through profit or loss" and measured at fair value with changes in fair value recognized in profit or loss as "finance gain" or "finance loss".

In DH Group these instruments are represented by investments in other companies. No financial assets are designated as at fair value through profit or loss.

Impairment of financial assets

All financial assets to which impairment requirements apply carry a loss allowance estimated based on expected credit losses ("ECLs"). ECLs are a probability-weighted estimate of the present value of a cash shortfall over the expected life of the financial instrument.

In DH Group, the impairment requirements apply mainly to financial assets measured at amortized cost and right-of-use assets in the scope of IFRS 16.

Trade receivable and contract assets

The Group uses a practical expedient to calculate the expected credit losses on its trade receivables and contract assets using a provision matrix. The Group uses historical credit loss experience (adjusted if necessary for changes in macroeconomic conditions) to estimate the lifetime expected credit losses. The impairment losses calculated using the provision matrix are recorded on a separate allowance account.

Trade receivables, overdue for more than 120 days, or specifically impaired (e.g., insolvency of the restaurant), are deemed not recoverable. Such trade receivables are recognized as impaired and written off. The write-off constitutes a derecognition event whereby the gross carrying amount of such trade receivables is reduced against the corresponding amount previously recorded on the allowance account. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Other financial assets

The ECLs for all other financial assets are recognized in two stages:

- For financial assets for which there has not been a significant increase in credit risk since initial recognition, the Group recognizes credit losses that represent the lifetime shortfalls that would result if a default occurs in the twelve months after the reporting date or a shorter period if the expected life of a financial instrument is less than twelve months.
- For those financial assets for which there has been a significant increase in credit risk since initial recognition, a loss allowance reflects credit losses expected over the remaining life of the financial asset.

All other financial assets of the Group recognized at the reporting date have low credit risk. The Group recognizes in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

b) Financial liabilities

Financial liabilities are classified as those measured at fair value through profit or loss or those measured at amortized cost.

No financial liabilities are designated as at fair value through profit or loss.

Financial liabilities are initially recognized at fair value, in case of financial liabilities measured at amortized cost, plus transaction costs.

Financial liabilities of the Group that are measured at fair value through profit or loss comprise contingent considerations recognized by the Group as an acquirer in a business combination. All other financial liabilities are measured at amortized cost, using the effective interest method.

c) Other requirements

Regular way purchases and sales of financial assets are recognized at the price on the trade date.

Interest income and expenses arising on financial instruments are recognized in profit or loss according to the effective interest method.

The Group derecognizes the financial assets when the contractual rights to the cash flows from the assets expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred. The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

In addition, if the contractual terms of a financial instrument are amended, the financial instrument is derecognized if the amended terms are materially different from the original terms. In that case, the new financial instrument is recognized at fair value taking into account the amended terms.

Financial assets and financial liabilities are offset and the net amount is presented in the statement of financial position when, and only when, the Group has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

If the Group has the right to settle financial instruments in a fixed number of own shares, such financial instruments are classified as equity.

10. Employee benefits

a) Current employee benefits

Current employee benefits are expensed in the period when service is rendered. A liability is recognized for the amount expected to be paid if the DH Group has a present legal or constructive obligation to pay this amount, as a result of past services provided by the employee, and the obligation can be reliably estimated.

b) Pension obligations

Pension and similar obligations arise from the commitments of a Group entity to its employees. The obligations of these defined benefit plans are measured using the projected unit credit method. Under this method, expected future increases in salaries and pensions are taken into account in addition to the known pension entitlements at the reporting date.

Pension obligations are determined by independent actuaries. Effects arising from the remeasurement of actuarial gains and losses, the return on plan assets (excluding interest) and the impact of any asset ceiling (excluding interest) are recognized in other comprehensive income. The discount rate stated reflects the interest rate generated by senior fixed-interest bonds with matching maturities on the reporting date.

The fair value of any plan assets is deducted from the discounted pension obligation.

The interest rate effect included in pension expenses is recognized in profit or loss under interest expenses. Service cost is shown in individual functional areas in operating profit/loss.

c) Share-based payments

DH Group operates several share-based compensation programs. The Group classifies its share-based compensation programs as either cash-settled or equity-settled depending on the terms and conditions of the individual program and the Group's intention to settle the awards with cash or its own equity instruments.

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is recognized as an expense, with a corresponding increase in the capital reserves in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect forfeited awards.

The fair value of cash-settled arrangements is recognized as an expense with a corresponding increase in liabilities over the period during which the employees become unconditionally entitled to payment. The liability is remeasured at each reporting date and at settlement date based on the fair value of the awards. Any changes in the liability are recognized in profit or loss.

If a share-based program is reclassified from equity-settled into cash-settled, the amount of the obligation reflecting the fair value of the awards at the modification date to the extent the services were received is reclassified to liabilities. If the fair value of the cash-settled awards exceeds the amount previously recognized in equity, the excess is recognized as an expense in profit or loss, if it is lower than the amount previously recognized in equity, no gain will be recognized for the difference. The liability will be remeasured in accordance with the general principles for cash-settled plans.

11. Other provisions

Other provisions are set up if a legal or constructive obligation to the Group resulting from a past event exists, its fulfilment is probable and its amount can be reliably determined. Recognition is made in the amount of the expected settlement amount.

Due to estimation uncertainties, the amount, i.e., the actual outflow of resources, may deviate from the original amounts recognized on the basis of estimates.

Non-current provisions are recognized at the discounted settlement amount as of the reporting date based on corresponding term and risk adequate interest rates.

12. Determination of fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the primary market or, if this is not available, the most advantageous market.

The fair value hierarchy defines three levels of fair value measurements depending on the input factors used in determining the fair value:

- Level 1: Fair value is based on quoted prices (unadjusted) in an active market for identical assets or liabilities.
- Level 2: Fair value is estimated using a valuation technique that uses inputs that can be observed either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Fair value is estimated using a valuation technique that is using inputs that are not observable.

Where various input factors are relevant for measurement, the fair value is categorized at the lowest level input that is significant to the entire measurement. Valuation techniques used to measure fair value maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

13. Assets held for sale and liabilities associated with assets held for sale and discontinued operations

Non-current assets and the assets of a disposal group classified as held for sale, as well as any corresponding liabilities of a disposal group classified as held for sale, are recognized separately from other assets and other liabilities in the consolidated statement of financial position in the line items “Assets included in a disposal group classified as held for sale” and “Liabilities included in a disposal group classified as held for sale” if they can be disposed of in their current condition and if there is sufficient probability of their disposal actually taking place.

Discontinued operations are components of an entity that are either held for sale or have already been sold and can be clearly distinguished from other corporate operations, both operationally and for financial reporting purposes. Additionally, the component classified as a discontinued operation must represent a major business line or a specific geographic business segment of the Group. Non-current assets that are held for sale either individually or collectively as part of a disposal group, or that belong to a discontinued operation, are no longer depreciated/amortized. They are instead accounted for at the lower of the carrying amount and the fair value less any remaining costs of disposal. If this value is less than the carrying amount, an impairment loss is recognized. The gains and losses resulting from the measurement of components held for sale, as well as the gains and losses arising from the disposal of discontinued operations, are reported separately on the face of the consolidated statement of comprehensive income under net profit or loss for the period from discontinued operations, net, along with the income from the ordinary operating activities of these components. The consolidated statement of comprehensive income for the previous year is adjusted accordingly. The relevant assets and liabilities are reported on a separate line in the consolidated statement of financial position. The cash flows of discontinued operations attributable to operating, investing and financing activities are reported separately in the notes, with prior-year figures adjusted accordingly.

14. Judgment and use of estimates

The application of accounting policies and the preparation of the consolidated financial statements requires management to take decisions that involve judgment and estimates. This is particularly applicable for the following decisions:

a) Judgments

Revenue recognition of commissions

DH Group considers itself an agent with respect to the provision of online food ordering services via its Internet platforms as DH Group is neither (i) the obligor for the ordered food, (ii) exposed to the inventory risk nor (iii) has pricing power for the food offered by restaurants, but receives a commission as remuneration from restaurants.

Although users of the DH platforms are generally not a contracting party of DH Group entities, they purchase the goods or services from DH Group customers (restaurants). Accordingly DH Group deducts vouchers and discounts granted to orderers, equally to a consideration payable to the customer, from revenue.

Goodwill allocation

Determining an appropriate method of allocating goodwill to CGUs for impairment testing requires assessment of specific facts and circumstances that may involve significant judgments.

Determination of significant influence or control

For entities in which DH Group holds less than 20% of the voting rights, other qualitative factors are considered in order to assess whether significant influence over an entity exists.

Similarly, for entities in which DH Group holds less than 50% of the voting rights, other qualitative factors are considered in order to assess whether DH Group controls the entity.

Determination of lease term

Lease contracts entered into by entities occasionally include extension options. DH Group applies judgment on whether exertion of extension options is reasonably certain.

Classification of share-based payments as equity-settled

DH Group classifies its stock option program that enables the Group to settle in equity shares or in cash mainly as equity-settled awards. The Group assesses that it intends and has an ability to settle by means of equity instruments and therefore does not recognize a present obligation to settle in cash (refer to Section H.01.).

Evaluation of the derecognition criteria

Application of the derecognition criteria of IFRS 9 involves judgment and estimates especially in determining whether substantially all risk and rewards are transferred.

Assessment of probability of the planned transaction with Woowa Brothers Corp., South Korea ("Woowa")

The probability of completing the planned transaction with Woowa as well as the timing of closing are significant unobservable input parameter for valuation of the deal-contingent foreign currency option that was concluded in order to hedge the US dollar-nominated cash consideration and the corresponding liability for the option premium (refer to Sections D.02. Acquisitions and H.02. Financial instruments). Significant judgment was applied to assess the probability and the timing of closing.

b) Assumptions and estimation uncertainty

Hyperinflation accounting

Based on the current consensus in the Argentine accounting profession, the financial information of the Group's Argentine subsidiaries are restated based on a historic cost approach using the nationwide consumer price index ("CPI") from January 1, 2017 ongoing and the nationwide wholesale price index ("WPI") for financial data up to December 31, 2016, except for the two months of November and December 2015 for which the City of Buenos Aires CPI is used.

LEVEL OF PRICE INDEX

	CHANGE DURING REPORTING PERIOD	CHANGE DURING PREVIOUS PERIOD
NATIONAL CPI	*53.8%*	*47.6%*

Recognition and measurement of other provisions

Recognition and measurement of other provisions are subject to uncertainties in respect of future price increases as well as in respect of the extent, date and probability of utilization of the respective provision (refer to Section F.11.).

Scope for recognizing deferred tax assets

An excess of deferred tax assets is only recognized if it is probable that future tax benefits can be realized based on tax budgets. The current taxable profit situation in future reporting years, and thus the actual usability of deferred tax assets, can vary from the estimate made at the date of recognizing deferred taxes. Deferred tax assets on tax loss carryforwards or temporary differences are recognized based on estimated future taxable income (refer to Section F.06.).

Goodwill impairment testing

Determination of a CGU's recoverable amount for purpose of impairment testing requires assumptions and estimates, in particular on the future development of EBITDA and sustainable growth rates. While management believes that the assumptions and estimates used are appropriate, any unforeseeable changes to these assumptions could affect the Group's financial position and financial performance.

Further information on the assumptions and estimates made is listed in the respective note disclosure. All assumptions and estimates are based on the conditions prevailing and assessments at the reporting date (refer to Section F.01.b).

Amortization of intangible assets with finite useful lives

Delivery Hero has a significant amount of intangible assets with finite useful lives. This relates in particular to intangible assets from brands, trademarks and customer relationships (refer to Section F.01. for carrying amounts). Assumptions and estimates are required to determine the useful life as basis for the appropriate amortization charge. The useful lives are regularly reviewed by Delivery Hero and adjusted, if necessary. The determination of the useful life of acquired brands, trademarks and customer relationships is based on the individual customer churn rate of the business.

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values for both financial and non-financial assets and liabilities. Significant measurement uncertainties are specifically relevant for the measurement of assets and liabilities in business combinations (refer to Section D.02.), share-based payments (refer to Section H.01.) and financial instruments (refer to Section H.02.).

Significant valuation estimates are reported to the Group's Audit Committee.

Further information on the assumptions and estimates made are listed in the individual note disclosures. All assumptions and estimates are based on the conditions prevailing and assessments at the reporting date.

C. CHANGES IN ACCOUNTING POLICIES, NEW STANDARDS AND INTERPRETATIONS THAT HAVE NOT YET BEEN APPLIED

a) Changes in significant accounting policies

IFRS 16 Leases has been initially applied from January 1, 2019 with the effects subsequently described. Several other new standards and interpretations became effective January 1, 2019 with no material effect on the Group's consolidated financial statements.

IFRS 16

The Group has initially adopted IFRS 16 effective January 1, 2019, using the modified retrospective method. Accordingly, the Group presents the comparative period in line with previous principles.

IFRS 16 introduces a single, on-balance sheet accounting model for lessees. Consequentially, the Group, as a lessee, has recognized right-of-use assets representing its entitlements to use the underlying assets and the corresponding lease liabilities representing its obligation to lease payments. Lessor accounting remains similar to previous accounting principles.

Definition of a lease

Previously, the Group determined at contract inception whether an arrangement was or contained a lease under IFRIC 4. The Group now assesses whether a contract is, or contains, a lease based on the new lease definition. According to IFRS 16, a contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the historical assessment of which transactions are leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed. The definition of a lease under IFRS 16 has been applied to contracts entered into or modified on or after January 1, 2019.

At inception or upon reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

The Group as a lessee

The Group leases predominantly office space, vehicles and office equipment.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e., these leases are reflected "on-balance sheet".

Except for short-term leases of transport vehicles, the Group has elected to apply the recognition exemptions to leases of low-value assets and short-term leases with a (remaining) lease term of twelve months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

For all other leases a lease liability and a right-of-use asset is recognized upon transition.

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments.

The Group used further practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17 as follows:

— Applied a single discount rate for those leases with reasonably similar characteristics;
— Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

Impacts at transition date January 1, 2019

On transition to IFRS 16, the Group recognized € 79.4 million in right-of-use assets and additional € 78.0 million in lease liabilities.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted average rate applied is 6.76%.

	EUR MILLION	
	LEASE COMMITMENTS PER CONSOLIDATED FINANCIAL STATEMENTS 2018	**100.4**
–	DISCOUNTED USING THE INCREMENTAL BORROWING RATE AT JAN. 1, 2019	*8.4*
+	FINANCE LEASE LIABILITIES RECOGNIZED AS AT DEC. 31, 2018	*2.4*
–	RECOGNITION EXEMPTION FOR LEASES OF LOW-VALUE ASSETS	*0.2*
–	RECOGNITION EXEMPTION FOR LEASES WITH LESS THAN 12 MONTHS OF LEASE TERM AT TRANSITION	*5.5*
+	REASSESSMENT OF EXTENSION OR TERMINATION OPTIONS	*1.2*
+	VARIABLE LEASE PAYMENTS BASED ON AN INDEX	*0.4*
–	CONTRACTS COMMITTED AS OF DEC. 31, 2018 WITH START DATE AFTER JAN. 1, 2019	*9.9*
	LEASE LIABILITIES RECOGNIZED AT JAN. 1, 2019	**80.4**

b) New standards and interpretations that have not yet been applied

The following new standards and amendments to standards are effective for annual periods beginning on or after January 1, 2020. The Group has not adopted any of the new or amended standards early in preparing these consolidated financial statements.

STANDARD	**APPLICATION DATE**	**IMPACTS**
IFRS 17: INSURANCE CONTRACTS	*JANUARY 1, 2021*	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENTS TO REFERENCES TO THE CONCEPTUAL FRAMEWORK IN IFRS STANDARDS	*JANUARY 1, 2020*	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENT TO IFRS 3 BUSINESS COMBINATIONS	*JANUARY 1, 2020[1]*	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENT TO IAS 1 AND IAS 8: DEFINITION OF MATERIAL	*JANUARY 1, 2020*	*NO SIGNIFICANT EFFECT EXPECTED*
INTEREST RATE BENCHMARK REFORM (AMENDMENTS TO IFRS 9, IAS 39 AND IFRS 7)	*JANUARY 1, 2020[1]*	*NO SIGNIFICANT EFFECT EXPECTED*

[1] NOT YET ENDORSED BY THE EUROPEAN UNION.

D. SCOPE OF CONSOLIDATION

01. Changes in the Group

In the reporting period, the number of consolidated subsidiaries changed as follows:

NUMBER OF CONSOLIDATED SUBSIDIARIES

	2019	2018
JANUARY 1	**125**	**137**
ADDITIONS	*25*	*15*
DISPOSALS (INCLUDING MERGERS AND LIQUIDATIONS)	*17*	*27*
DECEMBER 31	**133**	**125**

The additions to the consolidation scope in 2019 relate to the acquisition of eight entities across the Middle East, Europe and Americas segments (refer to Section D.02.) and foundations.

Disposals in 2019 comprise the sale of the German operations as well as liquidations and mergers following group-internal restructuring measures.

The number of equity-accounted companies changed as set forth in the following table:

NUMBER OF EQUITY-ACCOUNTED COMPANIES

	2019	2018
JANUARY 1	**5**	**2**
ADDITIONS	*2*	*3*
DIVESTITURE/CONSOLIDATION	*2*	*0*
DECEMBER 31	**5**	**5**

In 2019 Delivery Hero acquired 20.2% of the shares in BIO-LUTIONS International AG (“Biolutions”) and 21.8% in NOSH services, Cayman Islands, (“Nosh”), both of which are accounted for at-equity. Biolutions, based in Hamburg, Germany, produces packaging materials from agricultural wastes at competitive prices and a minimum carbon footprint. Nosh is a B2B and B2C virtual cafeteria and food retail company operating in Hong Kong.

Delivery Hero divested its stake in RP Polska in February 2019. After a reorganization of the Sweetheart Kitchen operations in the context of the disposal of the Group’s German business accompanied by an additional funding by Delivery Hero, the Sweetheart Kitchen Operations GmbH was no longer accounted for at equity but included as a subsidiary in the scope of consolidation effective March 2019. The assessment takes into account all facts and circumstances, including the investee’s dependence on funding from Delivery Hero for their operations.

02. Acquisitions

During the year 2019, the Group acquired the food delivery business of Zomato Media Private Ltd. (“Zomato”) in the United Arab Emirates (“Zomato UAE”), RestaurangOnline Sverige AB, Sweden, and its subsidiary Hungry Delivery AB – together referred to as “Hungrig Group”, AA Foody Cyprus Ltd., Cyprus (“Foody”), and Movil Media SRL, Dominican Republic (“Delivery RD”), which are presented in further detail below:

a) Zomato

As at February 28, 2019, the Group acquired Zomato’s food delivery business in the United Arab Emirates via an asset purchase agreement. Zomato is a restaurant review, restaurant discovery, food delivery and dining out transactions platform. Zomato UAE offers both vendor and own delivery services to end customers through its platform.

Through this acquisition, Delivery Hero intends to further solidify its market position in UAE. The total consideration for the acquisition is € 187.4 million. It includes a deferred consideration of € 30.8 million, payable one year after the acquisition date, and a contingent consideration of maximum € 38.7 million, which depends on the future performance of the business. The fair value of the deferred and contingent consideration is € 67.2 million.

EUR MILLION	FAIR VALUES AT DATE OF ACQUISITION
INTANGIBLE ASSETS	*3.8*
NET ASSETS	**3.8**
CONSIDERATION TRANSFERRED	**187.4**
GOODWILL	**183.6**

Due to the unique characteristics of this acquisition structure, the initial accounting for this business combination is incomplete as at December 31, 2019, in respect to the measurement of intangible assets. Therefore, the reported amounts are provisional pursuant to IFRS 3.45.

Identified customer relationships have been measured pursuant to IFRS 3. None of the intangible assets have an indefinite useful life. Goodwill, which consists primarily of not separable components such as positive business prospects and employee know-how, is not deductible for tax purposes.

Since its first inclusion Zomato UAE has contributed € 27.1 million towards Group's revenues and a net profit of € 4.1 million.

If Zomato UAE had been consolidated as of January 1, 2019, it would have contributed € 32.5 million to revenue and a net income of € 4.9 million to net profit.

b) Others

As at April 30, 2019, Delivery Hero Group acquired Hungrig Group, a food delivery platform based in Sweden. The entity operates a mixed food delivery model – offering vendor as well as own delivery services to end customers. The acquisition of 100% of the shares in Hungrig Group represents a strategic investment in the Swedish market. The shares acquired are representative of the voting rights.

As at July 1, 2019, Delivery Hero Group acquired 100% of Foody, a leading food delivery platform based in Cyprus. The entity operates food delivery marketplace offering vendor delivery services to end customers.

As at July 1, 2019, Delivery Hero Group acquired 100% of Delivery RD, a leading food delivery platform based in the Dominican Republic. The entity operates under a mixed model offering majorly own delivery services and some vendor delivery services to end customers.

The fair value of total consideration for the other acquisitions in 2019 is € 22.0 million, which includes contingent considerations of € 8.0 million. The contingent consideration depends on the future performance of the businesses; the maximum amount of the contingency is € 8.0 million. In connection with these business combinations, no significant transaction costs incurred. The other acquisitions represent strategic investments into the respective markets.

The total consideration for the other acquisitions is allocated between the recognized assets and assumed liabilities as follows based on provisional accounting in accordance with IFRS 3.45:

EUR MILLION	FAIR VALUES AT DATE OF ACQUISITION
INTANGIBLE ASSETS	*5.2*
PROPERTY, PLANT AND EQUIPMENT	*0.5*
TRADE AND OTHER RECEIVABLES	*0.1*
OTHER ASSETS	*0.2*
CASH AND CASH EQUIVALENTS	*1.5*
PROVISIONS AND LIABILITIES	*−0.7*
TRADE PAYABLES	*−1.4*
DEFERRED TAX LIABILITIES	*−0.9*
NET ASSETS	**4.5**
CONSIDERATION TRANSFERRED	**22.0**
GOODWILL	**17.5**

None of the intangible assets have an indefinite useful life.

Goodwill, which consists primarily of not separable components such as positive business prospects and employee know-how, is not deductible for tax purposes.

Combined trade receivables from third parties with a gross value of € 0.1 million were acquired and are assessed as being fully recoverable.

Since their first inclusion, the acquired entities have contributed € 8.8 million towards Group's revenues and a net loss of € 3.7 million.

If the acquisitions had been consolidated as of January 1, 2019 the entities would have contributed € 14.9 million to revenue and a net loss of € 6.7 million.

Planned transaction with Woowa Brothers Corp., South Korea ("Woowa")

On December 13, 2019, Delivery Hero entered into an agreement with Woowa to acquire approx. 88% of the shares in Woowa for a consideration of approx. USD 4.0 billion. The consideration will consist of approx. USD 1.9 billion in cash and approx. USD 2.1 billion in new shares of Delivery Hero.

For purposes of the transaction, the Management Board of Delivery Hero, with the approval of the Supervisory Board of Delivery Hero, has resolved on a capital increase by way of contribution-in-kind from authorized capital under the exclusion of subscription rights to issue new shares in Delivery Hero at the minimum issue price of € 1.00 to fully cover any shares to be potentially required to be issued in connection with the transaction.

To finance the transaction, on January 16, 2020 Delivery Hero placed a senior, unsecured convertible bond in a principal amount of € 1.75 billion and has increased its share capital through the exercise of authorized capital leading to gross proceeds from the capital increase of approx. € 571 million (refer to section I. (Subsequent events) for further information). In order to hedge against the exchange rate risk associated with the cash consideration of the planned transaction with Woowa, Delivery Hero entered into an EUR/USD foreign currency option as of December 13, 2019, that is dependent on closing of the transaction (deal-contingent option) with a nominal value of € 2.5 billion (see note H.02.).

The closing of the transaction is subject to certain conditions such as financing of the cash consideration and regulatory approvals, including merger control clearance by the Korean Fair Trade Commission, and expected to occur in the second half of 2020.

c) Acquisitions in the previous year

During the year 2018, the Group acquired Deliveras S.A., Greece (“Deliveras”), EURÓ Magyarország Kft., Hungary (“Pizza.hu”), Cloud Treats Romania S.A (“HipMenu” and “HipDelivery”) and Motwer SA (“Alan”). During the year, the Group also had some smaller asset deals in Americas where it acquired Netcomidas.com in Bolivia and MegaBite in Ecuador, both online food delivery platforms.

The provisional accounting for the acquisition in accordance with IFRS 3.45 as of that date remained unchanged as presented below:

EUR MILLION	FAIR VALUES AT DATE OF ACQUISITION
INTANGIBLE ASSETS	10.5
PROPERTY, PLANT AND EQUIPMENT	0.1
TRADE AND OTHER RECEIVABLES	0.5
CASH AND CASH EQUIVALENTS	0.5
PROVISIONS AND LIABILITIES	−0.5
TRADE PAYABLES	−1.2
DEFERRED TAX LIABILITIES	−0.8
NET ASSETS	**9.1**
CONSIDERATION TRANSFERRED	**26.8**
GOODWILL	**17.7**

03. Disclosures on participations pursuant to IFRS 12

a) Subsidiaries

On December 31, 2019 DH Group had 133 fully consolidated subsidiaries.

Refer to Section H.10. for a complete list of the Group’s subsidiaries.

b) NCI

As of December 31, 2019, the Group has material NCI (37%) in its Hungerstation subsidiary (Kingdom of Saudi Arabia (KSA)). In the context of the disposal of the German business activities the Group restructured its joint venture with Sweetheart Kitchen in March 2019. Following an additional investment in Sweetheart Kitchen, Dubai, in 2019, the entity is consolidated with a remaining material NCI (40%) as at December 31, 2019.

The following tables provide summarized financial information before intragroup elimination for Hungerstation:

SUMMARIZED STATEMENT OF FINANCIAL POSITION OF HUNGERSTATION

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
CURRENT		
ASSETS	45.3	10.8
LIABILITIES	55.3	25.1
CURRENT NET DEBT	−10.0	−14.3
NON-CURRENT		
ASSETS	127.7	122.6
LIABILITIES	3.6	0.8
NON-CURRENT NET ASSETS	124.1	121.8
TOTAL NET ASSETS	**114.1**	**107.5**

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME OF HUNGERSTATION

EUR MILLION	2019	2018
REVENUE	242.7	81.4
EARNINGS BEFORE INCOME TAXES	5.7	−8.3
INCOME TAXES	1.2	−2.0
EARNINGS AFTER TAXES	6.9	−10.3
OTHER COMPREHENSIVE INCOME	1.7	4.7
TOTAL COMPREHENSIVE INCOME	**8.6**	**−5.6**
COMPREHENSIVE INCOME/LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	3.2	−2.1

SUMMARIZED STATEMENT OF CASH FLOWS OF HUNGERSTATION

EUR MILLION	2019	2018
NET CASH FLOWS FROM OPERATING ACTIVITIES	36.4	1.0
NET CASH FLOWS FROM INVESTING ACTIVITIES	–1.2	–1.4
NET CASH FLOWS FROM FINANCING ACTIVITIES	1.5	–0.1
NET CHANGE IN CASH AND CASH EQUIVALENTS	36.7	–0.5
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	2.8	3.3
EFFECT OF EXCHANGE RATE MOVEMENTS IN CASH AND CASH EQUIVALENTS	–0.2	0.0
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**39.3**	**2.8**

Accumulated non-controlling interests of Hungerstation amounts to € 2.1 million as of December 31, 2019 (December 31, 2018: € –1.1 million).

The following tables provide summarized financial information before intragroup elimination for Sweetheart Kitchen:

SUMMARIZED STATEMENT OF FINANCIAL POSITION OF SWEETHEART KITCHEN, DUBAI

EUR MILLION	2019
CURRENT	
ASSETS	12.9
LIABILITIES	9.5
CURRENT NET ASSETS	3.4
NON-CURRENT	
ASSETS	7.7
LIABILITIES	15.8
NON-CURRENT NET DEBT	–8.1
TOTAL NET DEBT	**–4.7**

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME OF SWEETHEART KITCHEN, DUBAI

EUR MILLION	2019
REVENUE	0.4
EARNINGS BEFORE INCOME TAXES	4.9
INCOME TAXES	–
EARNINGS AFTER TAXES	4.9
OTHER COMPREHENSIVE INCOME	–
TOTAL COMPREHENSIVE INCOME	**4.9**
COMPREHENSIVE LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	–3.5

SUMMARIZED STATEMENT OF CASH FLOWS OF SWEETHEART KITCHEN, DUBAI

EUR MILLION	2019
NET CASH FLOWS FROM OPERATING ACTIVITIES	–11.9
NET CASH FLOWS FROM INVESTING ACTIVITIES	–3.3
NET CASH FLOWS FROM FINANCING ACTIVITIES	25.9
NET CHANGE IN CASH AND CASH EQUIVALENTS	10.7
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	–
EFFECT OF EXCHANGE RATE MOVEMENTS IN CASH AND CASH EQUIVALENTS	–0.1
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**10.6**

Accumulated non-controlling interests of Sweetheart Kitchen, Dubai amounts to € –3.5 million as of December 31, 2019 (December 31, 2018: n/a).

c) Associated companies

As of December 31, 2019, DH Group has interest in five associates, two of which are material (2018: two material) to the Group. Both associates are accounted for under the equity method and are presented below:

1. Rappi

During the year 2018, DH Group invested € 138.1 million ($ 163.9 million) for a minority stake of 19.5% in Rappi, a Delaware, USA-based corporation. Rappi is the parent company of a leading on-demand and multi-vertical delivery service platform in Latin America providing restaurant, grocery and other delivery services. As result of a financing round in September 2019 Delivery Hero's share in Rappi was diluted to 14.0%.

The Group has determined that it exercises significant influence due to meaningful representation on the board of directors of the investee and accordingly applies the equity method of accounting.

Below is the summarized financial information for Rappi based on financial information in accordance with US GAAP, adjusted for fair value adjustments at acquisition and differences in accounting policies.

SUMMARIZED STATEMENT OF FINANCIAL POSITION OF RAPPI:

EUR MILLION	**2019**	2018
PERCENTAGE OWNERSHIP INTEREST	**14.0%**	**19.5%**
NON-CURRENT ASSETS	*397.5*	*376.2*
CURRENT ASSETS	*518.7*	*220.5*
NON-CURRENT LIABILITIES	*–7.5*	*–7.9*
CURRENT LIABILITIES	*–95.9*	*–25.8*
NET ASSETS (100%)	*812.8*	*563.0*
GROUP'S SHARE OF NET ASSETS (14.0%)	*113.5*	*109.8*
CARRYING AMOUNT OF INTEREST IN ASSOCIATE	*113.5*	*109.8*
REVENUE (100%)	*162.4*	*46.6*
PROFIT FROM CONTINUING OPERATIONS (100%)	*–419.0*	*–138.0*
OTHER COMPREHENSIVE INCOME (100%)	*–1.0*	*–4.1*
TOTAL COMPREHENSIVE INCOME (100%)	*–420.0*	*–142.1*
TOTAL COMPREHENSIVE INCOME (14.0%)	*–73.1*	*–28.3*
GROUP'S SHARE OF TOTAL COMPREHENSIVE INCOME (14.0%)[1]	–73.1	*–28.3*

[1] DURING THE YEAR 2019, DH GROUPS SHARE IN RAPPI FLUCTUATED DUE TO ADDITIONAL FUNDING ROUNDS. THE REPORTED SHARE OF 14.0% IS AS AT YEAR END. THE WEIGHTED AVERAGE SHARE FOR THE ENTIRE YEAR WAS 17.4% (PREVIOUS YEAR: REPORTED SHARE OF 19.5% AT YEAR END AND WEIGHTED AVERAGE SHARE FOR THE ENTIRE YEAR WAS 19.9%).

2. Glovo

In 2018, DH Group invested € 51.2 million for a minority stake of 15.0% in Glovo, a limited liability company registered in Barcelona, Spain. Glovo is a leading on-demand and multi-vertical delivery service platform providing restaurant, grocery and other delivery services, operating majorly across Europe and Latin America. The overall holding was increased during 2018 to 16% within a transaction to sell the operations in Italy to Glovo in lieu of shares.

During 2019, Delivery Hero participated in two further funding rounds of the Glovo group and invested in total € 19.1 million resulting in a total stake of 12.7% after dilution effects as of December 31, 2019. The Group has determined that it exercises, as the investees' largest shareholders, significant influence due to meaningful representation on the board of directors of the investee and, accordingly, applies the equity method of accounting.

Below is the summarized financial information for Glovo based on its consolidated financial statements prepared in accordance with IFRS, adjusted for fair value adjustments at acquisition and differences in accounting policies.

SUMMARIZED STATEMENT OF FINANCIAL POSITION OF GLOVO:

EUR MILLION	2019	2018
PERCENTAGE OWNERSHIP INTEREST	**12.7%**	**16.0%**
NON-CURRENT ASSETS	*296.5*	*254.9*
CURRENT ASSETS	*115.0*	*81.5*
NON-CURRENT LIABILITIES	*−178.5*	*−13.3*
CURRENT LIABILITIES	*−126.1*	*−39.5*
NET ASSETS (100%)	*106.9*	*283.6*
GROUP'S SHARE OF NET ASSETS (12.7%)[1]	*15.0*	*45.4*
CARRYING AMOUNT OF INTEREST IN ASSOCIATE	*15.0*	*45.4*
REVENUE (100%)	*216.6*	*75.2*
PROFIT FROM CONTINUING OPERATIONS (100%)	*−188.9*	*−90.4*
OTHER COMPREHENSIVE INCOME (100%)	–	*1.8*
TOTAL COMPREHENSIVE INCOME (100%)	*−188.9*	*−88.6*
ADJUSTED TOTAL COMPREHENSIVE INCOME FOR INVESTMENT PERIOD (100%)	*−188.9*	*−61.7*
GROUP'S SHARE OF TOTAL COMPREHENSIVE INCOME (12.7%)[1]	−26.5	*−9.8*

[1] DURING THE YEAR 2019, DH GROUPS SHARE IN GLOVO SLIGHTLY FLUCTUATED THROUGHOUT THE YEAR DUE TO MULTIPLE FUNDING ROUNDS. THE REPORTED SHARE OF 12.7% IS AS AT YEAR END. THE WEIGHTED AVERAGE SHARE FOR THE ENTIRE YEAR WAS 14.0%.

Individually immaterial associates

The table below includes in aggregate financial information of individually immaterial associates and joint ventures:

EUR MILLION	2019	2018
CARRYING AMOUNT OF INTERESTS	*6.3*	*6.0*
SHARE OF PROFIT/LOSS ATTRIBUTABLE TO DH GROUP	*0.3*	*0.1*
OTHER COMPREHENSIVE INCOME	–	–

During the year 2018, Sweetheart Kitchen GmbH and RP Polska were presented as individually immaterial joint ventures. The carrying amount of interests in these was € 1.1 million as at December 31, 2018 and the share of losses attributable to the Group in 2018 was € 2.9 million. During 2019, the joint venture share in RP Polska was disposed of. As Delivery Hero gained control over Sweetheart Kitchen GmbH it is fully consolidated as a subsidiary.

d) Discontinued operations

On April 1, 2019, Delivery Hero closed the sale of its German food delivery operations. The businesses comprising Lieferheld, Pizza.de and foodora were sold to Takeaway.com N.V. ("Takeaway.com") in exchange for cash and an equity stake in Takeaway.com.

The total consideration amounted to (i) 5.7 million ordinary shares in Takeaway.com, (ii) 3.8 million warrants convertible into ordinary shares of Takeaway.com at zero cost and (iii) € 508 million of cash, including the cash position of the transferred entities. Measured at market values at the closing date the consideration amounted to € 1.2 billion.

The warrants were exercised and converted into ordinary shares of Takeaway.com in May 2019.

The disposal gain from this divestment contributed € 930.1 million to the net income from discontinued operation of € 920.2 million in 2019.

In 2018 the sale of the hungryhouse group was closed. The gain from the divestment of € 261.3 million was included in the net income from discontinued operations in 2018.

Subsequently presented is the summarized information of the net assets, financial position and result from discontinued operations.

PROFIT OR LOSS FROM THE DISCONTINUED OPERATION

EUR MILLION	2019	2018
REVENUE	26.1	106.2
CONSOLIDATION OF INTRAGROUP REVENUE	–	–6.0
EXTERNAL REVENUE	**26.1**	**100.2**
EXPENSES	–34.5	–172.4
INCOME, INCLUDING DISPOSAL GAIN	931.9	261.7
CONSOLIDATION OF INTRAGROUP EXPENSES	–	32.4
EXTERNAL EXPENSES/INCOME	**897.4**	**121.7**
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS	**923.5**	**221.9**
INCOME TAXES	–3,4	12.9
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS AFTER TAXES	**920.2**	**234.8**

CASH FLOWS FROM THE DISCONTINUED OPERATION

EUR MILLION	2019	2018
NET CASH FLOW FROM OPERATING ACTIVITIES	–11.8	–46.1
NET CASH FLOW FROM INVESTING ACTIVITIES	486.4	–1.9
NET CASH FLOW FROM FINANCING ACTIVITIES	1.1	100.1
NET CASH FLOW FOR THE YEAR	**475.7**	**52.1**

The OCI (net) did not include foreign currency translation gains or losses from discontinued operations.

As of December 31, 2019 no assets and liabilities are included in a disposal group.

ASSETS AND LIABILITIES OF THE DISPOSAL GROUP AS OF DECEMBER 31, 2018 (GERMAN OPERATIONS)

EUR MILLION	DEC. 31, 2018
INTANGIBLE ASSETS	269.5
PROPERTY, PLANT AND EQUIPMENT	0.2
DEFERRED TAX ASSETS	6.5
INVENTORIES	0.7
TRADE AND OTHER RECEIVABLES	13.7
OTHER CURRENT ASSETS	0.4
CASH AND CASH EQUIVALENTS	75.8
ASSETS HELD FOR SALE	**366.8**
OTHER LIABILITIES	0.0
DEFERRED TAX LIABILITIES	21.3
OTHER CURRENT PROVISIONS	5.8
TRADE AND OTHER PAYABLES	43.6
OTHER NON-FINANCIAL LIABILITIES	4.1
INCOME TAX LIABILITIES	0.0
LIABILITIES HELD FOR SALE	**74.8**

E. OPERATING SEGMENTS

01. Segmentation principles

The Management Board of the Company represents the Group’s chief operating decision maker (CODM). In line with the management approach, the operating segments are identified on the basis of the internal reporting structure. Internal reporting is the basis for the allocation of resources and the evaluation of the performance of the operating segments by the Management Board.

The Group’s business activity is segmented according to geographical attributes. There is separate internal reporting to the Management Board for the Europe, MENA, Asia and Americas regions. Turkey is assigned to the MENA segment and Canada to the Americas segment. The Group offers food ordering and delivery services with a different configuration of platform-based marketplace offers and delivery services depending on the respective markets. The regional range of services is determined partly by demand, infrastructure, demographic circumstances and the competitive situation.

The profitability of the operating segments is measured on the basis of adjusted EBITDA. Adjusted EBITDA is the earnings from continuing operations before income taxes, financial result, depreciation and amortization and non-operating earnings effects. Non-operating earnings effects comprise, in particular (i) expenses for share-based payment, (ii) expenses for services in connection with corporate transactions and financing rounds, (iii) expenses for reorganization measures, (iv) expenses for the implementation of information technology and (v) other non-operating expenses and income, especially the result from disposal of tangible and intangible assets, the result from sale and abandonment of subsidiaries, allowances for other receivables and non-income taxes.

The German businesses disposed of in April 2019 and classified as discontinued operations throughout 2019 and 2018 (refer to Section D.03.d) is excluded from the Europe segment performance in 2019. The 2018 segment information is correspondingly adjusted.

From the measurement of the 2018 segment performance excluded are operations of foodora Australia, France, Italy and the Netherlands abandoned or sold during that period.

02. Segment information and reconciliation of segment information

a) Revenue

Sales between segments are conducted at market prices. The revenue with external customers reported to the CODM generally equals the measurement of the revenue recognized in the statement of comprehensive income with exception to the following:

- Discounts and vouchers to users of the platforms that are treated as marketing expenses for reporting to the CODM are deducted from revenue in accordance with IFRS 15 in the statement of comprehensive income
- Revenues from the sale of other on-demand items where Delivery Hero acts as principal (primarily dark store sales) are presented net of merchandise value for segment reporting purposes whereas on gross basis in consolidated group revenue in accordance with IFRS 15

Revenues are split across the segments as follows:

REVENUE

EUR MILLION	2019	ADJUSTED 2018	CHANGE EUR MILLION	CHANGE %
MENA	716.6	316.4	400.2	>100
ASIA	455.5	192.5	263.0	>100
EUROPE	173.2	115.9	57.3	49.4
AMERICAS	110.4	62.1	48.3	77.8
TOTAL SEGMENT REVENUE	**1,455.7**	**686.9**	**768.8**	**>100**
DISCOUNTS	−225.3	−41.0	−184.3	>100
OTHER RECONCILING ITEMS	7.2[1]	19.2[2]	−12.0	−62.5
GROUP REVENUE	**1,237.6**	**665.1**	**572.5**	**86.1**

[1] FOR SEGMENT REPORTING PURPOSES REVENUES FROM OTHER ON-DEMAND ITEMS WHERE DELIVERY HERO ACTS AS PRINCIPAL ARE PRESENTED NET OF MERCHANDISE VALUE (GROSS PROFIT PRESENTATION).
[2] RECONCILIATION EFFECTS IN 2018 INCLUDE GROSS REVENUE (BEFORE VOUCHER DEDUCTION) OF OPERATIONS ABANDONED OR SOLD DURING THE REPORTING PERIOD THAT ARE NOT IN THE SCOPE OF IFRS 5. IN 2018 THESE DIVESTMENTS INCLUDED AUSTRALIA, FRANCE, ITALY AND THE NETHERLANDS.

b) Adjusted EBITDA

EUR MILLION	2019	ADJUSTED 2018	CHANGE EUR MILLION	CHANGE %
MENA	43.3	18.1	25.2	>100
ASIA	−312.2	−51.9	−260.3	>100
EUROPE	−19.0	−15.4	−3.6	23.4
AMERICAS	−143.0	−50.9	−92.1	>100
ADJUSTED EBITDA OF THE SEGMENTS	**−430.9**	**−100.2**	**−330.7**	**>100**
CONSOLIDATION ADJUSTMENTS	−6.3	−12.3	6.0	−48.7
ITEMS EXCLUDED FROM SEGMENT PERFORMANCE	−22.0	−20.0	−2.0	10.0
MANAGEMENT ADJUSTMENTS	−49.0	−44.1	−4.9	11.1
EXPENSES FOR SHARE-BASED COMPENSATION	−44.8	−17.2	−27.6	>100
OTHER RECONCILING ITEMS	2.3	−0.2	2.5	>100
AMORTIZATION AND DEPRECIATION	−97.2	−47.7	−49.5	>100
FINANCIAL RESULT	−15.5	−17.1	1.6	−9.3
EARNINGS BEFORE INCOME TAXES	**−663.4**	**−258.8**	**−404.6**	**>100**

Consolidation adjustments substantially relate to the elimination of transactions with discontinued operations.

Items excluded from segment performance of € 22.0 million in 2019 relate to expenses for operations, which were divested in 2018 (previous year € 20.0 million). Management adjustments include (i) expenses for services related to corporate transactions of € 34.8 million (previous year: € 40.1 million), thereof € 13.3 million expenses recognized for earn-out liabilities in connection with acquisitions of current and previous years (previous year: € 30.1 million) and expenses for reorganization measures of € 14.3 million (previous year: € 3.9 million), which include in 2019 in particular expenses for legal consulting in connection with the reorganization of the management structure of Hungerstation.

Other reconciling items include non-operating income and expenses. In 2019, this item included in particular gains from the settlement of warranty claims related to the acquisition of the foodpanda group of € 9.6 million, losses on the disposal or discontinuation of business activities of € 2.0 million as well as non-income-tax expenses of € 4.3 million (previous year: € 5.5 million).

03. Information about geographical areas

The tables below show the revenue and non-current assets for material countries in the Group[1]. The geographical allocation of the revenue and assets is based on the domicile of each subsidiary.

a) Revenue

EUR MILLION	2019	2018
SAUDI ARABIA	260.4	92.3
KUWAIT	161.9	99.5
KOREA	94.8	94.4
OTHER COUNTRIES	720.5	378.9
SUBTOTAL CONTINUING OPERATIONS	**1,237.6**	665.1
GERMANY	26.1	96.8
UNITED KINGDOM	–	3.4
TOTAL	**1,263.7**	**765.3**

b) Non-current assets

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
TURKEY	248.8	256.1
UNITED ARAB EMIRATES	221.5	23.1
KUWAIT	212.8	195.8
GERMANY	140.3	188.8
SAUDI ARABIA	133.4	127.7
OTHER COUNTRIES	370.7	287.8
TOTAL	**1,327.5**	**1,079.4**

Non-current assets do not include financial instruments, deferred tax assets or assets for employee benefits.

F. DISCLOSURES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

01. Intangible assets

a) Reconciliation of carrying amount

Intangible assets increased by € 168.7 million in the current year. This change is primarily due to goodwill additions of € 201.1 million mainly from the acquisition of Zomato UAE (refer to Section D.02.). Contrary the carrying value of brands of € 26.4 million decreased due to amortization (€ 15.3 million), FX effects of € 12.4 million and other minor effects of € –1.3 million.

Goodwill is not subject to amortization.

The useful life of both, brands and customer and supplier relationships, identified as part of the acquisitions, is between three and four years. The remaining useful life of the other brands may extend from one to twenty years; that of the other customer and supplier relationships ranges between one and nine years.

Amortization of intangible assets is recognized in administrative expenses, except for amortization of brands, which is reflected in marketing expenses.

[1] A country is considered material if representative of >10% of respective performance metric, at minimum three largest countries, respectively.

Movements in intangible assets:

EUR MILLION	GOODWILL	LICENSES AND SIMILAR RIGHTS	TRADEMARKS	SOFTWARE	INTERNALLY GENERATED INTANGIBLE ASSETS	CUSTOMER/ SUPPLIER BASE AND OTHER INTANGIBLE ASSETS	TOTAL
COST							
AS OF JAN. 1, 2019	**593.5**	**11.6**	**231.3**	**33.1**	**11.4**	**124.2**	**1,005.1**
ADDITIONS THROUGH BUSINESS COMBINATIONS	201.1	–	1.3	–	–	7.7	210.2
DISPOSALS DUE TO DECONSOLIDATION	–9.6	0.0	–	–0.7	–0.2	0.0	–10.6
ADDITIONS	0.0	4.8	–	2.6	12.9	5.6	25.9
RECLASSIFICATIONS	–	–7.1	–0.1	6.8	0.8	–0.4	0.0
DISPOSALS	0.0	0.0	0.0	–0.8	–0.9	–0.1	–1.9
TRANSLATION DIFFERENCES	–3.4	–0.6	–15.1	–0.6	–0.6	–4.6	–24.8
AS OF DEC. 31, 2019	**781.6**	**8.7**	**217.3**	**40.4**	**23.3**	**132.2**	**1,203.2**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES							
AS OF JAN. 1, 2019	**–23.1**	**–5.0**	**–43.6**	**–11.3**	**–6.5**	**–37.6**	**–127.1**
ADDITIONS THROUGH BUSINESS COMBINATIONS	0.0	–	–	–	–	–	0.0
DISPOSALS DUE TO DECONSOLIDATION	9.6	0.0	–	0.7	0.0	0.0	10.4
AMORTIZATION	0.0	–1.0	–15.3	–9.0	–4.1	–12.1	–41.5
IMPAIRMENT LOSSES	–1.9	–0.1	–	0.0	–	–2.1	–4.1
RECLASSIFICATIONS	–	1.9	–	–2.1	–0.3	0.6	0.0
DISPOSALS	–	0.0	–	0.6	0.3	–	0.9
TRANSLATION DIFFERENCES	0.3	0.1	2.7	0.1	0.2	0.8	4.2
AS OF DEC. 31, 2019	**–15.1**	**–4.1**	**–56.0**	**–21.1**	**–10.5**	**–50.4**	**–156.6**
CARRYING AMOUNT AS OF DEC. 31, 2019	**766.6**	**4.6**	**161.3**	**19.4**	**12.9**	**81.9**	**1,046.6**
CARRYING AMOUNT AS OF JAN. 1, 2019	**570.4**	**6.7**	**187.7**	**21.8**	**4.8**	**86.5**	**878.0**

EUR MILLION	GOODWILL	LICENSES AND SIMILAR RIGHTS	TRADEMARKS	SOFTWARE	INTERNALLY GENERATED INTANGIBLE ASSETS	CUSTOMER/ SUPPLIER BASE AND OTHER INTANGIBLE ASSETS	TOTAL
COST							
AS OF JAN. 1, 2018	**733.0**	**5.1**	**426.5**	**18.4**	**8.5**	**168.9**	**1,360.3**
ADDITIONS THROUGH BUSINESS COMBINATIONS	17.7	0.0	0.6	6.9	0.0	3.0	28.2
DISPOSALS DUE TO DECONSOLIDATION	−6.2	0.0	−2.4	−0.9	−0.4	−0.2	−10.0
ADDITIONS	2.9	0.5	0.7	9.1	5.1	5.7	24.0
RECLASSIFICATIONS	−128.9	6.7	−137.2	0.3	−0.7	−53.3	−313.1
DISPOSALS	−0.2	−0.4	−0.2	−0.1	−0.1	−0.1	−1.1
TRANSLATION DIFFERENCES	−24.8	−0.2	−56.8	−0.6	−0.9	0.1	−83.2
AS OF DEC. 31, 2018	**593.5**	**11.6**	**231.3**	**33.1**	**11.4**	**124.2**	**1,005.1**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES							
AS OF JAN. 1, 2018	**−19.5**	**−3.6**	**−58.8**	**−9.0**	**−3.8**	**−42.9**	**−137.7**
DISPOSALS DUE TO DECONSOLIDATION	0.5	0.0	2.2	0.9	0.0	0.1	3.6
AMORTIZATION	0.0	−0.2	−14.5	−3.3	−3.1	−12.6	−33.6
IMPAIRMENT LOSSES	−4.3	–	−0.2	−0.2	0.0	0.0	−4.7
RECLASSIFICATIONS	–	−1.5	20.7	0.0	0.1	16.5	35.8
DISPOSALS	0.2	0.4	0.1	0.0	–	0.0	0.7
TRANSLATION DIFFERENCES	0.0	−0.1	6.9	0.4	0.3	1.2	8.7
AS OF DEC. 31, 2018	**−23.1**	**−5.0**	**−43.6**	**−11.3**	**−6.5**	**−37.6**	**−127.1**
CARRYING AMOUNT AS OF DEC. 31, 2018	**570.4**	**6.7**	**187.7**	**21.8**	**4.9**	**86.5**	**878.0**
CARRYING AMOUNT AS OF JAN. 1, 2018	**713.5**	**1.4**	**367.7**	**9.4**	**4.7**	**126.0**	**1,222.7**

b) Breakdown of goodwill

At December 31, 2019 and 2018, the goodwill, net of impairment losses is allocated as follows:

EUR MILLION	2019	2018
TALABAT GROUP	250.7	59.0
HUNGERSTATION GROUP	115.1	112.5
YEMEK SEPETI GROUP	92.1	101.5
NORDICS GROUP	61.1	44.9
SUBTOTAL	**519.0**	**317.9**
GOODWILL OF OTHER CGUS	247.6	252.5
TOTAL	**766.6**	**570.4**

Goodwill of the Talabat Group and Nordics Group has increased as of December 31, 2019 compared to the previous year due to the acquisition of Zomato UAE and the Hungrig Group, respectively.

Goodwill of the CGU Yemek Sepeti group declined as of December 31, 2019 compared with the previous year as a result of foreign currency translation movements.

In 2019, goodwill impairment losses of € 2.0 million relate to the cutback of business activities in selected markets (2018: € 4.3 million). The impairment losses were recorded within other operating expenses. In course of the 2019 annual impairment test, the recoverable amount of all CGUs exceeded their carrying amount.

The fair value less costs of disposal of the CGUs (categorized as level 3 of the fair value hierarchy) was calculated by applying the discounted cash flow method. The basis for determining the expected future cash flow is a detailed planning period of five years for each CGU. For perpetuity, the expected future cash flows (before interest and taxes) of each CGUs were determined under consideration of CGU-specific revenue growth and EBITDA growth assumptions.

The following table shows the key planning assumptions in 2019:

CGU 2019

%	YEMEK SEPETI GROUP	HUNGER-STATION GROUP	TALABAT GROUP	NORDICS GROUP	OTHER GOODWILL
REVENUE GROWTH P.A. IN PLANNING PERIOD (CAGR)	26.6	9.5	31.2	17.2	32.2
AVERAGE EBITDA MARGIN IN PLANNING PERIOD	33.0	15.1	17.2	7.1	1.8
TERMINAL VALUE REVENUE GROWTH	12.1	−0.2	0.7	0.0	1.0
EBITDA MARGIN AFTER END OF PLANNING PERIOD	41.4	15.0	25.0	25.0	23.6
AVERAGE DISCOUNT RATE IN PLANNING PERIOD/WACC	23.7	8.3	10.2	7.9	10.8
AGE OF COMPANY (YEARS)	18	5	8	9	10

The following table shows the key planning assumptions in 2018:

CGU 2018

%	YEMEK SEPETI GROUP	HUNGER-STATION GROUP	TALABAT GROUP	NORDICS GROUP	OTHER GOODWILL
REVENUE GROWTH P.A. IN PLANNING PERIOD (CAGR)	18.5	15.1	18.4	16.6	28.2
AVERAGE EBITDA MARGIN IN PLANNING PERIOD	45.5	15.7	18.7	11.3	0.5
TERMINAL VALUE REVENUE GROWTH	13.3	1.3	1.9	0.9	2.0
EBITDA MARGIN AFTER END OF PLANNING PERIOD	50.0	20.0	35.0	30.0	27.5
AVERAGE DISCOUNT RATE IN PLANNING PERIOD/WACC	22.3	8.4	9.3	7.5	10.5
AGE OF COMPANY (YEARS)	17	4	7	8	9

The planning process for each CGU is based on a structured bottom-up approach that is carried out once a year. The overall process is directed by central management via top-down target-setting in the form of country-/company-specific KPIs. The respective local management then prepares the business plan and adjusts it in an iterative process together with central management.

Local management teams use cohort models for revenue planning. The cohort models analyze the past order behavior of (local) end customers and apply statistical methods to forecast the future behavior of existing end customers. Future revenue from new end customers is derived from the planned marketing expenses and the development of estimated acquisition costs per new end customer. The main assumptions for the cohort models include the customer retention/reorder rate, customer activity rate, average order size and commission rates.

The equity component of 2019 WACC is based on a uniform risk-free base rate of 0.10% for the euro area (previous year: 1.25%) and a CGU-specific risk premium between 8.1% and 18.5% (previous year: 7.7% to 16.9%). The risk premium mainly contains adjustment components for inflation and country risk as well as market risk and CGU-specific premiums. Additionally, CGU-specific risk premiums are applied to the free cash flows, which depend on the age of the CGU and decline towards maturity. Further, an entity-specific risk factor (beta factor) of 1.00 (previous year: 0.95) is used across all CGUs. Tax rates of between 0% and 35% are applied dependent on the CGU/country. In line with the first time application of IFRS 16 a market-based debt ratio and interest rate is included in the WACC.

As part of the annual impairment testing in 2019, a sensitivity analysis was conducted. In each scenario, an increase of the base rate by 100 basis points (bps) and an absolute reduction of the planned EBITDA margin by five percentage points were assumed. None of these scenarios triggered impairment in any CGU.

02. Property, plant and equipment

Movements in property, plant and equipment:

EUR MILLION	BUILDINGS AND LEASEHOLD IMPROVEMENTS	OPERATING AND OFFICE EQUIPMENT	ADVANCE PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT	TOTAL
COST				
AS OF JAN. 1, 2019	**12.5**	**44.1**	**1.1**	**57.7**
ADDITIONS THROUGH BUSINESS COMBINATIONS	0.6	1.0	–	1.6
DISPOSALS DUE TO DECONSOLIDATION	–2.4	–0.9	0.0	–3.3
ADDITIONS	129.1	79.0	7.2	215.3
RECLASSIFICATIONS	2.0	0.7	–2.7	0.0
DISPOSALS	–0.7	–5.8	0.0	–6.5
TRANSLATION DIFFERENCES	–3.5	–0.9	–0.2	–4.6
AS OF DEC. 31, 2019	**137.6**	**117.1**	**5.4**	**260.1**
ACCUMULATED DEPRECIATION				
AS OF JAN. 1, 2019	**–1.6**	**–17.3**	**–**	**–18.9**
ADDITIONS THROUGH BUSINESS COMBINATIONS	0.0	–0.2	–	–0.2
DISPOSALS DUE TO DECONSOLIDATION	0.1	0.4	–	0.4
DEPRECIATION	–22.9	–29.4	–	–52.4
IMPAIRMENT LOSSES	–0.1	–0.1	–	–0.2
RECLASSIFICATIONS	0.0	–0.2	–	–0.2
DISPOSALS	0.7	3.4	–	4.1
TRANSLATION DIFFERENCES	0.3	0.3	–	0.6
AS OF DEC. 31, 2019	**–23.6**	**–43.2**	**–**	**–66.8**
CARRYING AMOUNT AS OF DEC. 31, 2019	**114.0**	**74.0**	**5.4**	**193.3**
CARRYING AMOUNT AS OF JAN. 1, 2019	**10.8**	**26.8**	**1.1**	**38.8**

EUR MILLION	LEASEHOLD IMPROVE-MENTS	OPERATING AND OFFICE EQUIPMENT	ADVANCE PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT	TOTAL
COST				
AS OF JAN. 1, 2018	**9.3**	**28.0**	**0.2**	**37.5**
ADDITIONS THROUGH BUSINESS COMBINATIONS	0.0	0.1	–	0.1
DISPOSALS DUE TO DECONSOLIDATION	0.0	–1.7	–	–1.7
ADDITIONS	4.7	23.7	1.9	30.3
RECLASSIFICATIONS	–0.4	–2.6	–1.0	–4.0
DISPOSALS	–0.1	–2.2	0.0	–2.3
TRANSLATION DIFFERENCES	–1.1	–1.2	0.0	–2.3
AS OF DEC. 31, 2018	**12.5**	**44.1**	**1.1**	**57.7**
ACCUMULATED DEPRECIATION				
AS OF JAN. 1, 2018	**–1.7**	**–12.5**	**–**	**–14.2**
ADDITIONS THROUGH BUSINESS COMBINATIONS	–	0.0	–	0.0
DISPOSALS DUE TO DECONSOLIDATION	0.0	1.3	–	1.3
DEPRECIATION	–1.1	–10.2	–	–11.3
IMPAIRMENT LOSSES	0.0	–0.3	–	–0.3
RECLASSIFICATIONS	1.0	2.7	–	3.7
DISPOSALS	0.1	1.4	–	1.5
TRANSLATION DIFFERENCES	0.0	0.3	–	0.4
AS OF DEC. 31, 2018	**–1.6**	**–17.3**	**–**	**–18.9**
CARRYING AMOUNT AS OF DEC. 31, 2018	**10.8**	**26.8**	**1.1**	**38.8**
CARRYING AMOUNT AS OF JAN. 1, 2018	**7.6**	**15.5**	**0.2**	**23.4**

The significant increase of property, plant and equipment is mainly attributable to the first time application of IFRS 16 effective January 1, 2019 (refer to note C.a) Changes in significant accounting policies and note H.09. Lease relations). Buildings classified as right-of-use assets led to an increase of € 116.3 million of buildings and leasehold improvements as of December 31, 2019 compared to the prior year. Further, newly added right-of-use assets contributed € 27.3 million to operating and office equipment as of December 31, 2019.

Operating and office equipment further increased primarily as a result of acquisitions and increased business activities, including the rollout of new verticals. In this context investments in the equipment of dark stores and virtual kitchens were made.

03. Other financial assets

Other financial assets are composed as follows:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
INVESTMENTS	379.1	43.4
DERIVATIVE FINANCIAL INSTRUMENTS	52.1	–
LOANS GRANTED	0.6	2.9
MISCELLANEOUS	5.0	3.5
TOTAL	**437.0**	**49.8**
THEREOF NON-CURRENT	395.2	49.8
THEREOF CURRENT	41.8	–

As of December 31, 2019, investments comprise 3.3 million shares in Takeaway.com that the Group received as part of the consideration for the German operations. The shares are accounted for at fair value through profit and loss in accordance with IFRS 9. As of December 31, 2019, the shares are measured at their fair value of € 82.20 per share (in total € 271.3 million). Further, the investments mainly relate to a minority stake in Zomato Media Private Ltd., India, acquired in 2019 as part of the Zomato acquisition, shares in ANI Technologies Private Limited (ANI), India, holding company of the Ola group and a minority stake in Barogo Co. Ltd., a logistics company in Korea. These investments are recognized at their fair value of € 95.6 million. Further, investments include several convertible loans in the total amount of € 3.4 million as of December 31, 2019.

As of April 4, 2019, Delivery Hero entered into a multi-year agreement in relation to 3.2 million of the total 9.5 million shares in Takeaway.com that were received in connection with the sale of the German operations. As part of the transaction the respective shares were transferred into a custody account and sold by Morgan Stanley at the day of the transaction. Cash proceeds from such transaction in the amount of € 208.0 million were transferred to Delivery Hero. The agreement comprising a combination of several short call and long put positions limits the downside risk of fair value changes of the share while allowing Delivery Hero to participate in part of further share price appreciations. Following the derecognition requirements of IFRS 9, the shares that are subject to the agreement were derecognized as of April 4, 2019. Delivery Hero has the right to repurchase the shares through repayment of the cash proceeds received from the transaction (€ 208.0 million). The agreement represents a continuing involvement in the derecognized financial assets and expires in tranches between October 2021 and September 2022. As of December 31, 2019, net financial assets of € 10.3 million are recognized for derivatives identified within the transaction and included in non-current other financial assets, which represents the maximum exposure to loss as of December 31, 2019. The derivatives are classified as financial instruments measured at fair value through profit or loss.

Current other financial assets as of December 31, 2019 comprise derivative financial instruments and include the deal-contingent option of € 41.8 million that the Group entered into in connection with the planned transaction with Woowa (refer to Section D.02. Acquisitions and H.02. Financial instruments).

04. Trade and other receivables

The following table gives an overview of trade and other receivables:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
RECEIVABLES FROM PAYMENT SERVICE PROVIDER	*67.4*	*30.5*
TRADE RECEIVABLES	*26.5*	*20.6*
PURCHASE PRICE RECEIVABLE	*4.2*	*26.7*
MISCELLANEOUS	*31.3*	*7.3*
TOTAL	**129.3**	**85.1**

The increase in trade and other receivables is mainly due to the organic growth of the Group in 2019. Miscellaneous receivables include € 12.1 million short-term deposits with a maturity >3 months, € 7.9 million security payments made upon the signing of a secondary transaction to acquire additional shares in Glovo and € 7.1 million of given deposits in 2019.

05. Other assets

Other assets are composed as follows:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
ADVANCE PAYMENTS / PREPAID EXPENSES	*23.5*	*19.6*
VALUE-ADDED-TAX RECEIVABLES	*23.1*	*7.1*
MISCELLANEOUS OTHER ASSETS	*20.8*	*28.1*
TOTAL	**67.4**	**54.8**
THEREOF CURRENT	*65.6*	*54.5*
THEREOF NON-CURRENT	*1.8*	*0.3*

As of December 31, 2019, the miscellaneous other assets contain prepayments on services of € 13.1 million (prior year: € 1.4 million).

In the prior year, receivables of € 22.1 million from funds transferred to an escrow agent for the settlement of an earn-out liability in connection with the acquisition of Carriage group were included in miscellaneous other assets. The funds were released in 2019.

06. Deferred income taxes

Deferred tax assets and liabilities as of December 31, 2019 and 2018 are as follows:

	DEC. 31, 2019		DEC. 31, 2018	
EUR MILLION	**ASSETS**	**LIABILITIES**	ASSETS	LIABILITIES
DEFERRED TAXES	30.8	66.5	8.8	50.6
OFFSETTING	−30.4	−30.4	−8.8	−8.8
TOTAL	**0.4**	**36.1**	–	**41.8**

The increase in deferred tax assets and liabilities (before offsetting) results mainly from the recognition of deferred tax assets and liabilities on right-of-use assets and lease liabilities in the course of the first time adoption of IFRS 16. Further, amortization of intangible assets identified in previous acquisitions and currency effects affected the deferred tax positions.

The change in deferred tax assets and liabilities results from the effects presented below:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
DEFERRED TAX ASSETS	0.4	0.0
DEFERRED TAX LIABILITIES	36.1	41.8
NET DEFERRED TAXES RECOGNIZED	**35.7**	**41.8**
YEAR-ON-YEAR CHANGE	**−6.1**	**−39.8**
THEREOF RECOGNIZED IN PROFIT OR LOSS	−4.9	−1.3
THEREOF RECOGNIZED DIRECTLY IN OCI/EQUITY[1]	−2.1	−11.9
THEREOF (DE-) RECOGNIZED UPON ACQUISITIONS/ DIVESTMENTS[2]	0.9	−26.6

[1] INCLUDES TRANSLATION DIFFERENCES OF € 2.2 MILLION (PREVIOUS YEAR: € 10.7 MILLION).
[2] IN 2018 THEREOF RELATING TO RECLASSIFICATION OF THE DEFERRED TAXES OF THE DISPOSAL GROUP € 27.4 MILLION.

Deferred tax assets for tax loss carryforwards and deductible temporary differences are recognized only to the extent that taxable temporary differences exist or that the realization of the tax benefit through future taxable profits is probable. The Group has not recognized any deferred tax assets for temporary differences amounting to € 13.0 million (previous year: € 17.7 million). Further, no deferred tax assets are recorded for trade tax loss carryforwards of € 57.0 million (previous year: € 209.02 million) and for corporation tax loss carryforwards of € 860.2 million (previous year: € 588.7 million). The trade tax loss carryforwards as well as the temporary differences have no limitations on utilization. The limitation on utilization of corporation tax loss carryforwards is as follows:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
TOTAL CORPORATION TAX LOSS CARRYFORWARDS	860.2	**588.7**
EXPIRATION		
WITHIN 5 YEARS	151.3	56.1
AFTER 5 YEARS	305.9	126.0
ELIGIBLE TO BE CARRIED FORWARD INDEFINITELY	403.0	406.5

Classes of assets and liabilities related to temporary differences:

EUR MILLION	DEC. 31, 2019			
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	CHANGE DURING THE YEAR	THEREOF RECOGNIZED IN PROFIT OR LOSS
ASSETS				
NON-CURRENT ASSETS				
INTANGIBLE ASSETS	0.0	43.6	5.3	3.5
PROPERTY, PLANT AND EQUIPMENT	0.2	21.9	−21.1	−21.5
OTHER FINANCIAL ASSETS	0.2	0.0	0.3	0.2
TRADE AND OTHER RECEIVABLES	0.0	0.0	0.1	0.1
OTHER ASSETS	0.5	0.0	0.5	0.6
CURRENT ASSETS				
INVENTORIES	0.0	0.0	−0.5	−0.2
TRADE AND OTHER RECEIVABLES	0.5	0.3	0.2	0.4
EQUITY AND LIABILITIES				
NON-CURRENT LIABILITIES				
FINANCIAL LIABILITIES	0.0	0.2	−0.2	−0.2
PENSION PROVISIONS	0.6	0.0	0.5	0.3
OTHER PROVISIONS	0.5	0.0	0.2	−0.1
TRADE AND OTHER PAYABLES	15.8	0.0	15.2	14.5
OTHER LIABILITIES	0.1	0.0	0.0	0.0
CURRENT LIABILITIES				
OTHER PROVISIONS	1.1	0.0	0.8	0.8
TRADE AND OTHER PAYABLES	3.6	0.4	2.9	3.8
OTHER LIABILITIES	1.1	0.1	1.0	1.3
TOTAL TEMPORARY DIFFERENCES	**24.2**	**66.5**	**5.2**	**3.5**
TAX LOSS CARRYFORWARDS	**6.6**	**0.0**	**0.9**	**1.4**
TOTAL	**30.8**	**66.5**	**6.1**	**4.9**
OFFSETTING	**−30.4**	**−30.4**		
TOTAL AFTER OFFSETTING	**0.4**	**36.1**		

EUR MILLION	DEC. 31, 2018			
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	CHANGE DURING THE YEAR	THEREOF RECOGNIZED IN PROFIT OR LOSS
ASSETS				
NON-CURRENT ASSETS				
INTANGIBLE ASSETS	0.0	48.9	58.4	3.5
PROPERTY, PLANT AND EQUIPMENT	0.1	0.6	0.0	0.0
OTHER FINANCIAL ASSETS	0.0	0.1	−1.0	−0.8
TRADE AND OTHER RECEIVABLES	0.0	0.1	−0.1	−0.1
CURRENT ASSETS				
INVENTORIES	1.0	0.5	−0.5	−0.4
OTHER ASSETS	0.0	0.0	0.1	0.1
EQUITY AND LIABILITIES				
NON-CURRENT LIABILITIES				
PENSION PROVISIONS	0.1	0.0	0.0	0.0
OTHER PROVISIONS	0.3	0.0	−0.2	−0.2
TRADE AND OTHER PAYABLES	0.6	0.0	0.6	0.0
OTHER LIABILITIES	0.1	0.0	0.1	−0.1
CURRENT LIABILITIES				
OTHER PROVISIONS	0.3	0.0	−1.0	−0.8
TRADE AND OTHER PAYABLES	0.5	0.4	1.6	1.2
OTHER LIABILITIES	0.1	0.0	−0.1	−0.1
TOTAL TEMPORARY DIFFERENCES	**3.1**	**50.6**	**57.8**	**2.2**
TAX LOSS CARRYFORWARDS	**5.7**	**0.0**	**−17.9**	**−0.9**
TOTAL	**8.8**	**50.6**	**39.9**	**1.3**
OFFSETTING	**−8.8**	**−8.8**		
TOTAL AFTER OFFSETTING	**0.0**	**41.8**		

No deferred tax liabilities on temporary differences relating to interests in subsidiaries of € 5.8 million (previous year: € 7.4 million) were recognized, as it is not probable that the temporary differences will be reversed in the foreseeable future.

07. Inventories

Inventories of the Group consist mainly of branded and unbranded packages, bags and other items that are provided to restaurants, and rider equipment. In the second half of 2019 the rollout of dark stores in MENA and Asia contributed to the increased level of inventories.

The amount of inventories recognized as an expense during the period amounts to € 16.9 million (previous year: € 5.6 million).

08. Cash and cash equivalents

Cash and cash equivalents are composed as follows:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
CASH AT BANKS	697.2	357.1
CASH ON HAND	2.2	7.0
TOTAL	**699.4**	**364.1**

The increase in cash and cash equivalents as of December 31, 2019 is the result of net inflows from investing activities (€ 627.3 million), in particular the proceeds in connection with the disposal of the German businesses. Contrary, continuing investments in the growth of the Group, primarily marketing activities, resulted in a negative operating cash flow (€ 364.8 million). Significant cash flows in 2019 are summarized below:

Cash inflows

— Net cash inflow from the sale of the German operations of € 487.5 million
— Cash inflow of € 208.0 million from the block sale of 3.2 million shares in Takeaway.com N.V. (refer Section D.03.d)
— Cash inflow of € 27.6 million from capital increases in connection with the exercise of equity-settled stock options in 2019 (refer to Section F.09.a) and F.09.c)).

Cash outflows

— Payments for the acquisitions of Zomato UAE (including minority investments in Zomato Holding), Hungrig Group, Delivery RD and Foody resulted in a net cash outflow of € 176.4 million (refer to D.02.)

Refer to the consolidated statement of cash flows for a detailed presentation of the 2019 cash flows.

As of the reporting date cash of € 0.8 million was restricted in use.

09. Equity

a) Subscribed capital

Between January 1, 2019 and December 31, 2019, the number of shares increased from 185,930,494 to 188,775,039 in the course of four capital increases.

The nominal value is € 1.00 per share. The subscribed capital of Delivery Hero SE as of December 31, 2019 was fully paid up.

The change in subscribe capital is summarized as follows:

EUR	2019
SUBSCRIBED CAPITAL ON JANUARY 1	185,930,494
THEREOF TREASURY SHARES	78,230
ISSUANCES FOR NON-CASH CONTRIBUTION	0
ISSUANCES FOR CASH CONTRIBUTION	2,844,545
REGISTERED CAPITAL ON DECEMBER 31	**188,775,039**
THEREOF TREASURY SHARES	78,230

The increase in subscribed capital for cash contribution relates to the exercise of equity-settled stock options during the year 2019.

b) Authorized and conditional capital:
The authorized and conditional capital of Delivery Hero SE as of December 31, 2019 consists of 154,727,337 shares (previous year: 154,571,882 shares).

c) Capital reserves
DH's capital reserves increased by € 56.4 million in the reporting year, which is attributable to the following circumstances:

— € 24.7 million contributions of the premiums from issuing new registered shares in the course of the exercise of equity-settled options
— € 35.9 million increase due to the vesting of the equity-settled share-based payment awards
— Adversely, capital reserves decreased by € 3.2 million in the course of modification of the settlement method for the Virtual Share Program 2017 ("VSP 2017") from equity-settled to cash-settled

d) Retained earnings and other reserves
Other comprehensive income for the period developed as follows:

	ATTRIBUTABLE TO THE OWNERS OF THE PARENT				
EUR MILLION	CURRENCY TRANSLATION RESERVE	REVALUATION RESERVE FOR PENSION COMMITMENTS	TOTAL	NON-CONTROLLING INTERESTS	TOTAL OTHER COMPREHENSIVE INCOME (LOSS)
2019					
EFFECT FROM FOREIGN CURRENCY TRANSLATION DIFFERENCES	−27.4	–	−27.4	–	−27.4
REMEASUREMENT OF NET LIABILITY FROM DEFINED BENEFIT PLANS	–	−1.3	−1.3	–	−1.3
TOTAL	**−27.4**	**−1.3**	**−28.7**	**–**	**−28.7**
2018					
EFFECT FROM FOREIGN CURRENCY TRANSLATION DIFFERENCES	−93.0	–	−93.0	–	−93.0
REMEASUREMENT OF NET LIABILITY FROM DEFINED BENEFIT PLANS	–	−0.4	−0.4	–	−0.4
TOTAL	**−93.0**	**−0.4**	**−93.4**	**–**	**−93.4**

The effect of movement in exchange rates in 2019 and 2018 is mainly attributable to attributable to translation of Turkish lira and Argentinian peso into euros.

e) Treasury shares

The number of treasury shares remained unchanged compared to December 31, 2018 at 78,230 shares.

10. Pension provisions

In accordance with statutory requirements the DH Group maintains defined benefit plans in Korea and Turkey. In Korea, beneficiaries are entitled to one month's salary for each year of employment after one year of continuous employment. The payment is measured on the average monthly pay during the final three months of employment and is awarded as a lump sum. The retirement age in Korea is 60 years. In Turkey, lump sum termination indemnities are provided to each employee who has completed one year of service and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

The provision is determined using the projected unit credit method. The actuarial assumptions underlying the calculation are summarized below:

%	**2019**	2018
ACTUARIAL INTEREST RATE	*1.66 – 2.70*	*2.13 – 3.60*
SALARY TREND	*3.02 – 15.90*	*2.69 – 11.00*
MORTALITY – MALES	*0.02 – 0.03*	*0.03*
MORTALITY – FEMALES	*0.01 – 0.02*	*0.01*

Sensitivities of the present value of the defined benefit obligations (DBO) are presented below:

EUR MILLION	**2019**	2018
DBO ON THE BASIS OF THE CURRENT DISCOUNT RATE ASSUMPTION	*4.1*	*2.7*
DBO GIVEN AN INCREASE IN THE DISCOUNT RATE OF 1 PERCENTAGE POINT	*3.9*	*2.6*
DBO GIVEN A DECREASE IN THE DISCOUNT RATE OF 1 PERCENTAGE POINT	*4.2*	*2.9*
DBO ON THE BASIS OF THE CURRENT SALARY TREND ASSUMPTION	*4.1*	*2.7*
DBO GIVEN AN INCREASE IN THE SALARY TREND OF 1 PERCENTAGE POINT	*4.2*	*2.9*
DBO GIVEN A DECREASE IN THE SALARY TREND OF 1 PERCENTAGE POINT	*3.9*	*2.6*

The present value of the defined benefit obligation changed as follows:

EUR MILLION	**2019**	2018
DBO ON JAN. 1	*2.7*	*1.9*
ADDITION DUE TO BUSINESS COMBINATION	*0.0*	*0.0*
SERVICE COST	*1.6*	*1.3*
PENSION BENEFITS	*–1.1*	*–0.6*
INTEREST EXPENSE	*0.0*	*0.0*
ACTUARIAL LOSSES	*0.9*	*0.1*
CURRENCY TRANSLATION	*0.0*	*0.0*
DBO ON DEC. 31	**4.1**	**2.7**

The DH Group has no qualifying plan assets recognized in the consolidated statement of financial position as of December 31, 2018 and 2017.

Contributions of € 1.6 million are expected to the pension plans for the 2020 financial year.

11. Other provisions

Restoration obligations arise from lease arrangements for office premises in several countries. Settlement of these liabilities is contingent on the underlying lease terms. DH Group expects to settle the liability over the next seven years.

The other personnel provisions comprise short-term employee benefits and termination benefits accounted for in accordance with IAS 19, mainly bonuses and redundancy payments. The Group expects the liability to be settled within the next twelve months.

The provision for share-based compensation as of the reporting date relates to the VSP 2017 for which the settlement method was changed in May 2019 from equity-settled to cash-settled.

Other provisions increased mainly as result of potential obligations with regard to the social security status of riders as well as legal disputes.

As of the reporting date, contingent liabilities from legal disputes and tax contingencies amount to € 1.4 million (previous year: € 0.2 million).

The following table shows the change of other provisions and their breakdown by maturity date:

EUR MILLION	RESTORATION OBLIGATION	PERSONNEL	SHARE-BASED COMPENSATION	OTHERS	TOTAL
AS OF JAN. 1, 2019	**2.3**	**5.6**	**0.1**	**3.1**	**11.0**
ADDITION	0.3	13.4	10.6	26.3	50.6
UTILIZED	0.0	0.6	–	0.1	0.6
REVERSED	–	–3.1	0.0	–1.3	–4.4
EXCHANGE RATE DIFFERENCES	0.0	0.0	–0.1	0.0	–0.1
DISPOSALS DUE TO DECONSOLIDATION	0.0	–4.3	0.0	0.6	–3.7
AS OF DEC. 31, 2019	**2.6**	**12.1**	**10.6**	**28.9**	**54.2**
NON-CURRENT	2.3	4.5	–	0.1	6.9
CURRENT	0.3	7.6	10.6	28.7	47.3

12. Trade and other payables

Trade and other payables are composed as follows:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
CURRENT FINANCIAL LIABILITIES		
LIABILITIES TO RESTAURANTS	214.7	105.7
TRADE PAYABLES	63.4	29.3
LIABILITIES FOR OUTSTANDING INVOICES	71.3	29.4
PURCHASE PRICE LIABILITIES AND EARN-OUTS	43.9	5.5
LEASE LIABILITY ACCORDING TO IFRS 16	29.7	–
FINANCE LEASES ACCORDING TO IAS 17	–	1.3
SECURITY DEPOSITS RECEIVED	2.6	0.9
WALLET LIABILITIES	2.4	–
MISCELLANEOUS	44.8	–
TOTAL CURRENT FINANCIAL LIABILITIES	**472.9**	**172.1**
NON-CURRENT FINANCIAL LIABILITIES		
LIABILITIES TO RESTAURANTS	–	1.6
PURCHASE PRICE LIABILITIES AND EARN-OUTS	36.4	5.3
LEASE LIABILITY ACCORDING TO IFRS 16	89.7	–
FINANCE LEASES ACCORDING TO IAS 17	–	1.1
SECURITY DEPOSITS RECEIVED	0.7	0.6
MISCELLANEOUS	5.9	0.0
TOTAL NON-CURRENT LIABILITIES	**132.6**	**8.6**

The purchase price liabilities and earn-outs mainly include obligations from the acquisitions of Zomato UAE and Hungrig Group in 2019.

In 2019, miscellaneous current financial liabilities include € 44.8 million relating to the deal-contingent USD/EUR option premium payable upon closing of the planned Woowa transaction (refer to Section H.02. for further details).

13. Other liabilities

Other liabilities are composed as follows:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
NON-CURRENT OTHER LIABILITIES		
OTHER LONG-TERM EMPLOYEE BENEFITS	4.0	3.2
MISCELLANEOUS	0.1	0.0
TOTAL NON-CURRENT OTHER LIABILITIES	**4.1**	**3.2**
CURRENT OTHER LIABILITIES		
TAXES AND CHARGES	22.2	12.7
LIABILITIES TO EMPLOYEES	25.8	18.0
DEFERRED INCOME	4.5	2.3
SOCIAL SECURITY LIABILITIES	7.2	3.6
OTHER LONG-TERM EMPLOYEE BENEFITS (CURRENT PORTION)	8.4	22.1
MISCELLANEOUS	9.3	9.6
TOTAL CURRENT OTHER LIABILITIES	**77.4**	**68.4**

Other long-term employee benefit liabilities (non-current and current portion) arose during acquisitions in 2019 and previous periods. Employees of the acquired entities are entitled to payments contingent on performance targets over an agreed service period.

Liabilities to employees primarily relate to wages and salaries of € 11.9 million (previous year: € 12.0 million) and accrued vacation of € 13.3 million (previous year: € 5.9 million).

Taxes and charges primarily comprise VAT payables and taxes on salaries.

14. Income tax liabilities

Income tax liabilities arose in group entities with positive taxable income or from local withholding tax obligations on intercompany group charges.

Reimbursement claims from overpayment of trade and corporation taxes are shown in income tax receivables.

G. DISCLOSURES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

01. Revenue

Revenue is composed as follows:

			CHANGE	
EUR MILLION	2019	2018	EUR MILLION	%
COMMISSIONS	958.3	501.8	456.6	91.0
DELIVERY FEES[1]	313.6	102.8	210.8	>100
PRIME PLACINGS	75.3	50.8	24.5	48.3
CREDIT CARD USE	52.4	25.2	27.1	>100
OTHER	63.2	25.5	37.7	>100
LESS DISCOUNTS	–225.3	–41.0	–184.3	>100
REVENUE	**1,237.6**	**665.1**	**572.5**	**86.1**

[1] FEES CHARGED SEPARATELY TO THE ORDERERS FOR DELIVERY SERVICES.

All revenues result from contracts with customers. The growth in revenue is mainly driven by organic growth in all segments.

In the following table, revenue is further disaggregated by segment and by type of service (commission/non-commission).

	SEGMENTS											
	EUROPE (WITHOUT GERMANY)		ASIA		AMERICAS		MENA		OTHERS		TOTAL	
EUR MILLION	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
COMMISSION	133.1	92.8	318.2	128.0	76.8	47.6	430.1	221.2	–	12.2	958.3	501.8
DISCOUNTS ON COMMISSIONS											−225.3	−41.0
TOTAL COMMISSIONS REVENUE	**133.1**	**92.8**	**318.2**	**128.0**	**76.8**	**47.6**	**430.1**	**221.2**	**–**	**12.2**	**733.0**	**460.8**
NON-COMMISSION REVENUE	40.1	23.1	137.2	64.5	33.6	14.5	286.5	95.2	7.2	7.0	504.6	204.3
TOTAL GROUP REVENUE (CONTINUED OPERATIONS)	**173.2**	**115.9**	**455.5**	**192.5**	**110.4**	**62.1**	**716.6**	**316.4**	**7.2**	**19.2**	**1,237.6**	**665.1**

In 2019 “others” includes revenues from other on-demand items where Delivery Hero acts as principal that are presented net of merchandise value (gross profit presentation). In the prior period, revenues from operations abandoned or sold in Australia, France, Italy and the Netherlands were included.

Refer to Section E.02.a) for the development of revenue per segment.

02. Cost-of-sales

Cost-of-sales are composed as follows:

			CHANGE	
EUR MILLION	2019	2018	EUR MILLION	%
DELIVERY EXPENSES	−777.0	−258.3	−518.7	>100
FEES FOR PAYMENT SERVICES	−60.3	−28.3	−32.0	>100
SERVER HOSTING	−17.2	−9.1	−8.1	89.2
PURCHASE OF TERMINALS AND OTHER POS SYSTEMS	−9.7	−6.8	−2.9	42.8
EXPENSES FOR DATA TRANSFER	−5.1	−2.5	−2.6	>100
GOODS AND MERCHANDISE	−5.9	−3.8	−2.1	53.4
CALL CENTER EXPENSES	−0.1	−0.5	0.4	−90.4
RIDER EQUIPMENT	−13.6	−3.1	−10.4	>100
DARK STORES	−8.4	0.0	−8.4	>100
OTHER COSTS OF SALES	−29.3	−5.5	−23.8	>100
TOTAL	**−926.4**	**−318.0**	**−608.4**	**>100**

The increase in cost-of-sales is primarily attributable to the continuous expansion of the own delivery business including the launch of dark stores. Delivery expenses include own delivery personnel (€ 144.9 million; previous year: € 95.7 million) as well as external riders and other operating delivery expenses (€ 632.1 million; previous year: € 162.6 million).

Further, general business growth leads to a higher overall cost-of-sales. Fees for payment services are further impacted by a higher online payment share.

03. Marketing expenses

Marketing expenses are composed as follows:

EUR MILLION	2019	2018	CHANGE EUR MILLION	CHANGE %
CUSTOMER ACQUISITION	−239.3	−148.6	−90.7	61.1
RESTAURANT ACQUISITION	−150.4	−91.7	−58.7	64.0
AMORTIZATION OF BRANDS	−15.8	−13.6	−2.2	16.4
EXPENSES FOR WRITE-DOWNS ON CUSTOMER/ SUPPLIER BASE	−12.1	−13.0	0.9	−6.8
OTHER MARKETING EXPENSES	−77.6	−47.1	−30.5	64.8
TOTAL	**−495.2**	**−313.9**	**−181.3**	**57.8**

The increasing investments in customer marketing, especially in the Asia segment, are a result of the rising competition in certain markets, the continuous rollout of own delivery operations in new cities and areas as well as the rollout of multi-verticals, including dark stores, in further markets.

The rise in restaurant acquisition expenses is the result of an extended restaurant portfolio and an increased restaurant sales coverage.

04. IT expenses

IT expenses are composed as follows:

EUR MILLION	2019	2018	CHANGE EUR MILLION	CHANGE %
PERSONNEL EXPENSES	−65.4	−38.2	−27.3	71.4
OTHER NON-PERSONNEL IT EXPENSES	−29.4	−16.1	−13.3	82.4
TOTAL	**−94.8**	**−54.3**	**−40.5**	**74.6**

IT expenses primarily relate to research and development (€ 65.0 million; previous year: € 36.2 million) of new features and services that may be added to the Group's platforms but also to the improvement and maintenance of the existing functionalities. Refer to Section A.06. for further information on research and development.

05. General administrative expenses

General administrative expenses are composed as follows:

EUR MILLION	2019	2018	CHANGE EUR MILLION	CHANGE %
PERSONNEL EXPENSES	−128.6	−96.8	−31.8	32.9
SHARE-BASED PAYMENT EXPENSES	−44.8	−17.2	−27.6	>100
AUDIT AND CONSULTING EXPENSES	−52.3	−25.8	−26.4	>100
DEPRECIATION AND AMORTIZATION	−60.5	−13.7	−46.7	>100
RENT AND LEASE EXPENSES	−6.6	−15.8	9.1	−58.0
OTHER OFFICE EXPENSES	−23.2	−11.7	−11.5	98.9
TRAVEL EXPENSES	−16.4	−9.1	−7.2	79.3
OTHER (NON-INCOME) TAXES	−6.8	−5.5	−1.3	24.6
TELECOMMUNICATIONS	−4.1	−3.1	−1.0	31.7
MISCELLANEOUS	−30.3	−18.5	−11.9	64.2
TOTAL	**−373.5**	**−217.2**	**−156.3**	**72.0**

The increase in personnel expenses is linked to the general growth of the Group and the strengthening of central and regional administrative functions as well as to structural enhancements in connection with the rollout of multi-verticals. Further, expenses of € 13.3 million (previous year: € 30.1 million) were recognized herein for earn-out liabilities in connection with acquisitions in the current and previous periods.

The increase in share-based payments expense is attributable to the further rollout of the long-term incentive plan (LTIP) implemented in 2018. For further information on the Group's share-based payment programs refer to Section H.01.

Audit and consulting expenses increased mainly due to M&A-related activities throughout the year.

Depreciation and amortization increased as a result of adopting IFRS 16 as of January 1, 2019. The depreciation expenses for right-of-use assets amount to € 27.0 million (previous year: n/a) whereas the expenses for leases decreased to € 6.6 million (2018: € 15.4 million). We refer to note C.a. for further details on the transition to IFRS 16.

06. Other operating income

Other operating income is composed as follows:

			CHANGE	
EUR MILLION	2019	2018	EUR MILLION	%
GAIN FROM SETTLEMENT OF WARRANTY CLAIMS	9.3	0.0	9.3	>100
GAIN FROM THE RECHARGE OF COSTS	7.3	0.0	7.3	>100
GAIN FROM DISPOSAL OF SUBSIDIARIES	0.4	8.2	−7.8	−94.9
MISCELLANEOUS	2.9	1.8	1.1	59.2
TOTAL	**19.9**	**10.0**	**9.8**	**98.0**

The gain from the settlement of warranty claims of € 9.3 million relates to the acquisition of the foodpanda group in 2016. The gain from the recharge of costs of € 7.3 million relates to the recharge of costs to Takeaway.

In the previous year, the disposal gain of € 8.2 million resulted from the divestitures of subsidiaries in Italy, Brazil and Switzerland.

07. Other operating expenses and impairment losses on trade receivables and contract assets

Other operating expenses are composed as follows:

			CHANGE	
EUR MILLION	2019	2018	EUR MILLION	%
LOSS FROM DISPOSAL OF SUBSIDIARIES	−2.0	−3.8	1.8	−47.9
LOSSES ON THE DISPOSAL OF FIXED ASSETS	−0.6	−0.3	−0.3	94.5
IMPAIRMENT OF GOODWILL	−2.0	−4.3	2.3	−53.6
MISCELLANEOUS	−2.1	−0.8	−1.3	>100
TOTAL OTHER OPERATING EXPENSES	**−6.7**	**−9.2**	**2.3**	**−53.6**
IMPAIRMENT LOSSES ON TRADE AND OTHER RECEIVABLES	**−8.8**	**−4.3**	**−4.5**	**>100**

The bad debt expense increased partly as a result of the organic growth of DH Group and partly due to the growing rider fleet and the respective rider receivables.

08. Net interest cost

Net interest cost is composed as follows:

EUR MILLION	2019	2018	CHANGE EUR MILLION	CHANGE %
INTEREST AND SIMILAR INCOME	7.6	5.5	2.0	36.9
INTEREST AND SIMILAR EXPENSES	–17.0	–2.7	–14.2	>100
TOTAL	**–9.4**	**2.8**	**–12.2**	**>100**

The interest income predominantly results from interest on excess cash.

Interest expenses increased partly due to the first time application of IFRS 16 (€ 5.3 million) and expenses from discounting of earn-out liabilities (€ 3.2 million). In addition, interest and similar expenses include effects from hyperinflation accounting for the Argentine entities of € 2.6 million (previous year: € 1.5 million).

09. Other financial result and result from equity-accounted investees

Other financial result is composed as follows:

EUR MILLION	2019	2018	CHANGE EUR MILLION	CHANGE %
RESULT FROM REMEASUREMENT OF FINANCIAL INSTRUMENTS FVTPL	59.6	0.0	59.6	>100
FOREIGN CURRENCY GAINS/LOSSES	–4.8	15.1	–19.9	>100
RESULT ON NET MONETARY POSITION (HYPERINFLATION)	13.8	3.7	10.1	>100
RESULT FROM EQUITY-ACCOUNTED INVESTEES	–99.7	–38.6	–61.1	>100
GAINS FROM DISPOSAL OF INVESTMENTS	20.2	0.0	20.2	>100
GAINS FROM DERECOGNITION OF EQUITY-ACCOUNTED INVESTEES	5.2	0.0	5.2	>100
MISCELLANEOUS	–0.3	0.0	–0.4	>100
TOTAL	**–6.0**	**–19.9**	**13.9**	**–70.1**

The result from equity-accounted investees amounted to negative € 99.7 million (prior year: negative € 38.6 million) mostly resulting from the pro rata loss of the investments in Rappi and Glovo.

The result from remeasurement of financial instruments FVTPL includes income from fair value adjustments of the investments measured at fair value through profit and loss – comprising mainly valuations of shares in Takeaway.com, Ola and Zomato UAE (€ 64.5 million). Adversely, measurement effects of € 4.9 million in connection with the transfer of 3.2 million shares in Takeaway.com (refer to Section F.03. Other financial assets). Other financial assets and the deal-contingent USD/EUR option (refer to Section H.02. Financial instruments) are included.

Gains from disposal of investments relate to the sale of shares in Takeaway.com in the second half of the reporting period (€ 20.2 million).

Since the third quarter of 2018 Argentina has been evaluated as a hyperinflationary economy. The application of IAS 29 resulted in a net gain of € 13.8 million on the position of the Argentine operations (previous year: € 3.7 million).

Foreign currency gains and losses predominantly resulted from the devaluation of the euro compared to other local currencies of Group companies in connection with inter-company loan agreements and foreign currency balances.

10. Income taxes

Income tax expense is broken down as follows:

			CHANGE	
EUR MILLION	2019	2018	EUR MILLION	%
INCOME TAX EXPENSE	**−26.5**	**−18.3**	**−8.2**	**45.1**
CURRENT INCOME TAXES	**−31.4**	**−19.6**	**−11.8**	**60.2**
CURRENT PERIOD INCOME TAXES	−29.0	−19.7	−9.3	47.2
PRIOR PERIOD INCOME TAXES	−2.4	0.1	−2.5	>100
DEFERRED INCOME TAXES	**4.9**	**1.3**	**3.6**	**>100**

The effective income tax expense is reconciled as follows:

EUR MILLION	2019	2018
EARNINGS BEFORE INCOME TAXES	**−664.2**	**−258.8**
INCOME TAX USING THE COMPANY'S DOMESTIC TAX RATE (2019: 30.18%; 2018: 30.18%)	**200.5**	**78.1**
ADJUSTMENTS		
DEVIATIONS BETWEEN THE COMPANY'S DOMESTIC AND FOREIGN TAX RATES	−39.9	−15.4
NON-DEDUCTIBLE OPERATING EXPENSES	−16.5	−11.1
TAX-EXEMPT INCOME	6.3	8.5
TAX EFFECTS FROM ADDING AND DEDUCTING FOR LOCAL TAXES	−0.3	−0.4
EFFECTS FROM PARTNERSHIPS	−0.7	−0.1
EFFECTS FROM THE NON-RECOGNITION OF DEFERRED TAX ASSETS ON TAX LOSS CARRYFORWARDS	−104.0	−62.0
PREVIOUS-PERIOD DEFERRED INCOME TAXES	0.9	0.0
PREVIOUS-PERIOD CURRENT INCOME TAXES	−1.3	0.5
EFFECTS FROM CONSOLIDATION MEASURES	−3.4	0.0
EFFECTS OF EQUITY-ACCOUNTED INVESTEES	−29.6	−11.8
EFFECTS OF GOODWILL IMPAIRMENT	−0.4	−1.3
PERMANENT DIFFERENCES	−37.9	−3.6
OTHER TAX EFFECTS	−0.2	0.3
INCOME TAXES	**−26.5**	**−18.3**

The tax expense for 2019 relating to the gain from discontinued operations amounts to € 3.3 million.

The tax rate of the Group is 30.18% and corresponds to the tax rate of Delivery Hero SE. It comprises the tax rate for corporation tax inclusive of the solidarity surcharge of 15.83% and the trade tax rate of 14.35%.

H. OTHER DISCLOSURES

01. Share-based payments

The DH Group has been operating share-based payment programs since 2011. At December 31, 2019, the Group had the following share-based payment arrangements:

LTIP

Terms and conditions

In 2018 Delivery Hero SE issued a long-term incentive plan (LTIP) consisting of two types of awards: Restricted Stock Plan (RSP) and Stock Option Program (SOP). Eligible participants are the Management Board, managing directors of certain subsidiaries and other members of the management as well as certain employees. Delivery Hero commits to award restricted stock units (RSUs) and stock options based on a certain euro amount per year over the period of four years. The award consists of individual tranches (four in total) that are awarded to the participants in a single agreement in year one.

Every year a number of RSUs and stock options are allocated to each beneficiary. Each annual tranche is determined by dividing the granted award amount (a) by the fair market value of one RSU derived from the 30-day average DH share price prior to the annual grant date and/or (b) by the fair market value of one stock option whereby the strike price of each option is determined based on the three-month average price per share before the annual grant date.

Each tranche awarded vests quarterly over one year after the contractual grant date. The first award is generally subject to a 24 months cliff. A bad leaver loses all vested and unvested awards. A good leaver retains all vested RSUs and stock options. The SOP contains a revenue-based performance target.

The awards will be settled in shares. Even though Delivery Hero has the right to settle in cash equal to the fair value of the shares at the settlement date, DH does not intend to exercise this right.

Measurement of fair values

The grant date fair value of the awards is a contractually fixed euro value. The grant date fair value subject to performance targets was not reduced as it is considered probable that the performance target will be achieved.

Reconciliation of outstanding options and RSU:

	2019			2018		
	NUMBER OF OPTIONS	**WEIGHTED AVERAGE EXERCISE PRICE**	**NUMBER OF RSU**	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF RSU
OUTSTANDING AS OF JANUARY 1	**941,083**	**41.69**	**149,046**	*0*	*0.00*	*0*
GRANTED DURING THE YEAR[1]	*1,466,677*	*38.37*	*562,685*	*954,760*	*41.64*	*152,390*
FORFEITED DURING THE YEAR	*396,338*	*41.84*	*119,326*	*13,677*	*38.46*	*3,344*
EXERCISED DURING THE YEAR	*0*	*N/A*	*0*	*0*	*N/A*	*0*
OUTSTANDING AT DECEMBER 31	**2,011,422**	**39.25**	**592,405**	*941,083*	*41.69*	*149,046*
EXERCISABLE AT DECEMBER 31	–	*N/A*	–	–	*N/A*	–

[1] REFLECTS NUMBER OF OPTIONS AND SHARES FIXED AT THE REPORTING DATE.

The options outstanding at December 31, 2019 had strike prices between € 36.64 and € 44.89 (previous year: € 38.30 to € 44.89) and a weighted average remaining contractual life of 62 months (previous year: 68 months).

The plan contributed € 35.5 million of expenses in 2019 (previous year: € 10.8 million).

DH SOP

Terms and conditions

The beneficiaries of DH SOP received option rights, entitling them to subscribe for shares in Delivery Hero SE subject to certain conditions. The awards vest gradually over a period of up to 48 months subject to individual cliff provisions of generally 12 to 24 months. If a beneficiary leaves the Company before completing the vesting requirements, the individual forfeits his/her rights under the program.

The Group plans to settle by means of equity instruments and classifies the program as an equity-settled share-based payment arrangement. In the event of certain exit events (e.g., a change of control), the program conditions provide for a cash settlement by the Group. However, the occurrence of such an event is currently considered unlikely.

Measurement of fair values

In 2019 no additional awards were granted.

The grant date fair value of the DH SOP awards was determined on the date of reclassification from cash-settled to equity-settled share-based payment awards on May 29, 2017 using an option pricing model (Black-Scholes model). The key inputs used in the measurement of the fair value were as follows: share price of € 23.39, volatility of 36.21%, exercise price of € 1 to € 18, weighted average expected life of 37 months and a risk-free interest rate of 0.0%. The expected volatility was derived by applying a standard peer group. The share price was derived from the Naspers financing round that took place in May 2017. The measurement resulted in the weighted average fair value of € 13 per option.

Reconciliation of outstanding share options

	2019		2018	
	NUMBER OF OPTIONS	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
OUTSTANDING AS OF JANUARY 1	**6,780,772**	**11.91**	9,704,500	11.13
FORFEITED/CANCELLED DURING THE YEAR	−767,756	13.78	−904,527	14.88
GRANTED DURING THE YEAR	0	N/A	0	0.00
EXERCISED DURING THE YEAR	−2,848,145	10.55	− 2,019,201	6.85
OUTSTANDING AT DECEMBER 31	**3,164,871**	**12.68**	6,780,772	11.91
EXERCISABLE AT DECEMBER 31	0	0.00	0	0.00

Beneficiaries of the DH SOP were able to exercise their equity-settled rights within two exercise windows in 2019, which led to capital increases of the subscribed capital of € 2.8 million and an increase of the capital reserve of € 24.7 million. The weighted average share price on the date of exercise of the exercised options was € 32.15 and € 40.00, respectively (previous year: € 38.55 and € 38.64).

The range of exercise prices for options outstanding at the end of the year was € 1 to € 18 (previous year: € 1 to € 18).

The weighted average remaining contractual life for the share options outstanding as of December 31, 2019 was 26 months (previous year: 38 months).

Due to leaver effects, the DH SOP caused an income of € 1.0 million in 2019 (previous year: expense of € 4.5 million).

Virtual Share Program 2017

Terms and conditions

In 2017 Delivery Hero granted virtual share options to employees under the Virtual Share Program (VSP 2017), which entitle the beneficiaries to a compensation based on the appreciation in DH SE shares over strike price as specified in individual contracts, subject to certain conditions.

In May 2019, management changed the settlement method of the VSP 2017 in line with the terms and conditions of the program from equity-settled to cash-settled. The modification resulted in a valuation expense of € 1.6 million and an increase of the liability for share-based payments to € 4.8 million at the time of conversion.

The awards vest gradually over a period of 48 months, subject to individual cliff provisions of 12 to 24 months. If a beneficiary leaves the Company before completing the vesting requirements, the individual forfeits his/her rights under the program.

Measurement of fair values

The fair value is determined using an option pricing model (Black-Scholes model). The key inputs used in the measurement of the fair value were as follows: share price of € 70.56, volatility of 47%, weighted average strike price of € 16.88, weighted average expected life of 38 months and a risk-free interest rate of –0.63%. The measurement resulted in the weighted average fair value of € 53.91 per option.

Reconciliation of outstanding options

	2019		2018	
	NUMBER OF OPTIONS	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
OUTSTANDING AS OF JANUARY 1	**240,600**	**16.90**	*258,600*	*16.88*
FORFEITED DURING THE YEAR	*–14,550*	*17.15*	*–18,000*	*16.67*
GRANTED DURING THE YEAR	–	*N/A*	–	*N/A*
EXERCISED DURING THE YEAR	*– 12,813*	*16.95*	–	–
OUTSTANDING AT DECEMBER 31	**213,237**	**16.88**	*240,600*	*16.90*
EXERCISABLE AT DECEMBER 31	**–**	**N/A**	–	*N/A*

The options outstanding at December 31, 2019 had strike prices ranging from € 16.67 to € 17.67 (previous year: € 16.67 to € 17.67) and a weighted average remaining contractual life of 38 months (previous year: 51 months). Beneficiaries of the VSP 2017 were able to exercise their equity-settled rights within one exercise windows in 2019. The weighted average share price on the date of exercise of the exercised options was € 41.05.

Total expense for the period was € 7.9 million in 2019 (previous year: € 2.2 million).

Other share-based compensation arrangements

E-Food Greece

On May 2, 2015 ECommerce Business 10 S.à r.l. granted the senior executives of OFD Online Delivery Services Ltd (OFD) options for shares in OFD. The option program allows senior executives to participate in the performance of OFD. Subsequently, this program was extended to further employees of e-Food. The option program is accounted for as an equity-settled share-based payment arrangement.

The program includes two tranches. The vesting period for tranche 1 is up to December 31, 2018, and the vesting period for tranche 2 up to December 31, 2019.

Total expense for the period was € 1.0 million in 2019 (previous year: € 0.7 million).

02. Financial instruments

a) Fair value disclosures

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

The following abbreviations are used for the measurement categories:

— FAaAC: Financial assets at amortized cost
— FLaAC: Financial liability at amortized cost
— FVtPL: Financial instruments at fair value through profit or loss

DEC. 31, 2019

EUR MILLION	CLASSIFICATION PURSUANT TO IFRS 9	MEASURED AT AMORTIZED COST CARRYING AMOUNT	MEASURED AT AMORTIZED COST FAIR VALUE	MEASURED AT FAIR VALUE CARRYING AMOUNT	FAIR VALUE HIERARCHY	TOTAL
NON-CURRENT FINANCIAL ASSETS						
INVESTMENTS – LEVEL 3	*FVtPL*			*107.8*	*3*	*107.8*
INVESTMENTS – LEVEL 1	*FVtPL*			*271.3*	*1*	*271.3*
DERIVATIVE FINANCIAL INSTRUMENTS	*FVtPL*			*10.3*	*2*	*10.3*
LOANS GRANTED	*FAaAC*	*0.6*	*0.6*		*3*	*0.6*
SECURITY DEPOSITS	*FAaAC*	*5.0*	*5.0*		*3*	*5.0*
OTHER FINANCIAL ASSETS		**5.7**		**389.4**		**395.1**
CURRENT FINANCIAL ASSETS						
DERIVATIVE FINANCIAL INSTRUMENTS	*FVtPL*			*41.9*	*3*	*41.9*
RECEIVABLES AGAINST PAYMENT SERVICE PROVIDERS	*FAaAC*	*71.6*	*N/A*		*N/A*	*71.6*
TRADE RECEIVABLES	*FAaAC*	*26.4*	*N/A*		*N/A*	*26.4*
OTHER RECEIVABLES	*FAaAC*	*73.2*	*N/A*		*N/A*	*73.2*
TRADE AND OTHER RECEIVABLES		**171.3**		**41.9**		**213.2**
CASH AND CASH EQUIVALENTS		**699.4**	**N/A**		**N/A**	**699.4**
TOTAL FINANCIAL ASSETS		**876.3**		**431.3**		**1,307.6**
NON-CURRENT FINANCIAL LIABILITIES						
LEASE LIABILITIES	*N/A*[1]	*89.7*	*89.7*		*N/A*	*89.7*
SECURITY DEPOSITS RECEIVED	*FLAAC*	*0.7*	*0.7*		*3*	*0.7*
OTHER PAYABLES	*FLAAC*	*5.8*	*5.8*		*3*	*5.8*
CONTINGENT PURCHASE PRICE OBLIGATIONS	*FVTTPL*			*36.4*	*3*	*36.4*
TRADE AND OTHER PAYABLES		**96.2**		**36.4**		**132.6**
CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	*FLaAC*	*134.7*	*N/A*		*N/A*	*134.7*
LEASE LIABILITIES	*N/A*[1]	*29.7*	*N/A*		*N/A*	*29.7*
SECURITY DEPOSITS RECEIVED	*FLaAC*	*2.6*	*N/A*		*N/A*	*2.6*
WALLET LIABILITY	*FLAAC*	*2.4*	*N/A*		*N/A*	*2.4*
OTHER PAYABLES	*FLaAC*	*259.4*	*N/A*		*N/A*	*259.4*
CONTINGENT PURCHASE PRICE OBLIGATIONS	*FVtPL*			*43.9*	*3*	*43.9*
TRADE AND OTHER PAYABLES		**429.0**		**43.9**		**472.9**
TOTAL FINANCIAL LIABILITIES		**525.2**		**80.3**		**605.5**

[1] FROM JANUARY 1, 2019, MEASUREMENT OF LEASE LIABILITIES FOLLOWS THE REQUIREMENTS OF IFRS 16.

DEC. 31, 2018

EUR MILLION	CLASSIFICATION PURSUANT TO IFRS 9	MEASURED AT AMORTIZED COST: CARRYING AMOUNT	MEASURED AT AMORTIZED COST: FAIR VALUE	MEASURED AT FAIR VALUE: CARRYING AMOUNT	FAIR VALUE HIERARCHY	TOTAL
NON-CURRENT FINANCIAL ASSETS						
INVESTMENTS	*FVtPL*			*43.4*	*3*	*43.4*
LOANS GRANTED	*FAaAC*	*2.9*	*2.9*	*0*	*3*	*2.9*
SECURITY DEPOSITS	*FAaAC*	*3.5*	*3.5*	*0*	*3*	*3.5*
OTHER FINANCIAL ASSETS		**6.4**		**43.4**		**49.8**
CURRENT FINANCIAL ASSETS						
RECEIVABLES AGAINST PAYMENT SERVICE PROVIDERS	*FAaAC*	*30.5*	*N/A*		*N/A*	*30.5*
TRADE RECEIVABLES	*FAaAC*	*20.6*	*N/A*		*N/A*	*20.6*
OTHER RECEIVABLES	*FAaAC*	*34.0*	*N/A*		*N/A*	*34.0*
TRADE AND OTHER RECEIVABLES		**85.1**				**85.1**
CASH AND CASH EQUIVALENTS		**364.1**	**N/A**		**N/A**	**364.1**
TOTAL FINANCIAL ASSETS		**455.6**		**43.4**		**498.9**
NON-CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	*FLaAC*	*1.6*	*1.6*			*1.6*
FINANCE LEASE PAYABLES	*N/A*[1]	*1.1*	*1.1*		*3*	*1.1*
SECURITY DEPOSITS RECEIVED	*FLaAC*	*0.6*	*0.6*		*3*	*0.6*
CONTINGENT PURCHASE PRICE OBLIGATIONS	*FVTtPL*			*5.3*	*3*	*5.3*
TRADE AND OTHER PAYABLES		**3.3**		**5.3**		**8.6**
CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	*FLaAC*	*58.6*	*N/A*		*N/A*	*58.6*
FINANCE LEASE PAYABLES	*N/A*[1]	*1.3*	*N/A*		*N/A*	*1.3*
SECURITY DEPOSITS RECEIVED	*FLaAC*	*0.9*	*N/A*		*N/A*	*0.9*
OTHER PAYABLES	*FLaAC*	*105.6*	*N/A*		*N/A*	*105.6*
CONTINGENT PURCHASE PRICE OBLIGATIONS	*FVtPL*			*5.5*	*3*	*5.5*
TRADE AND OTHER PAYABLES		**166.5**		**5.5**		**172.0**
TOTAL FINANCIAL LIABILITIES		**169.8**		**10.8**		**180.6**

[1] *CLASSIFICATION AND MEASUREMENTS OF FINANCE LEASE PAYABLES FOLLOWS THE REQUIREMENTS OF IAS 17 LEASES.*

The fair value is not disclosed for some current financial assets and current financial liabilities, because their carrying amount is a reasonable approximation of fair value due to their short-term nature. The fair values of some non-current financial assets approximate their carrying amount because there were no significant changes in the measurement inputs, since their fair value was determined upon initial recognition.

In order to hedge the foreign currency risk arising from the USD-nominated cash consideration for the planned transaction with Woowa, a deal-contingent USD/EUR option with a nominal amount of € 2.5 billion and a term until April 15, 2021 was concluded on December 13, 2019. The option premium is payable contingent on the closing of the transaction. The option has not been designated into a hedging relationship. The option was recognized as of the inception date and is accounted for as a financial asset at fair value through profit or loss assigned to level 3 of the fair value hierarchy, as the probability of occurrence of closing is considered as an unobservable input factor for determining the fair value. The corresponding deal-contingent financial liability for the contractual obligation to pay the option premium is recognized within other current financial liabilities. In 2019 a loss of € 3.2 million was recognized in connection with the measurement of the deal-contingent option.

The following table shows the impact of the deal-contingent option on items of the consolidated statement of financial position (before taxes):

EUR MILLION	DEC. 31, 2019
OTHER CURRENT FINANCIAL ASSETS	*41.8*
OTHER CURRENT FINANCIAL LIABILITIES	*44.8*

Level 3 financial instruments measured at fair value

Total gains and losses from the change in level 3 instruments measured at fair value are recognized in other financial result.

In determining the fair values of the investments, the “prior sale of company stock” method and discounted cash flows techniques are applied. The prior sale of company stock method considers any prior arm’s length sales of the equity securities. The discounted cash flows technique considers the present value of expected payments, discounted using a risk-adjusted discount rate.

The fair values of contingent purchase price obligations resulting from business combinations are estimated taking into account the underlying contingency as agreed with the seller in a particular business combination.

The fair value of the deal-contingent option was determined by applying a probability-weighted option pricing formula using the Garman-Kohlhagen model. This model uses parameters that are observable in the relevant markets including exchange rates, interest rate curves, forward rates and volatility. In addition, the closing probability for the planned transaction and assumptions of the closing date were taken into account as significant unobservable valuation parameters. The Group currently assesses the probability of closing as high and considers closing to be most probable in the second half of 2020.

The sensitivity of the fair values to the inputs into the valuation techniques is discussed in the *Price risk* in *Market risk* section below.

The reconciliation of level 3 instruments measured at fair value is as follows:

	ASSETS		LIABILITIES
EUR MILLION	DEAL-CONTINGENT OPTION	INVESTMENTS – LEVEL 3	CONTINGENT PURCHASE PRICE OBLIGATIONS
AS OF JAN. 01, 2018	**–**	**–**	**–**
RECLASSIFIED UPON ADOPTION OF IFRS 9		28.8	–
ADDITIONS		16.1	10.8
DISPOSALS		–	–
LOSSES RECORDED IN PROFIT OR LOSS		–1.5	–
AS OF DEC. 31, 2018	**–**	**43.4**	**10.8**
ADDITIONS	45.0	47.6	77.4
DISPOSALS	–	–1.5	–5.2
GAINS/LOSSES RECORDED IN PROFIT OR LOSS	–3.2	18.3	–2.7
AS OF DEC. 31, 2019	**41.8**	**107.8**	**80.3**

The gains and losses recorded in profit or loss of the level 3 financial instruments are mainly attributable to fair value adjustments.

Net Income (loss) by measurement category

The net gains and losses recognized for individual measurement categories are as follows:

EUR MILLION	2019	2018
FLAAC	0.2	–
FVtPL (ASSETS)	77.3	–1.5
FVtPL (LIABILITIES)	2.7	–
TOTAL	**80.2**	**–1.5**

The gains and losses for individual measurement categories are mainly attributable to fair value changes. They exclude impairment losses and interest income and expenses.

b) Risk management

The DH Group is exposed to credit risk, liquidity risk and market risk. The DH Group actively monitors these risks and manages them using a risk management system. The risk management function is exercised in the Governance, Risk & Compliance (GRC) department. Further information regarding the nature and extent of risks arising from financial instruments is disclosed in the risk report included in the combined management report.

Credit risk

The credit or default risk is the risk that the business partners are unable to fulfill their payment obligations. As in the previous year, such risks mainly relate to current trade receivables from a broad base of customers, mainly restaurants. The DH Group is not exposed to a major default risk from any single customer. The DH Group monitors the default risk and, as in the previous year, manages it actively by making any necessary credit checks and by optimizing the payment process.

The maximum default risk corresponds to the carrying amount of the financial assets. The Group does not require collateral with respect to its financial assets. As of December 31, 2019, the Group held € 699.4 million (previous year: € 364.1 million) cash and cash equivalents mainly at banks. In addition, the Group held € 36.4 million deposits and other similar receivables (previous year: € 37.5 million) with financial institutions. Most of these balances are held with banks that are rated A+ to BBB+.

Furthermore, the DH Group cooperates with known online payment providers, such as Mastercard, Paypal and Adyen. The receivables from online payment providers amounted to € 71.6 million at December 31, 2019 (previous period: € 30.5 million). They were short-term in nature and carried very low credit risk at the reporting date. Therefore, the expected losses on all these balances are considered immaterial at the reporting date. Moreover, the expected losses on the loans granted in the amount of € 0.6 million as of December 31, 2019 (previous year € 2.9 million) were immaterial.

The Group determines the expected credit losses for its trade receivables from restaurants as follows:

EUR MILLION	CARRYING AMOUNT	LARGE MULTI-NATIONAL CHAINS	CURRENT	PAST DUE AS OF DECEMBER 31, 2019 (IN DAYS) <30	30–60	61–90	>90
GROSS CARRYING AMOUNT	28.8	2.2	16.6	4.0	2.8	2.1	1.1
WEIGHTED AVERAGE LOSS RATE		0.6%	2%	5%	12%	41%	66%
LOSS ALLOWANCE	−2.4	0.0	−0.3	−0.2	−0.3	−0.9	−0.7

The expected credit losses for trade receivables in the prior period were as follows:

EUR MILLION	CARRYING AMOUNT	LARGE MULTI-NATIONAL CHAINS	CURRENT	PAST DUE AS OF DECEMBER 31, 2018 (IN DAYS) <30	30–60	61–90	>90
GROSS CARRYING AMOUNT	22.3	2.5	12.9	3.1	1.6	1.1	1.2
WEIGHTED AVERAGE LOSS RATE		0.6%	2%	5%	12%	41%	50%
LOSS ALLOWANCE	−1.7	0.0	−0.3	−0.2	−0.2	−0.4	−0.6

The provision matrix is calculated based on the actual credit loss experience that takes into account the historical experience as well the economic conditions as of the reporting date. The expected losses in relation to trade receivables from large multinational chain restaurants is estimated to be 0.6% based on their credit ratings of at least BBB+. Trade receivables are derecognized if they are more than 120 days past due, have been fully provided for (in the current year and previous years) and for which there is no reasonable expectation of recovery.

The movement in the allowance account for impairment in respect of trade receivables was as follows:

ALLOWANCE ACCOUNT

EUR MILLION	2019	2018
JANUARY 1	−1.7	−14.0
ADJUSTMENT ON INITIAL APPLICATION OF IFRS 9	–	−0.1
AMOUNTS DERECOGNIZED	8.1	15.7
AMOINTS RESULTING FROM DISCONTINUED OPERATIONS	–	1.0
NET REMEASUREMENT OF ALLOWANCE ACCOUNT	−8.8	−4.3
DECEMBER 31	**−2.4**	**−1.7**

Receivables derecognized in the previous year of € 15.7 million were driven by transition effects in the course of first time application of IFRS 9.

Liquidity risk

Liquidity risk is the risk of being unable to meet the payment obligations resulting from financial liabilities, which may arise from unavailability of funds. The exposure to liquidity risk is closely monitored on group level using daily liquidity reports and regular cash forecast reports to ensure adequate distribution of funds and early identification of additional funding needs.

The following table presents contractual (undiscounted) interest and principal payments for the DH Group's financial liabilities. The maturity is based on the contractual payment terms.

TYPE OF LIABILITY

EUR MILLION	CARRYING AMOUNT	CONTRACTUAL CASH FLOW TOTAL	<1 YEAR	1–5 YEARS	>5 YEARS
AS OF DEC. 31, 2019					
TRADE PAYABLES	134.7	134.7	134.7	0.0	0.0
OTHER PAYABLES	267.7	267.7	261.9	5.8	0.0
CONTINGENT PURCHASE PRICE OBLIGATIONS	80.3	80.3	43.9	36.4	0.0
SECURITY DEPOSITS RECEIVED	3.3	3.3	2.6	0.3	0.4
LEASE LIABILITY	119.4	119.4	29.7	74.5	15.2
TOTAL	**605.5**	**605.5**	**472.9**	**117.1**	**15.6**
AS OF DEC. 31, 2018					
TRADE PAYABLES	60.2	60.2	58.6	1.6	0.0
OTHER PAYABLES	105.7	105.7	105.7	0.0	0.0
FINANCIAL LIABILITIES FROM PUT OPTION ON NCI	10.8	10.8	5.5	5.3	0.0
SECURITY DEPOSITS RECEIVED	1.5	1.5	0.9	0.2	0.4
TOTAL	**178.2**	**178.2**	**164.3**	**1.6**	**0.4**

Market risk

Group entities are exposed to market risks such as currency risk and price risk.

Currency risk

Currency risk arises in particular with regard to intercompany receivables and payables denominated in foreign currency. Also funds held in foreign currencies other than the functional currency of Group entities, particularly USD, expose the Group to currency risks.

The expected consideration for the anticipated transaction with Woowa payable in USD exposes Delivery Hero to foreign currency risks (refer to Section D.02.b)). To mitigate the foreign currency risks the Company entered into a deal-contingent USD/EUR option (refer to this section above for further details on the option). The following table shows the effects on profit or loss that would result if the foreign currencies had appreciated or depreciated by 10% as of the reporting date.

CHANGES

EUR MILLION	DEC. 31, 2019 +10%	DEC. 31, 2019 −10%	DEC. 31, 2018 +10%	DEC. 31, 2018 −10%
USD-EUR	−66.7	196.0	−23.0	23.0
KWD-AED	13.4	−13.4	3.9	−3.9
KWD-SAR	10.3	−10.3	4.5	−4.5
EUR-HKD	10.2	−10.2	0.2	−0.2
EUR-THB	10.0	−10.0	0.0	0.0
EUR-SGD	8.3	−8.3	3.4	−3.4
EUR-MYR	4.6	−4.6	1.1	−1.1
SAR-BHD	−3.7	3.7	−3.5	3.5
USD-COP	3.6	−3.6	0.0	0.0
EUR-PHP	3.4	−3.4	1.0	−1.0
EUR-PKR	3.1	−3.1	1.0	−1.0
EUR-CAD	2.6	−2.6	0.0	0.0
USD-CLP	−2.5	2.5	0.7	−0.7
EUR-EGP	2.2	−2.2	0.9	−0.9
USD-UYU	−1.7	1.7	0.0	0.0
USD-TRY	1.5	−1.5	−0.1	0.1
USD-ARS	1.3	−1.3	0.1	−0.1
EUR-TRY	−1.3	1.3	−4.5	4.5
EUR-KWD	1.1	−1.1	2.7	−2.7
RON-EUR	−1.1	1.1	0.0	0.0
EUR-BDT	1.1	−1.1	0.4	−0.4
QAR-KWD	−0.3	0.3	1.2	−1.2
EUR-TWD	0.2	−0.2	1.5	−1.5
EUR-KRW	0.0	0.0	9.7	−9.7
BHD-AED	0.0	0.0	1.3	−1.3

Since 2018 Argentina has been reported as a hyperinflationary economy under IAS 29 (refer to Section B.14.).

Price risk

Price risk in the Group arises on investments, derivatives and contingent purchase price obligations measured at fair value through profit or loss as a result of changes in interest rates, equity prices and contingencies.

As of December 31, 2019, the effect on the profit or loss in response to changes in the inputs into the fair value measurements would be as follows: (+) means a positive effect on profit or loss and (–) means a negative effect on profit or loss.

DEC. 31, 2019	VOLATILITY EUR/USD	CONTINGENCIES	INTEREST RATES	EQUITY PRICE
EUR MILLION	+/–100 BP	+/–10%	+/–100 BP	+/–10%
DERIVATIVE FINANCIAL INSTRUMENTS	+7.1/–6.6	N/A	+0.1/–0.1	+1.4/–1.5
INVESTMENTS	N/A	N/A	–0.8/+0.8	+9.4/–9.4
CONTINGENT PURCHASE PRICE OBLIGATION	N/A	–/+4.6	+1.5/–0.8	N/A

Changes of the closing probability as non-observable input parameter for measurement of the deal-contingent option of +/–10% would result in a change in the fair value of the option of € +/–4.6 million.

In the prior period the sensitivity to changes in the inputs into fair value measurements was as follows:

DECEMBER 31, 2018	CONTINGENCIES	INTEREST RATES	EQUITY PRICE
EUR MILLION	+/–10%	+/–100 BP	+/–(10%)
INVESTMENTS	N/A	–0.7/+0.9	+3.6/–2.6
CONTINGENT PURCHASE PRICE OBLIGATION	–0.1/+1.1	+0.1/–0.1	N/A

03. Capital management

For the purpose of DH Group's capital management, capital includes subscribed capital, capital reserves and all other equity reserves attributable to the owners of the parent. The primary objective of DH Group's capital management is to safeguard the Group's ability to continue as a going concern in order to finance the growth strategy and to reduce the cost of capital of the Group.

The capital management strategy, including policies and processes of capital management focuses on the monitoring of cash and cash equivalents. Further, external financing is monitored; however, as of December 31, 2019 no debt from external financing existed.

Cash and Cash equivalents as at the respective financial year end are included in the table below:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
CASH AND CASH EQUIVALENTS	699.4	364.1

04. Contingencies

In 2019, the Group has become party to an arbitration proceeding with a minority shareholder in a Group company who requests damages and the right to sell his shares in the Group company. The Group assesses the prospect of success for the minority shareholder as not probable.

Further, claims by a local regulatory authority were raised in 2019 in connection with an M&A transaction. The Group does currently not expect that it is probable that these claims will be founded and will defend itself against the claims.

05. Earnings per share

Basic earnings per share were calculated based on the net income/loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding (in thousands).

				CHANGE	
		2019	2018	ABSOLUTE	%
CONSOLIDATED LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	EUR MILLION	−689.9	−277.1	−412.8	>100
LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	EUR MILLION	−1.1	−4.0	2.9	−72.5
LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	EUR MILLION	**−688.8**	**−273.1**	**−415.7**	**>100**
WEIGHTED AVERAGE NUMBER OF SHARES ISSUED	NUMBER IN THOUSANDS	190,355	186,169	4,186	2.2
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS	EUR	**−3.62**	**−1.47**	**−2.15**	**>100**
PROFIT/(LOSS) FOR THE PERIOD FROM DISCONTINUED OPERATIONS	EUR MILLION	920.2	234.8	685.4	>100
CONSOLIDATED PROFIT/LOSS FOR THE PERIOD FROM CONTINUING AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	EUR MILLION	231.4	−38.3	269.7	>100
WEIGHTED AVERAGE NUMBER OF SHARES ISSUED	NUMBER IN THOUSANDS	190,355	186,169	4,186	2.2
DILUTED AND BASIC EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	EUR	**4.83**	**1.26**	**3.57**	**>100**
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUED AND DISCONTINUED OPERATIONS	EUR	**1.22**	**−0.21**	**1.43**	**>100**

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (BASIC)

THOUSANDS OF SHARES	**2019**	2018
ISSUED ORDINARY SHARES AT JAN. 1	186,169	157,734
EFFECT OF TREASURY SHARES HELD	−78	−60
EFFECT OF SHARES ISSUED FOR THE YEAR	4,264	28,495
WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES AT DEC. 31	**190,355**	**186,169**

The following equity instruments were not taken into account in determining the diluted earnings per share because their effect would have been anti-dilutive.

NUMBER OF POTENTIAL ORDINARY SHARES

THOUSANDS	**DEC. 31, 2019**	DEC. 31, 2018
SHARE-BASED PAYMENTS	5,549	7,561
TOTAL NUMBER OF POTENTIAL ORDINARY SHARES	**5,549**	**7,561**

06. Disclosures on the cost-of-sales method

DH Group classifies expenses by their function referred to as the cost-of-sales method. In 2019 these expenses included: expenses for salaries and wages of € 491.1 million (previous year: € 346.3 million), expenses for social security of € 69.8 million (previous year: € 39.6 million), expenses for defined benefit plans as well as pension plans of € 5.8 million (previous year: € 4.1 million) and expenses for depreciation and amortization of € 90.0 million in 2019 (previous year:€ 53.2 million).

07. Headcount

The DH Group employs an average of 23,436 people in their continued and discontinued operations in the current financial year (previous year: 19,834 employees). The distribution by employee groups is presented below:

AVERAGE NUMBER OF EMPLOYEES BY GROUP

	2019	2018
DELIVERY AND FOOD PROCESSING	12,795	12,400
SALES	6,625	4,697
MARKETING	591	549
BUSINESS SUPPORT	641	208
PRODUCT DEVELOPMENT	1,149	794
ADMINISTRATION	1,635	1,186
TOTAL	**23,436**	**19,834**

Total personnel expenses in 2019 for continued operations amounted to € 542.4 million (previous year: € 340.0 million) and discontinued operations amounted to € 18.4 million (previous year: € 45.9 million).

08. Total fee for the auditor

The auditor's fees for services provided by the group auditor are broken down by service as follows:

EUR MILLION	2019	2018
AUDIT SERVICES	1.7	2.0
TAX ADVISORY SERVICES	0.0	0.0
OTHER SERVICES	0.0	0.0
TOTAL	**1.7**	2.0

In 2019 the fees for audit services include services for the previous year of € 0.1 million.

Audit services are provided for the audit of the consolidated financial statements and statutory financial statements of Delivery Hero SE. Integrated with the audit procedures, reviews of interim financial statements were performed.

Tax advisory services amounted to € 12 thousand and include consulting services in connection with an audit by the German fiscal authorities and advisory services in connection with social security legislation.

Other services in 2019 amounted to € 26 thousand and consist of advisory services in connection with the enforcement examination carried out by the Financial Reporting Enforcement Panel (FREP).

09. Related-party disclosures

The members of the Management Board and the Supervisory Board were considered as related parties of Delivery Hero SE in accordance with IAS 24.

a) Members of the Management Board

MANAGEMENT BOARD	OCCUPATION
NIKLAS ÖSTBERG	CHIEF EXECUTIVE OFFICER
EMMANUEL THOMASSIN	CHIEF FINANCIAL OFFICER

b) Members of the Supervisory Board

NAME	OCCUPATION	OTHER FUNCTIONS
DR. MARTIN ENDERLE CHAIRMAN	MANAGING DIRECTOR OF ALLMYHOMES GMBH	EGMONT FOUNDATION (MEMBER OF THE BOARD OF TRUSTEES), CEWE STIFTUNG & CO. KGAA (MEMBER OF THE BOARD OF TRUSTEES[1]), ME GMBH (MANAGING DIRECTOR), CHACONNE GMBH (MANAGING DIRECTOR), FEEGOO INVEST UG (MANAGING DIRECTOR[1])
PATRICK KOLEK DEPUTY CHAIRMAN	GROUP CHIEF OPERATING OFFICER OF NASPERS LIMITED	MAKEMYTRIP LTD (MEMBER OF THE BOARD OF DIRECTORS[1])
HILARY GOSHER	MANAGING DIRECTOR OF INSIGHT VENTURE PARTNERS LLC	PARITY PARTNERS, LLC (MEMBER OF THE BOARD OF DIRECTORS[1]), HUSTLE, INC. (MEMBER OF THE BOARD OF DIRECTORS)
BJÖRN LJUNGBERG	EMPLOYEE AT DH GROUP	
VERA STACHOWIAK	EMPLOYEE AT DH GROUP	
CHRISTIAN GRAF VON HARDENBERG (SINCE APRIL 1, 2019)	EMPLOYEE AT DH GROUP	

[1] *ENDED DURING 2019*

The mandate of Semih Yalcin in the Supervisory Board ended on April 1, 2019. His successor is Christian Graf von Hardenberg, Chief Technology Officer at Delivery Hero.

c) Key management personnel transactions

The members of the Management Board and the members of the Supervisory Board represent key management personnel.

The remuneration of the Management Board and the Supervisory Board in 2019 is as follows:

EUR MILLION	2019	2018
SHORT-TERM EMPLOYEE BENEFITS	1.4	1.0
EXPENSES RELATED TO SHARE-BASED COMPENSATION[1]	8.4	1.8

[1] FOR DETAILS SEE FOLLOWING ILLUSTRATION.

In 2019 the total remuneration of the Management Board amounts to € 0.7 million. The total remuneration of the Supervisory Board in 2019 amounts to € 0.7 million including the salary of employee representatives within the Supervisory Board for the duration of their organ activity. The expenses related to share-based compensation with regard to the Supervisory Board member amount in 2019 to € 0.9 million (previous year € 0.0 million).

The stock options granted to related parties are as follows:

	DEC. 31, 2019	DEC. 31, 2018[1]
NO. OF SHARES OWED	1,928,043	1,391,334
NO. OF VESTED SHARES	1,821,656	1,238,141
FAIR VALUE (EUR MILLION)	32.0	21.5
EXPENSES RECOGNIZED (EUR MILLION)	8.4	1.8

[1] TO THE MEMBERS OF THE SUPERVISORY BOARD NO STOCK OPTIONS WERE GRANTED IN 2018.

As of December 31, 2019, the total number of shares owed to members of the Supervisory Board amount to 244,207. The number of vested shares to members of the Supervisory Board as of December 31, 2019, amount to 218,311. The fair value is € 3.0 million, of which € 0.9 million in expenses are recognized in 2019. In the financial year 2019, 7,381 new stock options and 663 shares in form of RSU were granted under the LTIP in the total amount of € 0.1 million to members of the Supervisory Board.

d) Other related-party transactions

Other related-party transactions comprise exchanges of DH Group with related entities, primarily associated companies and entities controlled by key management personnel.

As of December 31, 2019 receivables and liabilities to other related parties are composed as follows:

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
FINANCING COMMITTMENT TO ASSOCIATES	–	–
RECEIVABLES FROM RELATED ENTITIES	0.3	0.2
RECEIVABLES FROM ASSOCIATES	–	0.4
LIABILITIES TO RELATED ENTITIES	–	–
LIABILITIES TO ASSOCIATES	–	0.3

The result from transactions with other related parties is composed as follows:

EUR MILLION	2019	2018
INCOME FROM TRANSACTIONS FROM RELATED ENTITIES	0.1	0.6
EXPENSES FROM TRANSACTIONS WITH RELATED ENTITIES	3.6	0.0

Expenses from transactions with related entities are attributable to logistics and marketing services provided by Barogo Co. Ltd. in Korea amounting to € 2.1 million. Further, expenses of € 1.5 million relate to an asset transaction in Latin America with GlovoApp Chile Spa, Chile.

10. Lease relations and other financial obligations
The effect of initially applying IFRS 16 on the Group's lease agreements is described in note C. Due to the transition method chosen, comparative information has not been restated.

The Group leases predominantly office space including dark store space, vehicles and office equipment. During the reporting period several new lease agreements were concluded.

Right-of-use assets recognized in the Group's consolidated statement of financial positions evolved as follows:

EUR MILLION		2019
BALANCE AT JANUARY 1, 2019		79.4
DEPRECIATION CHARGE FOR THE YEAR		−27.0
THEREOF BUILDINGS	−20.5	
THEREOF VEHICLES AND OFFICE EQUIPMENT	−6.5	
ADDITIONS TO RIGHT-OF-USE ASSETS		**64.6**
DERECOGNITION OF RIGHT-OF-USE ASSETS		**−2.0**
BALANCE AT DECEMBER 31, 2019		**115.0**
THEREOF BUILDINGS	96.9	
THEREOF VEHICLES AND OFFICE EQUIPMENT	18.1	

Further amounts reflected in the consolidated statements of profit and loss and other comprehensive income and consolidated statement of cash flows are as follows:

EUR MILLION	
2019 – LEASES UNDER IFRS 16	
INTEREST ON LEASE LIABILITY	−5.3
EXPENSES RELATING TO SHORT–TERM LEASES	−5.8
EXPENSES RELATING TO LEASES OF LOW–VALUE ASSETS	−0.8
TOTAL CASH OUTFLOW FOR LEASES	−32.3
2018 – OPERATING LEASES UNDER IAS 17	
LEASE EXPENSE	−24.4
SUB-LEASE INCOME	0.3

Some leases of buildings contain extension options exercisable by DH. The Group assesses at the lease commencement whether it is reasonably certain to exercise the extension options. DH recognized lease liabilities of € 23.3 million for leases that contain extension options. For such contracts the potential future lease payments (discounted) not included in the lease liabilities as of December 31, 2019 amounted to € 17.0 million.

Future cumulative obligations from other agreements amount to € 29,1 million as of December 31, 2019 (previous year: € 8.3 million). The other agreements primarily relate to server hosting and similar services.

EUR MILLION	DEC. 31, 2019	DEC. 31, 2018
LESS THAN ONE YEAR	14.5	2.8
MORE THAN ONE YEAR AND LESS THAN FIVE YEARS	14.7	5.4
MORE THAN FIVE YEARS	0.0	0.0
TOTAL	**29.1**	8.3

11. List of shareholdings pursuant to Section 313 of the German Commercial Code (HGB)

DH's interest in consolidated companies as of December 31, 2019 is as follows:

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2019 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)
GERMANY:			
BRILLANT 1421. GMBH, BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (HONG KONG) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. 15. VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (INDIA) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. SIEBTE VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (PAKISTAN) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. NEUNTE VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (PHILIPPINES) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLYJADE 1343 GMBH & CO. 13. VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO AUSTRIA GMBH, BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO KITCHENS HOLDING GMBH, BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO LOCAL VERWALTUNGS GMBH, BERLIN	*100.00*	*EUR*	
DELIVERY HERO STORES HOLDING GMBH (FORMERLY FOODORA SERVICES GERMANY GMBH), BERLIN	*100.00*	*EUR*	*100.00*
DH FINANCIAL SERVICES HOLDING GMBH (FORMERLY DELIVERY HERO PAYMENTS GMBH), BERLIN	*100.00*	*EUR*	*100.00*
FOODPANDA GMBH, BERLIN	*100.00*	*EUR*	*100.00*
FOODPANDA GP UG (HAFTUNGSBESCHRÄNKT), BERLIN	*100.00*	*EUR*	*100.00*
JADE 1343 GMBH & CO. VIERTE VERWALTUNGS KG, BERLIN	*100.00*	*EUR*	*100.00*
JUWEL 220, VV UG (HAFTUNGSBESCHRÄNKT), BERLIN	*100.00*	*EUR*	*100.00*
RGP TRUST GMBH, BERLIN	*100.00*	*EUR*	*100.00*
SWEETHEART KITCHEN OPERATIONS GMBH, BERLIN	*40.00*	*EUR*	*100.00*

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2019 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)
VALK FLEET DEUTSCHLAND GMBH (FORMERLY RUSHY LOGISTIK), BERLIN	*100.00*	*EUR*	
VALK FLEET HOLDING GMBH & CO. KG, BERLIN	*100.00*	*EUR*	*100.00*
VALK FLEET VERWALTUNGS GMBH, BERLIN	*100.00*	*EUR*	*100.00*
INTERNATIONAL:			
APPETITO VEINTICUATRO LTDA., SAN JOSE (CR)	*100.00*	*CRC*	*100.00*
ARAVO S.A., MONTEVIDEO (UY)	*100.00*	*UYU*	*100.00*
BAEDALTONG CO. LLC (FORMERLY BAEDALTONG CO. LTD.), SEOUL (KR)	*100.00*	*KRW*	*100.00*
CARRIAGE DELIVERY SERVICES LLC, ABU DHABI (UAE)	*100.00*	*AED*	*100.00*
CARRIAGE HOLDING COMPANY LTD., ABU DHABI (UAE)	*100.00*	*AED*	*100.00*
CARRIAGE SAUDI ARABIA LLC, (FORMERLY ESTABLISHMENT OF AB-DULLAH AL MUTAWA (KSA), KUWAIT (KW)	*100.00*	*SAR*	*100.00*
CARRIAGE LOGISTICS SPC, MANAMA (BH)	*100.00*	*BHD*	*100.00*
CARRIAGE TRADING & SERVICES CO. WLL, DOHA (QA)	*100.00*	*QAR*	*100.00*
CLICKDELIVERY S.A.C, LIMA (PE)	*100.00*	*PEN*	*100.00*
CLICKDELIVERY S.A.S., BOGOTA (CO)	*100.00*	*COP*	*100.00*
CLOUD TREATS ROMANIA SA, CLUJ-NAPOCA (ROU)	*100.00*	*RON*	*100.00*
DÁMEJÍDLO.CZ. S.R.O. (FORMERLY PIZZATIME S.R.O.), PRAGUE (CZ)	*100.00*	*CZK*	*100.00*
DÁMEJÍDLO.CZ. LOGISTIKS S.R.O. (FORMERLY VALK FLEET S.R.O.), PRAGUE (CZ)	*100.00*	*CZK*	*100.00*
DARK STORES MENA HOLDING LTD., ABU DHABI (UAE)	*100.00*	*AED*	
DELIVERY HERO (CYPRUS) LTD. (FORMERLY AA FOODY CYPRUS LTD.), NIKOSIA (CYP)	*100.00*	*EUR*	
DELIVERY HERO (SINGAPORE) PTE. LTD. (FORMERLY FOODPANDA SINGAPORE PTE. LTD.), SINGAPORE (SGP)	*100.00*	*SGD*	*100.00*
DELIVERY HERO (WANTEA SINGAPORE) PTE LTD., SINGAPORE (SGP)	*100.00*	*SGD*	
DELIVERY HERO APAC PTE. LTD., SINGAPORE (SGP)	*100.00*	*SGD*	
DELIVERY HERO BULGARIA EOOD (FORMERLY FOODPANDA BULGARIA EOOD), SOFIA (BRG)	*100.00*	*BGN*	*100.00*
DELIVERY HERO CAMBODIA CO. LTD. , PHNOM PENH (KHM)	*100.00*	*USD*	

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2019 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)
DELIVERY HERO CARRIAGE DB LLC (FORMERLY CARRIAGE FOOD DELIVERY SERVICES LLC), DUBAI (UAE)	*100.00*	*AED*	*100.00*
DELIVERY HERO CARRIAGE EGYPT LLC, CAIRO (EGY)	*100.00*	*EGP*	
DELIVERY HERO CARRIAGE KUWAIT FOR DELIVERY OF CONSUMABLES LLC (FORMERLY CARRIAGE LOGISTICS GENERAL TRADING COMPANY LLC), KUWAIT (KW)	*100.00*	*KWD*	*100.00*
DELIVERY HERO FINLAND OY (FORMERLY SLM FINLAND OY), HELSINKI (FI)	*100.00*	*EUR*	*100.00*
DELIVERY HERO FZ-LLC, DUBAI (UAE)	*100.00*	*AED*	*100.00*
DELIVERY HERO HUNGARY KFT (FORMERLY VIALA KF), BUDAPEST (HU)	*100.00*	*HUF*	*100.00*
DELIVERY HERO INDIA HOLDING S.À R.L., LUXEMBOURG (LU)	*100.00*	*EUR*	*100.00*
DELIVERY HERO KOREA LLC (FORMERLY RGP KOREA LTD.), SEOUL (KR)	*100.00*	*KRW*	*100.00*
DELIVERY HERO LAO SOLE CO. LTD., LAO (LA)	*100.00*	*LAK*	
DELIVERY HERO LEBANON SARL, BEIRUT (LBN)	*100.00*	*LBP*	
DELIVERY HERO MYANMAR CO. LTD., YANGON (MMR)	*100.00*	*MMK*	
DELIVERY HERO STORES (SINGAPORE) PTE. LTD., SINGAPORE (SGP)	*100.00*	*SGD*	
DELIVERY HERO STORES APAC HOLDING PTE. LTD., SINGAPORE (SGP)	*100.00*	*SGD*	
DELIVERY HERO STORES DB LLC, DUBAI (UAE)	*100.00*	*AED*	
DELIVERY HERO SWEDEN AB (FORMERLY ONLINE PIZZA NORDEN AB), STOCKHOLM (SE)	*100.00*	*SEK*	*100.00*
DELIVERY HERO TALABAT DB LLC (FORMERLY TALABAT SERVICES COMPANY L.L.C.), DUBAI (UAE)	*100.00*	*BHD*	*100.00*
DELIVERY HERO THAILAND CO. LTD. (FORMERLY FOODPANDA CO. LTD.), BANGKOK (THA)	*100.00*	*THB*	*100.00*
DH SSC MALAYSIA SDN. BHD, KUALA LUMPUR (MYS)	*100.00*	*MYR*	
DH STORES (TAIWAN) CO. LTD., DAAN DIST TAIPEI (TWN)	*100.00*	*TWD*	
DHE LOGISTICS MALAYSIA SDN. BHD, KUALA LUMPUR (MYS)	*80.00*	*MYR*	*100.00*
DHH I SPC (DIFC) LTD., DUBAI (UAE)	*100.00*	*AED*	*100.00*
DHH II SPC (DIFC) LTD., DUBAI (UAE)	*100.00*	*AED*	*100.00*
DONESI D.O.O., BANJA LUKA (BIH)	*100.00*	*BAM*	*100.00*
DONESI D.O.O., PODGORICA (MNE)	*100.00*	*EUR*	*100.00*
EATOYE (PVT) LIMITED, KARACHI (PK)	*100.00*	*PKR*	*100.00*
ECOMMERCE BUSINESS 10 S.À R.L., LUXEMBOURG (LU)	*100.00*	*EUR*	*100.00*
EMERGING MARKETS ONLINE FOOD DELIVERY HOLDING S.À R.L., LUXEMBOURG (LU)	*100.00*	*EUR*	*100.00*
FLY&COMPANY LLC (FORMERLY FLY & COMPANY INC.), SEOUL (KR)	*100.00*	*KRW*	*100.00*
FOOD BASKET ELEKTRONIK İLETIŞIM GIDA TICARET LTD. ŞTI, NIKOSIA (CYP)	*100.00*	*TRY*	*100.00*
FOOD DELIVERY HOLDING 12. S.À R.L., LUXEMBOURG (LU)	*100.00*	*EUR*	*100.00*
FOOD DELIVERY HOLDING 15. S.À R.L., LUXEMBOURG (LU)	*100.00*	*EUR*	*100.00*
FOOD DELIVERY HOLDING 20. S.À R.L., LUXEMBOURG (LU)	*100.00*	*EUR*	*100.00*
FOOD DELIVERY HOLDING 21. S.À R.L., LUXEMBOURG (LU)	*100.00*	*EUR*	*100.00*
FOOD DELIVERY HOLDING 5. S.À R.L., LUXEMBOURG (LU)	*100.00*	*EUR*	*100.00*
FOOD PANDA PHILIPPINES INC., MAKATI (PHL)	*100.00*	*PHP*	*100.00*
FOODONCLICK.COM/JORDAN PRIVATE SHAREHOLDING COMPANY, AMMAN (JR)	*100.00*	*JOD*	*100.00*
FOODONCLICK-COM FZ-LLC, DUBAI (UAE)	*100.00*	*AED*	*100.00*
FOODORA AB, STOCKHOLM (SE)	*100.00*	*SEK*	*100.00*
FOODORA FINLAND OY (FORMERLY R-SC INTERNET SERVICES FINLAND OY) HELSINKI, (FI)	*100.00*	*EUR*	*100.00*
FOODORA FRANCE SAS, PARIS (FRA)	*100.00*	*EUR*	*100.00*
FOODORA INC. (CANADA), TORONTO (CAN)	*100.00*	*CAD*	*100.00*
FOODORA NORWAY AS, OSLO (NOR)	*100.00*	*NOK*	*100.00*

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2019 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)
FOODPANDA (B) SDN BHD, BANDAR SERI BEGAWAN (BRN)	*100.00*	*BND*	*100.00*
FOODPANDA BANGLADESH LTD., DHAKA (BGD)	*100.00*	*BDT*	*100.00*
FOODPANDA MALAYSIA SDN. BHD., KUALA LUMPUR (MYS)	*100.00*	*MYR*	*100.00*
FOODPANDA RO SRL, BUCHAREST (RO)	*100.00*	*RON*	*100.00*
FOODPANDA TAIWAN CO. LTD., DAAN DIST TAIPEI (TWN)	*100.00*	*TWD*	*100.00*
GO DELIVERY SA, ATTICA (GR)	*100.00*	*EUR*	*100.00*
HUNGERSTATION LLC, DAMMAM (KSA)	*63.00*	*SAR*	*63.00*
HUNGERSTATION SPC LTD., DUBAI (UAE)	*63.00*	*AED*	*63.00*
HUNGRY DELIVERY AB, LUND (SE)	*100.00*	*SEK*	
INVERSIONES CMR S.A.S, BOGOTA (CO)	*100.00*	*COP*	*100.00*
INVERSIONES DELIVERY HERO CMR S.A. (FORMERLY HELLOFOOD HALLO ESSEN HOLLESEN S.A.), QUITO (EC)	*100.00*	*USD*	*100.00*
LOKANTA NET ELEKTRONIK İLETIŞIM GIDA TICARET A.Ş., ISTANBUL (TR)	*100.00*	*TRY*	*100.00*
MAIDAN LIMITED, HONG KONG (HK)	*100.00*	*HKD*	*100.00*
MJAM GMBH, VIENNA (AT)	*100.00*	*EUR*	*100.00*
MOBILE VENTURE LATIN AMERICA INC., PANAMA (PA)	*100.00*	*USD*	*100.00*
MOTWER S.A., MONTEVIDEO (UY)	*100.00*	*UYU*	*100.00*
MOVIL MEDIA S.R.L., SANTO DOMINGO (DOM)	*100.00*	*DOP*	
OFD ONLINE FOOD DELIVERY SERVICES LTD., NICOSIA (CYP)	*100.00*	*EUR*	*100.00*
ONLINE DELIVERY PROMOTION OF INTERNET SERVICES SOCIÉTÉ ANONYME, ATTICA (GR)	*100.00*	*EUR*	*100.00*
OTLOB FOR RESTAURANTS RESERVATIONS SERVICES S.A.E, CAIRO (EGY)	*100.00*	*EGP*	*100.00*
OZON MEDIA D.O.O., ZAGREB (HR)	*100.00*	*HRK*	*100.00*
PAGOS YA S.A., BUENOS AIRES (AR)	*100.00*	*ARS*	*100.00*
PEDIDOS YA PARAGUAY S.A., ASUNCIÓN (PY)	*100.00*	*PYG*	*100.00*
PEDIDOSYA S.A. (FORMERLY KINBOY S.A.), MONTEVIDEO (UY)	*100.00*	*USD*	*100.00*
PEDIDOSYA S.A., BUENOS AIRES (AR)	*100.00*	*ARS*	*100.00*
PEDIDOSYA SERVICIOS S.A., SANTA CRUZ DE LA SIERRA (BOL)	*100.00*	*BOB*	*100.00*
PEDIDOSYA SPA, SANTIAGO (CL)	*100.00*	*CLP*	*100.00*
PLOTUN D.O.O., BELGRADE (SRB)	*100.00*	*RSD*	*100.00*
RANILA ONLINE SERVICES LIMITED, NEW DELHI (IND)	*100.00*	*INR*	*100.00*
REPARTOS YA S.A, BUENOS AIRES (AR)	*100.00*	*ARS*	*100.00*
REPARTOS YA S.A, MONTEVIDEO, (UY)	*100.00*	*UYU*	*100.00*
RESTAURANGONLINE SVERIGE AB, LUND (SE)	*100.00*	*SEK*	
ROCKET FOOD LIMITED, SHEUNG WAN (HK)	*100.00*	*HKD*	*100.00*
R-SC INTERNET SERVICES PAKISTAN (PVT) LIMITED, KARACHI (PK)	*100.00*	*PKR*	*100.00*
STORES SERVICES KUWAIT S.P.C., KUWAIT (KW)	*100.00*	*KWD*	
SWEETHEART KITCHEN HOLDING (DIFC), DUBAI (UAE)	*60.00*	*AED*	
SWEETHEART KITCHEN KUWAIT COMPANY, KUWAIT (KW)	*60.00*	*KWD*	
SWEETHEART KITCHEN LLC, DUBAI (UAE)	*60.00*	*AED*	
SWEETHEART KITCHEN OPERATIONS SINGAPORE PTE LTD., SINGAPORE (SGP)	*60.00*	*SGD*	
SWEETHEART KITCHEN SAUDI ARABIA LIMITED, KUWAIT (KW)	*100.00*	*SAR*	
TALABAT ELECTRONIC AND DELIVERY SERVICES LLC. (FORMERLY TALABAT ELECTRONIC SERVICES COMPANY L.L.C.), AL KHUWAIR (OM)	*100.00*	*OMR*	*100.00*

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2019 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)
TALABAT GENERAL TRADING & CONTRACTING COMPANY W.L.L, SHARQ (KW)	*100.00*	*KWD*	*100.00*
TALABAT LOGISTICS & ONLINE MANAGEMENT LLC, AMMAN (JR)	*100.00*	*JOD*	*100.00*
TALABAT LTD., KUWAIT (KW)	*100.00*	*KWD*	*100.00*
TALABAT MIDDLE EAST INTERNET SERVICES COMPANY L.L.C, DUBAI (UAE)	*100.00*	*AED*	*100.00*
TALABAT QFC LLC, DOHA (QA)	*100.00*	*QAR*	*100.00*
TALABAT RESTAURANTS COMPANY L.L.C. RIYADH (KSA)	*100.00*	*SAR*	*100.00*
TALABAT SERVICES COMPANY L.L.C. DOHA (QA)	*100.00*	*QAR*	*100.00*
VOLO NETHERLANDS B.V., AMSTERDAM (NL)	*100.00*	*EUR*	*100.00*
YEMEK SEPETI (DUBAI) B.V., AMSTERDAM (NL)	*100.00*	*EUR*	*100.00*
YEMEK SEPETI ELEKTRONIK İLETIŞIM TANITIM PAZARLAMA GIDA SANAYI VE TICARET A.Ş., ISTANBUL (TR)	*100.00*	*TRY*	*100.00*
YOGIYO MEDIA COMPANY LTD., SEOUL (KR)	*100.00*	*KRW*	*100.00*

The following companies were included as associates in the DH consolidated financial statements:

NAME AND REGISTERED OFFICE OF THE ASSOCIATED COMPANY	SHARE OF CAPITAL DECEMBER 31, 2019 (%)
HUNGRY HOLDING APS (DK)	*24.50*
NOSH SERVICES (KY)	*21.80*
BIO-LUTIONS INTERNATIONAL AG (DE)	*20.16*
RAPPI INC. (CO)	*13.97*
GLOVOAPP23 S.L. (ES)	*12.70*

12. Corporate Governance Code
The Management and Supervisory Boards of Delivery Hero SE have issued a statement of conformity pursuant to the German Corporate Governance Code (Section 161 of the German Stock Corporation Act [AktG]) in the version dated February 7, 2017, which was published on the website of Delivery Hero SE in December 2019 (https://ir.deliveryhero.com/websites/delivery/English/4500/declaration-of-compliance.html).

I. SUBSEQUENT EVENTS

Placement of convertible bond and new shares
On January 15, 2020, Delivery Hero placed two tranches ("Tranche A" and "Tranche B") of senior, unsecured convertible bonds maturing in January 2024 (Tranche A) and January 2027 (Tranche B) in a principal amount of € 875 million (Tranche A) and € 875 million (Tranche B), divided into 17,500 bonds in a nominal amount of € 100,000 each (the "Convertible Bonds"). The Convertible Bonds are initially convertible into approximately 17.9 million new or existing ordinary no-par value registered shares of Delivery Hero.

The Convertible Bonds will be issued at 100% of their nominal value and with a semiannually payable coupon of 0.25% p.a. (Tranche A) and 1.00% p.a. (Tranche B). The initial conversion price amounts to € 98.00 (Tranche A) and € 98.00 (Tranche B), representing a conversion premium of 40.00% (Tranche A) and 40.00% (Tranche B) above the reference price of € 70.00 (placement price of the concurrent share offering). The Convertible Bonds have been placed solely to institutional investors in certain jurisdictions via a private placement. Shareholders' subscription rights were excluded. The Convertible Bonds are trading on the non-regulated open market segment *(Freiverkehr)* of the Frankfurt Stock Exchange.

Delivery Hero is entitled to redeem the Convertible Bonds at any time (i) on or after February 13, 2023 (Tranche A) and February 13, 2025 (Tranche B), if the stock exchange price per Delivery Hero share amounts to at least 130% (Tranche A) or 150% (Tranche B) of the then relevant conversion price over a certain period or (ii) if 15% or less of the aggregate principal amount of the relevant tranche of the Convertible Bonds remain outstanding.

Further, Delivery Hero increased its current share capital by approximately 4.3%, from € 188,775,039 to € 196,933,589, through the exercise of its authorized capital. Shareholders' subscription rights were excluded. The 8,158,550 new no-par value ordinary registered shares have been placed with institutional investors at a placement price of € 70.00 per new share by way of an accelerated bookbuilding. The new shares carry full dividend rights as of January 1, 2019.

The Company received gross proceeds amounting to € 1.75 billion from the Convertible Bonds and € 571 million from the capital increase. The proceeds are intended to be used to finance a portion of the cash component of the consideration for the purchased shares in Woowa Brothers Corp., and for general corporate purposes.

Forward share purchase and multi-year collar agreement

On February 12, 2020, the Company decided to enter into a forward share purchase and multi-year equity collar agreement to restore its exposure in Just Eat Takeaway.com N.V. ("Just Eat Takeaway.com") to approximately 10.6% following the dilution that had been caused by the merger between Takeaway.com and Just Eat plc.

Delivery Hero will purchase 8.4 million additional Just Eat Takeaway.com shares by entering into a forward purchase agreement with a financial institution, which will be entirely financed by a multi-year equity collar transaction over approximately 8.8 million Just Eat Takeaway.com shares that also includes approximately 0.4 million shares that Delivery Hero had received in connection with the sale of its German food delivery businesses to Takeaway.com on April 1, 2019. As such, no negative impact on Delivery Hero's cash balance is expected from the transaction.

The objective of the transaction is to provide downside protection on, and some limited upside exposure to, the value of the underlying Just Eat Takeaway.com shares.

Acquisition of Honest Food Company GmbH

On February 28, 2020, the DH Group acquired 100% of the share capital of Honest Food Company GmbH, Germany through its fully owned subsidiary Delivery Hero Kitchens GmbH for a purchase price consideration of € 19.6 million. The acquired net assets amount to € 5.4 million. The entity produces food in centralized kitchens, which is sold to end customers via virtual restaurants through online platforms. The acquisition represents a strategic investment into virtual kitchen concepts. The acquired shares represent all of the voting rights.

Global coronavirus outbreak

Subsequent to December 31, 2019, on March 11, 2020 the World Health Organization (WHO) officially declared the coronavirus outbreak a global pandemic after it had spread to more than a hundred countries with accelerating infections outside of China.[1] The outbreak may have a severe impact on the global economy. Public measures to control the outbreak of the virus may result, among other things, in broad restrictions to restaurant operations, including temporary closure of restaurants, as well as curfews in cities and countries. The effects of the pandemic are also affecting global financial markets as investors disinvest from company stocks and other financial assets in favor of cash assets, which might adversely affect the measurement of our financial engagements into listed and non-listed investments. The global impact as well as the impact on our business operations in 2020 are contingent on many aspects, including the duration and intensity of the outbreak, the effectiveness of public health measures and supportive macroeconomic measures. Adverse business effects may be compensated by the acquisition of new customers as well as new restaurants that come to appreciate an on-demand delivery service for their food supply and as an additional distribution channel, respectively, in this crisis and beyond. However, the financial effect from the global coronavirus outbreak on the Group's financial position, result and cash flows cannot be estimated as of this date.

Berlin, April 22, 2020

Delivery Hero SE

Niklas Östberg
Chief Executive Officer

Emmanuel Thomassin
Chief Financial Officer

[1] www.who.int/dg/speeches/detail/who-director-general-s-opening-remarks-at-the-media-briefing-on-covid-19---11-march-2020

RESPONSIBILITY **STATEMENT**

We hereby confirm that, to the best of our knowledge and in accordance with the applicable principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report includes a fair review of the Group's business development including its performance and financial position, and also describes significant opportunities and risks relating to the Group's anticipated development.

Berlin, April 22, 2020

Delivery Hero SE

Niklas Östberg
Chief Executive Officer

Emmanuel Thomassin
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To Delivery Hero SE, Berlin

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of Delivery Hero SE Berlin, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2019, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from January 1 to December 31, 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of Delivery Hero SE, Berlin, for the financial year from January 1 to December 31, 2019. In accordance with German legal requirements, we have not audited the content of the components of the combined management report mentioned in the section "Other information" of our audit opinion.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities and financial position of the Group as of December 31, 2019, and of its financial performance for the financial year from January 1 to December 31, 2019, and
- the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Our opinion on the combined management report does not cover the section "Other information".

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and EU Audit Regulation No 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the consolidated financial statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the consolidated financial statements

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2019. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

IMPAIRMENT OF INTANGIBLE ASSETS ARISING FROM ACQUISITIONS INCLUDING GOODWILL

For information on impairment of intangible assets arising from acquisitions including goodwill, please see Sections B.05 and F.01 in the notes to the consolidated financial statements.

The Financial Statement Risk

Intangible assets arising from acquisitions including goodwill (trademarks, customer and supplier relationships, goodwill) amounted to EUR 1,011.8 million as of December 31, 2019, which represents 37.8% of total assets and thus a considerable share of asset value.

Intangible assets are tested for impairment if there are indications that their value has declined. As well as this, cash generating units (CGUs)/groups of CGUs to which goodwill has been allocated are subject to an annual impairment test.

To test for impairment, the carrying amount of the respective CGU/group of CGUs is compared with the recoverable amount. If the carrying amount exceeds the recoverable amount, this indicates a requirement for impairment. The recoverable amount is the higher of the CGU/group of CGUs' fair value less costs to sell and its value in use. The reporting date for impairment testing is November 30, 2019.

Based on the impairment tests conducted, the Company did not identify any need to recognize impairment losses.

Impairment testing is complex and based on a range of assumptions that require judgment. This includes the expected business and earnings development of the CGUs/groups of CGUs for the next five years, the modelling of estimated sustainable surplus cash flow, the assumed long-term growth rates and the discount rate used.

There is the risk for the financial statements that any existing impairment of goodwill as of the reporting date was not identified. As regards the explanations in the notes to the consolidated financial statements, there is a risk that the explanations are not appropriate.

Our Audit Approach

We evaluated the Company's assessment of whether there were indications of impairment for significant intangible assets arising from acquisitions.

For the purposes of impairment testing of goodwill, we calculated our own estimates for the CGUs/groups of CGUs of the Delivery Hero SE Group with the involvement of our valuation experts and based on general as well as sector-specific market expectations and compared these estimates with the Company's measurements.

In addition, we assessed the appropriateness of the calculation method used by the Company and reconciled this information with the budget prepared by the Management Board and approved by the Supervisory Board. Furthermore, we evaluated the consistency of assumptions with external market assessments.

We evaluated the accuracy of the previous forecasts by comparing the budgets of previous financial years with actual results and by analyzing deviations.

Since changes to the discount rate can have a significant impact on the results of impairment testing, we compared the assumptions and parameters underlying the discount rate, in particular the risk-free rate, the CGU-specific risk premium and the beta coefficient, with our own assumptions and publicly available data.

To ensure the computational accuracy of the valuation model used, we verified the Company's calculations on the basis of selected risk-based elements.

Finally, we assessed whether the disclosures in the notes on the impairment of intangible assets arising from acquisitions including goodwill were appropriate.

Our Observations
The underlying approach to impairment testing of intangible assets arising from acquisitions including goodwill (including the calculation method) is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and parameters used for measurement are reasonable overall.

The related disclosures in the notes are appropriate.

Other Information
Management is responsible for the other information. The other information comprises:

— the Group's non-financial statement and the corporate governance statement,
— the Corporate Governance Report, and
— the remaining parts of the annual report, with the exception of the audited consolidated financial statements, the combined management report information audited for content and our auditor's report.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

— is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
— otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the consolidated financial statements and the Combined Management Report
Management is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position and financial performance of the Group. In addition, management is responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the consolidated financial statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. 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 consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. 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 controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the combined management report 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 these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to

draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

— Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
— Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
— Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
— Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

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

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the annual general meeting on June 12, 2019. We were engaged by the Supervisory Board on November 18, 2019. We have been the group auditor of Delivery Hero SE as a capital market-oriented company without interruption since financial year 2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit Committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Björn Knorr.

Berlin, April 22, 2020

KPMG AG
Wirtschaftsprüfungsgesellschaft

[signature] Knorr Wirtschaftsprüfer [German Public Auditor]	[signature] Heidgen Wirtschaftsprüfer [German Public Auditor]

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	COMMENT	PAGE
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GRI 102: GENERAL DISCLOSURES 2016			
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102-3	Location of headquarters	Berlin	
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102-5	Ownership and legal form		25, 59
102-6	Markets served		7
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102-8	Information on employees and other workers		71
102-9	Supply chain		50
102-10	Significant changes to the organization and its supply chain		8–11, 14
102-12	External initiatives	Delivery Hero is occasionally engaged in ad-hoc initiatives with other industry players to safeguard its interests, e.g., in case of new legislative initiatives.	
102-13	Membership of associations	Delivery Hero SE is a member of one business association, which represents Delivery Hero´s interests in various areas of Delivery Hero´s commercial activities.	
102-14	Statement from senior decisionmaker		22–23, 46
102-16	Values, principles, standards and norms of behavior		47, 55
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102-40	List of stakeholder groups		51
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GRI STANDARD	DISCLOSURE	COMMENT	PAGE
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102-49	Changes in reporting		49–50
102-50	Reporting period	January 1, 2019–December 31, 2019	
102-51	Date of most recent report	April 26, 2019	
102-52	Reporting cycle	annually	
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102-54	Claims of reporting in accordance with the GRI Standards		57
102-55	GRI content index		161–163
102-56	External assurance	Delivery Hero’s non-financial report has not been externally audited.	
GRI 205: ANTI-CORRUPTION 2016			
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GRI STANDARD	DISCLOSURE	COMMENT	PAGE
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FURTHER **INFORMATION**

FINANCIAL CALENDAR 2020

2020 Annual General Meeting	June 18, 2020
Q2/2020 Quarterly Statement	July 30, 2020
Half-year 2020 Report	Aug. 27, 2020
Q3/2020 Quarterly Statement	Oct. 28, 2020

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DISCLAIMER

This information also contains forward-looking statements. These statements are based on the current view, expectations and assumptions of the management of Delivery Hero SE ("Delivery Hero"). Such statements are subject to known and unknown risks and uncertainties that are beyond Delivery Hero's control or accurate estimates, such as the future market environment and the economic, legal and regulatory framework, the conduct of the realization of expected synergy effects, as well as measures by public authorities. If any of these or other uncertainties and imponderables materialize, or if the assumptions on which these statements are based proven to be incorrect, actual results could differ materially from those expressed or implied by such statements. Delivery Hero does not warrant or assume any liability that the future development and future actual results will be consistent with the assumptions and estimates expressed in this report. Delivery Hero does not intend or assume any obligation to update forward-looking statements to reflect events or developments after the date of this report, except as required by law.

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Always delivering amazing experiences.