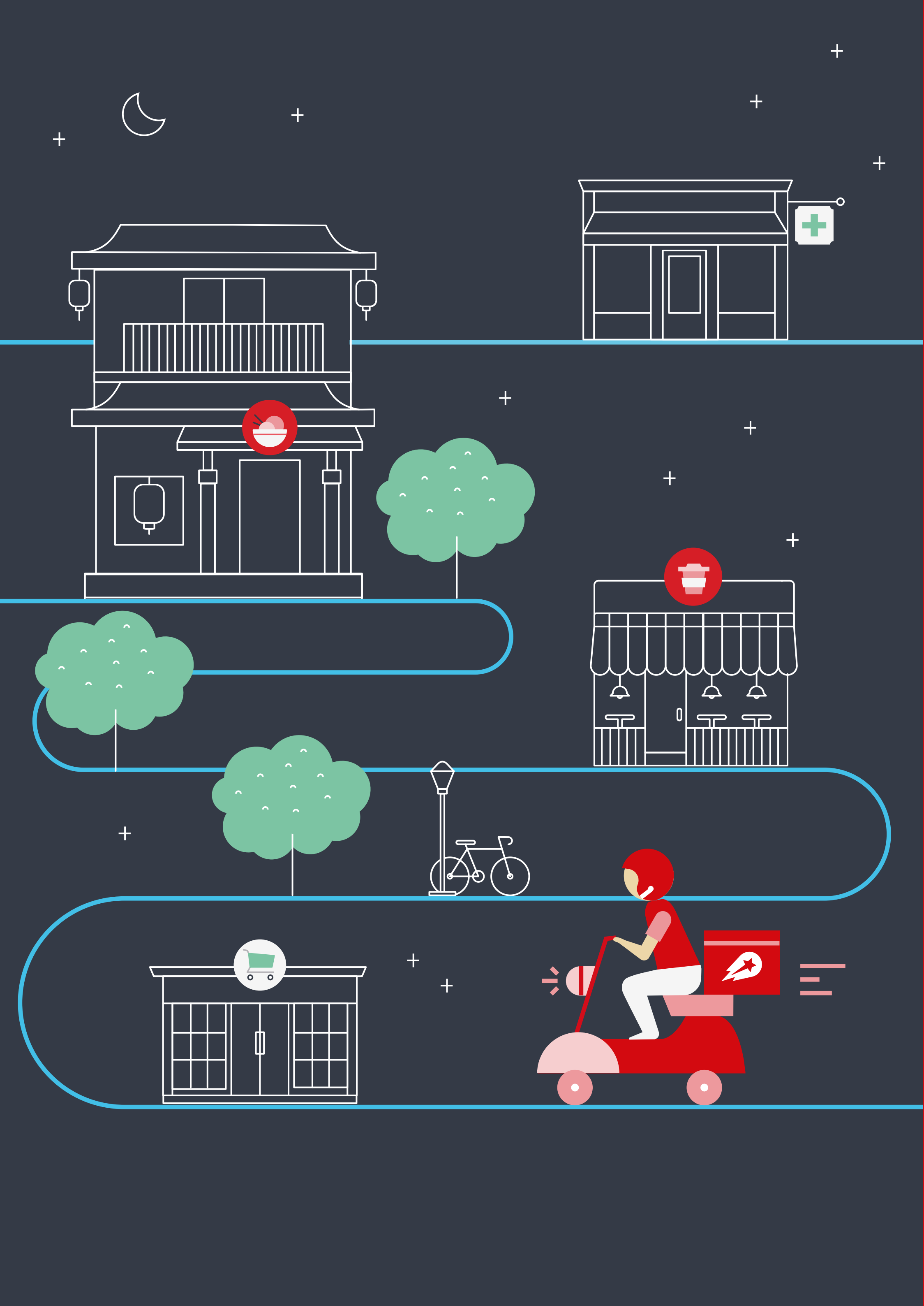


Delivery Hero

ALWAYS DELIVERING **AN AMAZING EXPERIENCE**

ANNUAL REPORT 2020

Delivery Hero

ALWAYS DELIVERING **AN AMAZING EXPERIENCE**

CONTENT

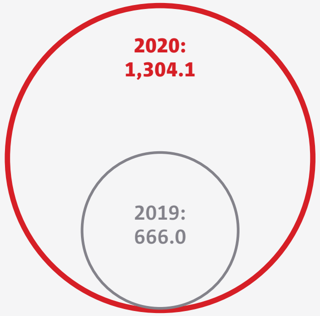
Use our interactive table of contents.
You will be taken directly to the relevant page.

DELIVERY HERO
AT A GLANCE

BACK
FORWARD
PREVIOUS PAGE
SEARCH
HOME

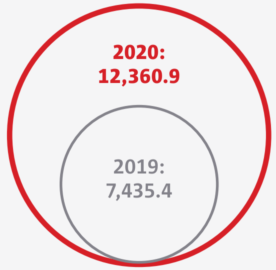
ORDERS
MILLION

+96%



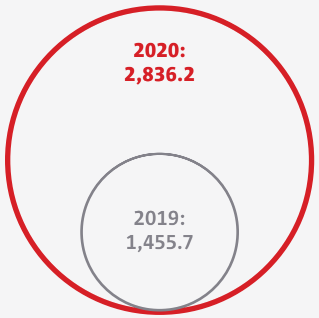
GMV
EUR MILLION

+66%

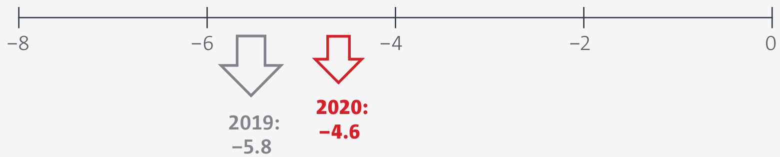


TOTAL SEGMENT REVENUE
EUR MILLION

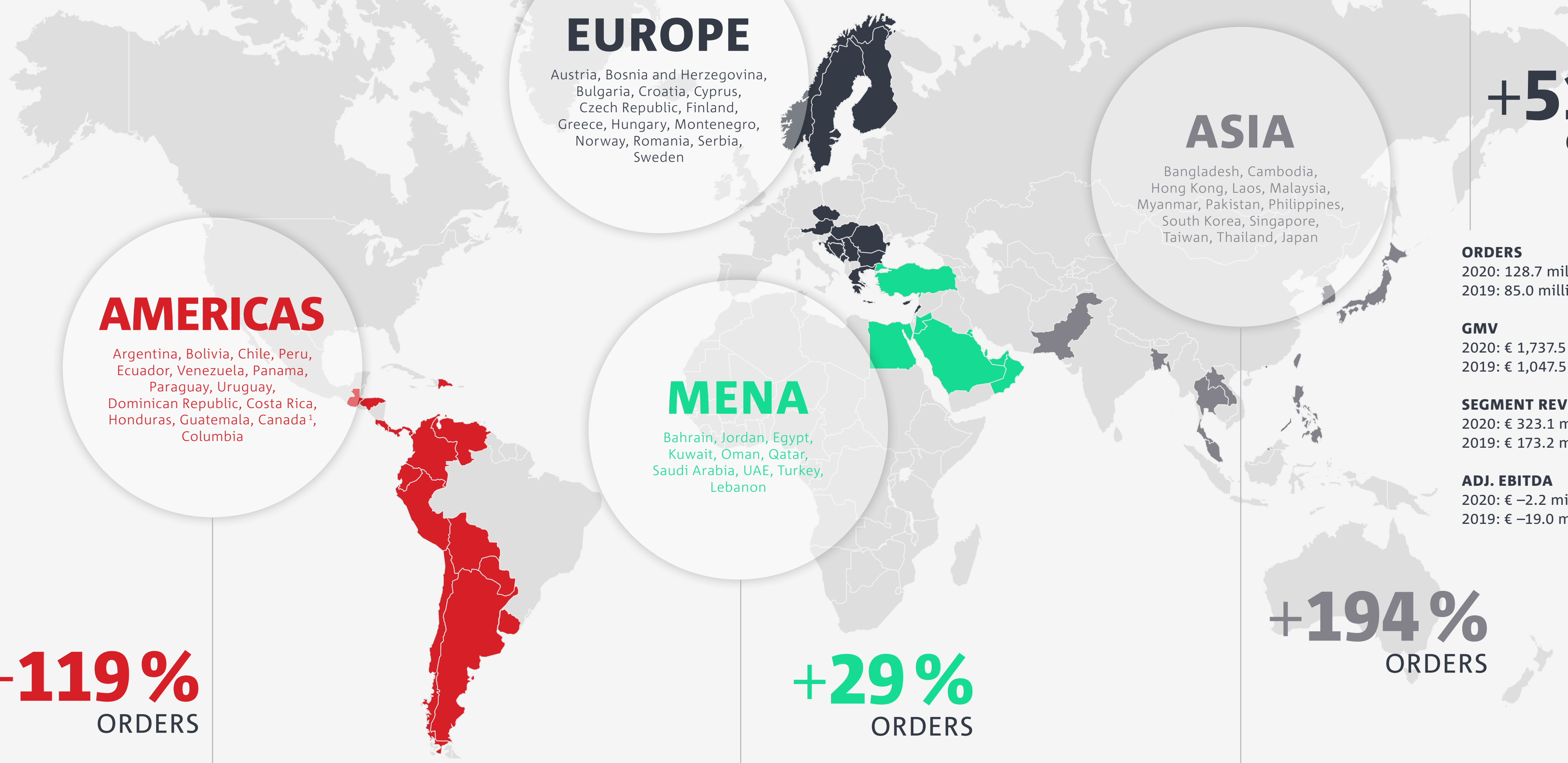
+95%



ADJ. EBITDA/GMV
IN %



+1.2 PP



EUROPE

Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Finland, Greece, Hungary, Montenegro, Norway, Romania, Serbia, Sweden

ASIA

Bangladesh, Cambodia, Hong Kong, Laos, Malaysia, Myanmar, Pakistan, Philippines, South Korea, Singapore, Taiwan, Thailand, Japan

+51 % ORDERS

ORDERS
2020: 128.7 million
2019: 85.0 million

GMV
2020: € 1,737.5 million
2019: € 1,047.5 million

SEGMENT REVENUE
2020: € 323.1 million
2019: € 173.2 million

ADJ. EBITDA
2020: € –2.2 million
2019: € –19.0 million

AMERICAS

Argentina, Bolivia, Chile, Peru, Ecuador, Venezuela, Panama, Paraguay, Uruguay, Dominican Republic, Costa Rica, Honduras, Guatemala, Canada[1], Columbia

+119 % ORDERS

ORDERS
2020: 121.3 million
2019: 55.4 million

GMV
2020: € 1,076.6 million
2019: € 553.6 million

SEGMENT REVENUE
2020: € 257.4 million
2019: € 110.4 million

ADJ. EBITDA
2020: € –143.1 million
2019: € –143.0 million

MENA

Bahrain, Jordan, Egypt, Kuwait, Oman, Qatar, Saudi Arabia, UAE, Turkey, Lebanon

+29 % ORDERS

ORDERS
2020: 386.3 million
2019: 298.6 million

GMV
2020: € 4,335.6 million
2019: € 3,476.8 million

SEGMENT REVENUE
2020: € 894.3 million
2019: € 716.6 million

ADJ. EBITDA
2020: € 98.6 million
2019: € 43.3 million

+194 % ORDERS

ORDERS
2020: 667.7 million
2019: 227.0 million

GMV
2020: € 5,211.3 million
2019: € 2,357.5 million

SEGMENT REVENUE
2020: € 1,196.0 million
2019: € 455.5 million

ADJ. EBITDA
2020: € –456.1 million
2019: € –312.2 million

INTEGRATED VERTICALS[2]

ORDERS	GMV	SEGMENT REVENUE	ADJ. EBITDA
2020: 24.3 million	2020: € 196.8 million	2020: € 183.6 million	2020: € –64.9 million

1 Operations in Canada were ceased in May 2020.
2 Starting in 2020, the new segment Integrated Verticals has been established. There are no comparative figures for the previous year. Orders and GMV are accounted for in the respective platform segments and shown in the Integrated Verticals segment for illustrative purposes only.

Note Due to intersegment consolidation adjustments, revenues of the segments do not sum up to total segment revenues (cf. page 61).

OUR VALUES

**We deliver solutions. We always aim higher.
We are Heroes because we care.**

At Delivery Hero, we are working each day on delivering an amazing experience to our customers. And at the same time, we do our very best in being true to the values that we have set for ourselves. Because we believe that it is not about building any company. It is about building a company that pursues a sustainable path in every aspect. While the customer is at the core of our product offering, it is also about the partners we work together with – the riders, the restaurants, but also many other vendors. And it is about all the Heroes that work for Delivery Hero, be it in the offices or outside. And last but not least, it is also about the environment of which we are a part of and that we need to take care of.

**If you are interested in learning more about our values and how we live them at Delivery Hero, please visit our website:
↗ www.deliveryhero.com/about**

Niklas Östberg, Co-Founder and
Chief Executive Officer

LETTER FROM **THE CEO**

Dear Shareholders, dear Heroes,

Looking back on 2020 makes me proud in many respects.

As a company that will only celebrate its 10th anniversary in 2021, we truly lived up to our values in a year that was impacted by one of the biggest challenges in decades. We responded by delivering solutions to deal with the sudden and drastic changes in the conditions we had to operate in, and by aiming higher. We also showed that we are Heroes because we care. We provided hundreds of thousands of delivery jobs to our rider partners, we supported our employees to work from home as much as possible and we helped our restaurant partners and vendors by securing a revenue stream, when in-dining and shopping were heavily restricted or even impossible. And we also continued to care about the impact we have on our environment by expanding the scope of our carbon-neutral operations to our European and Latin American activities. By the end of 2021, we even want to reach carbon-neutrality globally.

We do all this while pursuing our vision: to always deliver an amazing experience – fast and easy to your door.

The tremendous growth we achieved in 2020 underlines that our customers appreciate our offering: we almost doubled our orders from 666 million in 2019 to 1,304 million in the last financial year. Our GMV reached € 12.4 billion in 2020, corresponding to an increase of 66%. While the majority of this was still generated in our traditional core business of food delivery, our new offering in the field of quick commerce is also growing rapidly. One part of q-commerce is where we deliver groceries and other items on behalf of third-party vendors and usually below one hour. The important other part of this business is our Dmarts, which we operate ourselves and from where we often deliver in as fast as 15 minutes. At the end of last year, we were operating 491 of these Dmarts, and we see significant potential for expansion in 2021.

The increasingly important foundation for our entire business is our best-in-class capability to cover the last mile with our delivery infrastructure. We have come a long way from being a pure marketplace business to also operating the logistical aspects. In 2020, more than six out of ten orders in the food business were delivered by us, and in many countries, we are close to 100%.

And while many of the COVID-19-related consequences were indeed challenging for our business – in the important MENA segment we saw a 6% decline in orders in the second quarter of 2020 due to curfews and lockdowns – we reached and even partly exceeded our original guidance for the year. Total segment revenue of € 2.8 billion was above the guidance range of € 2.4 billion to € 2.6 billion, while the underlying EBITDA margin stood at −16%, thus exactly in the middle of the guidance range of −14% to −18%. And furthermore, our additional investments of € 115 million fell short of the up to € 200 million we had forecast when entering the 2020 financial year. Delivery Hero's strong growth and positioning was also recognized by the capital market and reflected in a significantly increased share price. Over the course of 2020, our share price increased by 80% – and in August, it was included in the DAX, Germany's most prestigious index comprising the 30 largest and most liquid German companies.

Looking ahead, there are many structural trends that provide ample additional growth opportunities for our business. In addition to that, I am especially excited about the strategic partnership we finally entered into in March this year when we closed the planned transaction with Woowa Brothers in South Korea after a lengthy closing period that spanned the whole of 2020. Woowa is a leading player in one of the largest food delivery markets in the world. Together, we see further substantial growth in this market, but also in all of our Asian operations.

In this sense, I am proud and thankful for what we have achieved so far, and at the same time, I am eager to move forward to seize more of the opportunities that lie ahead.

We could not have got to where we are today without your support. You, our heroes, who work tirelessly to drive Delivery Hero forward. But also you, our shareholders and bondholders, who have supported us throughout the years. Thank you all for being part of this amazing journey.

Yours,

Niklas Östberg

ONE TEAM
ONE MISSION

MANAGEMENT BOARD

Niklas Östberg
Co-Founder and
Chief Executive Officer

- co-founded Delivery Hero in 2011
- responsible for strategic development of the Group and M&A

Emmanuel Thomassin
Chief Financial Officer

- joined Delivery Hero in January 2014
- responsible for all financial activities of the Group

Pieter-Jan Vandepitte
Chief Operating Officer

- joined Delivery Hero in August 2015
- International markets, Sales & Revenue, Quick Commerce

Christian v. Hardenberg
Chief Technology Officer

- joined Delivery Hero in June 2016
- Technology and software development

Jeri Doris
Chief People Officer

- joined Delivery Hero in January 2018
- Employee Experience

Johannes Bruder
Chief Product Officer

- joined Delivery Hero in October 2018
- Product Management and Marketing

REPORT OF THE **SUPERVISORY BOARD**

DEAR SHAREHOLDERS,

The financial year 2020 was a significant and successful year for Delivery Hero SE (also the “Company”). Through continuous strong growth, the Delivery Hero Group has strengthened its business as the world’s leading local online delivery platform, generating a total of 1.3 billion orders in the financial year 2020. Noteworthy events in the financial year 2020 were in particular, the Company’s inclusion in the benchmark index of the German Stock Exchange (Deutsche Börse) (“DAX”) and the preparations of the now, since March 2021, completed closing of the transaction in relation to the South-Korean Woowa Brothers Corp. (“Woowa”), which represent significant and impressive milestones in the development of the Company.

COMPOSITION OF THE SUPERVISORY BOARD

The Company’s Supervisory Board consists of six members. It is composed of three shareholder representatives and three employee representatives. The employee representatives on the Supervisory Board were elected by the SE Works Council and appointed by the Annual General Meeting 2020.

COOPERATION BETWEEN THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD

The Supervisory Board performed its duty to monitor and advise the Management Board, imposed on it by law, the Articles of Association, the rules of procedure and the German Corporate Governance Code in the version dated December 16, 2019 and published in the Federal Gazette on March 20, 2020 (“GCGC”), in an orderly, careful and diligent manner. The Supervisory Board was at all times, at an early stage and comprehensively involved in all matters and decisions of the Management Board which were of key importance to the Company. The Management Board regularly and comprehensively reported to the Supervisory Board on the Company’s position, strategic planning and the intended business policy as well as important business transactions of the Company and the Group; this reporting took place in writing and orally. In the same way, it reported on key issues relating to the risk position, risk management, financial-, investment- and staff planning, corporate governance and compliance as well as 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. The discussions took place during meetings of the Supervisory Board and its committees, which were also held by conference call. The Supervisory Board and the relevant committees also regularly met without the Management Board’s presence. Further, the Chair of the Supervisory Board and the Chair of the Audit Committee also kept in close contact with the Chair of the Management Board and the Management Board member in charge of finances (Chief Financial Officer) outside of meetings to discuss current developments and key decisions, including those on risk position, risk management and compliance, at regular intervals and, when necessary, at short notice.

During the financial year 2020, the Supervisory Board held only two meetings in person due to the measures taken to contain the spread of the COVID-19 pandemic and the associated travel restrictions. Although this is not the rule, the additional meetings planned for the financial year 2020 had to be held as conference calls. A total of twenty-five conference calls were held as well as one informatory call. Further, the Supervisory Board adopted twenty-two resolutions in circulation procedure.

With the exception of those named below, all members of the Supervisory Board attended all meetings, conference calls and informatory calls of the Supervisory Board during their respective terms of office. Hilary Gosher, Jeanette L. Gorgas, Gabriella Ardbo, Gerald Taylor and Nils Engvall were unable to attend one meeting in person due to the containment measures and travel restrictions described above, while Patrick Kolek was prevented from attending two meetings in person. All Supervisory Board members mentioned above participated in these meetings by phone. Further, Patrick Kolek was unable to attend two conference calls but submitted his vote on the respective resolutions in writing. Nils Engvall was prevented from participating in the informatory call.

MEETINGS AND ESSENTIAL RESOLUTIONS OF THE SUPERVISORY BOARD

In a total of five conference calls on January 14 and 15, 2020, the Supervisory Board dealt with the placement of convertible bonds as well as a capital increase against cash contribution carried out by the Company.

The meeting on February 10, 2020 focused on the opening of an exercise window for the established employee participation program and the trading update for the fourth quarter of 2019. The Supervisory Board also dealt with the independence of the Supervisory Board members as well as the objectives of the Supervisory Board and adopted the Corporate Governance Report 2019. In addition, the Supervisory Board approved the collar agreement in relation to shares of the Company in Just Eat Takeaway.com N.V. (collar II agreement).

In two conference calls on March 3, 2020, the Supervisory Board dealt with the options exercised during the previously opened exercise window of the employee participation program and approved the corresponding capital increases.

In a conference call on April 22, 2020, the Supervisory Board examined the annual financial statement and the consolidated financial statements, including the combined management report of Delivery Hero SE and the Group as well as the Management Board's proposal on the appropriation of net retained profits for the financial year 2019 ("Annual Report Documents 2019"), and discussed the Annual Report Documents 2019 in detail with the auditor KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin appointed for the financial year 2019 by the Annual General Meeting 2018 (the "Auditor"). The Auditor reported on the main audit findings. In addition, the Supervisory Board examined the non-financial report for the Group and adopted the Report of the Supervisory Board. In accordance with the recommendation of the Audit Committee, the Supervisory Board approved the annual financial statement and the consolidated financial statements 2019, including the combined management report of Delivery Hero SE and the Group as well as the Management Board's proposal on the appropriation of net retained profits. Thus, the annual financial statements 2019 were adopted. Further, the Supervisory Board discussed the quarterly statement for the first quarter of 2020 and the draft agenda for the ordinary Annual General Meeting 2020. The Supervisory Board also discussed with the Management Board the safety regulations regarding the COVID-19 pandemic and the safety policy developed by the Company to protect its employees, riders, customers and partners.

In three conference calls on May 11, 2020, the Supervisory Board again dealt with the exercise window for the established employee participation program and the options exercised under the employee participation program. Subsequently, the Supervisory Board approved the corresponding capital increases.

In a meeting following the ordinary Annual General Meeting on June 18, 2020, the Supervisory Board confirmed Dr Martin Enderle as Chair and Patrick Kolek as Deputy Chair of the Supervisory Board. The Supervisory Board also elected and confirmed the members of the Audit Committee, the Nomination Committee, the Remuneration Committee and the Strategy Committee.

The conference call on July 2, 2020 focused on the Company's potential launch of operations in Venezuela.

In a total of three conference calls on July 6 and 7, 2020, the Supervisory Board dealt with the issuance and placement of convertible bonds and approved such a placement.

In the conference call on July 24, 2020, the Supervisory Board dealt not only with the trading update for the second quarter of the financial year 2020 but also, in particular, with the Company's strategy, the D&O insurance of the Supervisory Board, the established employee participation program and again with the effects of the COVID-19 pandemic and the safety concept implemented by the Company to protect its employees, riders, customers and partners. The Supervisory Board also discussed the potential launch of operations in Venezuela as well as Iraq and obtained information regarding the necessary compliance and risk management systems.

The conference call on August 26, 2020 focused on the half-year financial report for the financial year 2020. In addition, the Supervisory Board approved the opening of an exercise window in relation to the established employee participation program and a strategic partnership with Mastercard Asia/Pacific Pre Ltd. in the MENA region. The Supervisory Board also dealt with an internal assessment of the Company's compliance and corporate governance systems and approved the launch of operations in Iraq.

In two conference calls on September 9, 2020, the Supervisory Board discussed the options exercised during the previously opened exercise window of the employee participation program and approved the corresponding capital increases.

In an informatory call on October 6, 2020, the Supervisory Board obtained information regarding the potential launch of operations in Nicaragua and El Salvador as well as the necessary compliance and risk management systems.

In a conference call on October 15, 2020, the Supervisory Board again discussed the collar agreement relating to shares of the Company in Just Eat Takeaway.com N.V. (collar IV agreement).

The conference call on October 27, 2020 focused, apart from on the quarterly statement for the third quarter of 2020, in particular on the independence of the individual Supervisory Board members and the findings of an externally commissioned assessment of the Company's compliance and corporate governance systems. Further, the Supervisory Board obtained information on the status of implementation of the compliance and risk management system in Venezuela. The Supervisory Board also resolved to amend the distribution of business plan in the Management Board's Rules of Procedure and approved the holding of the ordinary Annual General Meeting 2021 as a virtual annual general meeting.

In two conference calls on December 2 and 4, 2020, the Supervisory Board discussed the possible conditions which the Korea Fair Trade Commission ("KFTC") could make subject to the approval of the joint venture with Woowa and, in this context, resolved to amend the contracts.

In a conference call on December 15, 2020, the Supervisory Board dealt with the proposal of the Remuneration Committee on the adjustment of the current compensation systems of the Management Board and the Supervisory Board in line with the new requirements following the implementation of the second Shareholder Rights Directive (EU) 2017/828 ("ARUG II") and the GCGC.

In a second conference call on December 15, 2020, the Supervisory Board adopted the budget and the liquidity planning for the financial year 2021 and dealt in particular with the competence profile and the objectives of the Supervisory Board as well as the requirements of the GCGC.

Certain transactions and measures of the Management Board require prior approval of the Supervisory Board due to legal requirements or provisions in the Management Board's Rules of Procedure. The Supervisory Board granted its approval by way of circular resolutions, among other things, to the new Rules of Procedure of the Supervisory Board, the agenda of the ordinary Annual General Meeting 2020 and its execution as a virtual annual general meeting, as well as the Declaration of Compliance 2020. Further, the Supervisory Board resolved the adjustment of the Management Board compensation and the launch of operations in Venezuela, Nicaragua and El Salvador. The Supervisory Board also approved the acquisition of shares in Just Eat Takeaway.com N.V. and a related collar agreement (collar III agreement), as well as several acquisitions, in particular the acquisition of shares in InstaShop Ltd., one of the largest online grocery platforms in the MENA region, and the acquisition of the Latin American business of Glovoapp Latam, S.L.U., an on-demand delivery start-up.

EFFICIENT WORK IN THE SUPERVISORY BOARD'S COMMITTEES

In accordance with the recommendations of the GCGC and to ensure the proper discharge of its duties, the Supervisory Board has set up four committees, namely an Audit Committee, a Remuneration Committee, a Nomination Committee and a Strategy Committee. Each committee consists of 3 members. The chairs of the committees regularly reported on the content and outcome of the meetings to the full Supervisory Board in the subsequent Supervisory Board meeting.

In the financial year 2020, the **Audit Committee** held two meetings and four conference calls, which were also attended by the Auditor. During these meetings, the Audit Committee regularly focused on accounting structures and processes, the internal control system, internal auditing, risk management and compliance organization, addressed these with the Auditor and discussed measures with the Management Board to further strengthen these processes. In addition, the Audit Committee dealt with the annual financial statement and the consolidated financial statements, including the combined management report for the financial year 2019 as well as the proposal for the appropriation of net retained profits, and discussed the findings of the audit of the annual financial statement and consolidated financial statements 2019 with the Auditor. Furthermore, the Audit Committee discussed, reviewed and approved the half-year financial report and the quarterly results. The Audit Committee also adopted four resolutions in circulation procedure, in particular on the non-audit services provided by the Auditor.

Moreover, the Audit Committee dealt with the requirements for non-financial reporting (CSR Directive) and the non-financial report for the Group and approved the rendering of non-audit services by the Auditor, in particular for the audit of the 2020 non-financial report for the Group. Further, the Audit Committee dealt with the independence of the auditor as well as the quality of the audit and prepared the Supervisory Board's proposal to the Annual General Meeting 2020 for the appointment of the auditor. Following the Annual General Meeting 2020, the Audit Committee confirmed Patrick Kolek as Chair. All members of the Audit Committee attended all meetings and conference calls of the Audit Committee during their respective terms of office. Patrick Kolek and Gerald Taylor were prevented from attending a meeting in person but participated in this meeting by phone. With Patrick Kolek as Chair of the Audit Committee, the Audit Committee contains an independent member pursuant to Sections 100 (5) and 107 (4) of the German Stock Corporation Act (Aktiengesetz, "AktG") who has the required level of expertise in the fields of accounting or auditing as well as special knowledge and experience in the application of accounting principles and internal control procedures.

In the financial year 2020, the **Remuneration Committee** held one meeting and three conference calls. The Remuneration Committee also adopted one resolution in circulation procedure. Apart from the adjustment of the Management Board compensation, the main topic was the revision of the Management Board and Supervisory Board compensation system according to the new requirements under ARUG II and the GCGC. For information on the current compensation system, please refer to the compensation report on **page 28**. Following the ordinary Annual General Meeting 2020, the Remuneration Committee confirmed Dr Martin Enderle as Chair. All members of the Remuneration Committee participated in all meetings and conference calls of the Remuneration Committee during their respective terms of office. Patrick Kolek and Gabriella Ardbo were unable to attend the meeting in person but participated in this meeting by phone.

The **Nomination Committee**, which is composed exclusively of shareholder representatives, held one meeting and two conference calls during the financial year 2020. During these meetings, the Nomination Committee dealt with the periodic election of the Supervisory Board members at the ordinary Annual General Meeting 2020. After detailed consideration of the suitability of the potential candidates in accordance with the recommendations of the GCGC, the competence profile and the objectives of the Supervisory Board, the Nomination Committee submitted an election proposal to the Supervisory Board. Following the ordinary Annual General Meeting 2020, the Nomination Committee confirmed Dr Martin Enderle as Chair. All members of the Nomination Committee attended all meetings and conference calls of the Nomination Committee during their respective terms of office. Patrick Kolek and Jeanette L. Gorgas were unable to attend the meeting in person but participated in this meeting by phone.

In the financial year 2020, the **Strategy Committee** held two meetings and two conference calls. The Strategy Committee focused on the Company's strategy and potential acquisitions, in particular the joint venture with Woowa and the associated merger control clearance by the KFTC. In addition, the Strategy Committee dealt with the development of a long-term strategy concept as well as the Company's competitive situation. Following the ordinary Annual General Meeting 2020, the Strategy Committee elected Jeanette L. Gorgas as Chair. All members of the Strategy Committee attended all meetings and conference calls of the Strategy Committee during their respective terms of office. Patrick Kolek was prevented from attending both meetings in person, while Jeanette L. Gorgas was unable to attend one meeting in person. Both participated in these meetings by phone.

CORPORATE GOVERNANCE

The Supervisory Board discussed various corporate governance topics and, in particular, dealt in detail with the new recommendations and suggestions of the GCGC. On the basis of these discussions, the Supervisory Board resolved the amendment of its Rules of Procedure and competence profile. On December 22, 2020, the Supervisory Board, together with the Management Board, adopted the Declaration of Compliance pursuant to Section 161 AktG. The Rules of Procedure of the Supervisory Board and its competence profile can be found on the Company's website. The full wording of the Declaration of Compliance and further information on the Company's corporate governance can be found in the Corporate Governance Statement on **page 14**. For information regarding the compensation structure for the Management Board and the Supervisory Board, please refer to the compensation report on **page 28**.

The members of the Supervisory Board were sufficiently supported by the Company upon their appointment and during training and professional development measures. The Supervisory Board members who were newly elected in the financial year 2020 were trained by external legal advisors on the Company's corporate governance and capital market law topics. Further, the members of the Supervisory Board were continuously informed about relevant legal and regulatory changes by the Company.

There were no conflicts of interest on the Supervisory Board in the financial year 2020.

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

The Management Board forwarded to the members of the Audit Committee and the Supervisory Board the annual financial statement and consolidated financial statements 2020, the 2020 combined management report for Delivery Hero SE and the Group, including the Corporate Governance Statement and the Group Corporate Governance Statement, as well as the non-financial report for the Group ("Annual Report Documents 2020") immediately after they were set up. The Auditor, KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, appointed by the Annual General Meeting 2019 for the financial year 2020 on the recommendation of the Audit Committee and in accordance with the election proposal of the Supervisory Board, audited the annual financial statement of the Company and the consolidated financial statements as well as the 2020 combined management report of Delivery Hero SE and the Group and granted an unqualified audit opinion. Further, the Auditor audited the non-financial report for the Group. The Annual Report Documents 2020 and the audit findings of the Auditor were discussed and examined in detail in the presence of the Auditor during the Audit Committee's meeting on April 23, 2021 and the Supervisory Board's balance sheet meeting on April 26, 2021, in particular with regard to their compliance with the law and regulations. The Auditor reported on the key findings and the specified scope of the audit and important circumstances arising during the audit. No facts were identified that contradicted the Declaration of Compliance pursuant to § 161 AktG by the Management Board and Supervisory Board. The Management Board and the Auditor were available for further questions and additional information requested by the Supervisory Board. No objections were raised following the final completion of the Supervisory Board's audit. In accordance with the recommendation of the Audit Committee, the Supervisory Board approved the annual financial statement and the consolidated financial statements 2020, including the 2020 combined management report of Delivery Hero SE and the Group as well as the non-financial report for the Group. Thus, the annual financial statements 2020 were adopted.

PERSONNEL MATTERS

The term of office of all members of the Supervisory Board expired at the end of the ordinary Annual General Meeting on June 18, 2020. Dr Martin Enderle (Chair of the Supervisory Board) and Patrick Kolek (Deputy Chair) were reelected as shareholder representatives of the Supervisory Board by the Annual General Meeting 2020. The Annual General Meeting 2020 elected Jeanette L. Gorgas as an additional shareholder representative and appointed the employee representatives Gabriella Ardbo, Gerald Taylor and Nils Engvall, who were elected by the SE Works Council. The term of office of the newly appointed Supervisory Board members ends upon the conclusion of the annual general meeting which resolves the discharge for the financial year 2023. The Supervisory Board would like to thank the departing members of the Supervisory Board, Hilary Gosher, Christian Graf von Hardenberg, Vera Stachowiak and Björn Ljungberg, who monitored and supported the steady growth and further development of the Company leading up to the Company's inclusion in the DAX. Their high level of personal commitment has had a lasting impact on the Company.

INDIVIDUALIZED DISCLOSURE OF THE MEETING ATTENDANCE IN THE FINANCIAL YEAR 2020[1]

Supervisory Board member	Supervisory Board	Audit Committee	Strategy Committee	Nomination Committee	Remuneration Committee
Dr Martin Enderle	27/27	6/6	4/4	3/3	4/4
Patrick Kolek	25/27[2]	6/6	4/4	3/3	4/4
Jeanette L. Gorgas[3]	15/15	–	3/3	1/1	–
Gerald Taylor[3]	15/15	4/4	–	–	–
Gabriella Ardbo[3]	15/15	–	–	–	3/3
Nils Engvall[3]	15/15	–	–	–	–
Hilary Gosher[4]	12/12	–	1/1	2/2	–
Björn Ljungberg[4]	12/12	2/2	–	–	–
Vera Stachowiak[4]	12/12	–	–	–	1/1
Christian Graf von Hardenberg[4]	12/12	–	–	–	–

1 Circular resolutions and informatory calls are not included in the overview.
2 Patrick Kolek was prevented from participating in two conference calls; he submitted his vote on the respective resolutions in writing.
3 Member of the Supervisory Board since June 18, 2020.
4 Member of the Supervisory Board until June 18, 2020.

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

Audit Committee:
Patrick Kolek (Chair), Dr Martin Enderle, Gerald Taylor

Remuneration Committee:
Dr Martin Enderle (Chair), Patrick Kolek, Gabriella Ardbo

Nomination Committee:
Dr Martin Enderle (Chair), Patrick Kolek, Jeanette L. Gorgas

Strategy Committee:
Jeanette L. Gorgas (Chair), Patrick Kolek, Dr Martin Enderle

I would like to extend my special thanks to all members of the Supervisory Board as well as the Management Board and all Delivery Hero Group employees worldwide for their excellent performance in this special financial year 2020, which – despite the restrictions resulting from the COVID-19 pandemic – was characterized by strong growth and many important milestones. These would not have been possible without the commitment, motivation and positive attitude of all employees.

Berlin, April 26, 2021

For the Supervisory Board

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

CORPORATE **GOVERNANCE**

CORPORATE GOVERNANCE STATEMENT, GROUP CORPORATE GOVERNANCE STATEMENT (SECTIONS 289f, 315d HGB)

For 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 particular importance to management geared toward 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 December 16, 2019 ("GCGC"). The Supervisory Board and the Management Board report annually on the corporate governance of the Company together with the Group Corporate Governance Statement in accordance with Sections 289f, 315d of the German Commercial Code ("HGB"), which is available on the Company's website at ↗ **https://ir.deliveryhero.com/corporate-governance-statement.**

Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act ("AktG")

The Declaration of Compliance will be permanently available on the Company's website at ↗ **https://ir.deliveryhero.com/declaration-of-compliance.**

Declaration of Compliance 2020

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 of Delivery Hero SE declare:

Delivery Hero SE (also the "Company") 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 (the "Code 2017") respectively in the current version dated December 16, 2019, since its publication in the Federal Gazette on March 20, 2020 (the "Code 2020"), subject to the deviations listed below.

In addition, the Company will continue to comply with the recommendations of the Code 2020 in the future subject to the following deviations:

- Section 3.8 para. 3 of the Code 2017 recommended that 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 attract competent and qualified members of the Supervisory Board. Since the recommendation of Section 3.8 para. 3 of the Code 2017 was removed without replacement in the Code 2020, the D&O insurance concluded for the Supervisory Board of the Company does not deviate from the recommendations of the Code 2020.

- Pursuant to Section 4.2.3 para. 2 sentence 6 of the Code 2017, 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. As part of the currently applicable compensation system for the Management Board, the Supervisory Board has adopted a performance-related variable remuneration in the form of a Long-Term Incentive Plan which consists of a compensation in stock options ("LTIP"). The LTIP provides for a limitation of the number of stock options granted to the Management Board members. However, it does not limit the exercise of stock options with regard to the share price, so that the LTIP does not provide a maximum limit for the achievable amount upon the exercise of the option rights. In the opinion of the Supervisory Board, such caps would not be appropriate, as they would contradict the common alignment of the interests of the Management Board members and the shareholders. The purpose of the LTIP 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 exercise of stock options would not be in line with such balanced participation. As no cap on the achievable amount of the variable components of the remuneration exists, also no cap on the remuneration in the aggregate is in place.

- Section 5.1.2 para. 1 sentence 4 of the Code 2017 recommended and Section B.2 of the Code 2020 recommends that the Supervisory Board together with the Management Board shall ensure a long-term succession planning and the approach shall be described in the Corporate Governance Statement. With respect to the term of the Management Board service agreements and the age structure of the Management Board members currently in office, as well as the long-standing commitment of Niklas Östberg, as chair of the Management Board and co-founder of the Company, and Emmanuel Thomassin, as Chief Financial Officer of the Company, the Supervisory Board has not yet developed guidelines for the succession planning for both Management Board members. The Supervisory Board will continuously monitor the need for succession planning with regard to the specific needs of the Company and, if necessary, provide for long-term succession planning.

- Section 7.1.2 sentence 3 of the Code 2017 recommended and Section F.2 of the Code 2020 recommends that 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. The Company publishes its financial reports within the statutory deadlines to avoid additional effort and costs that would be associated with faster publication while maintaining the same high quality of financial reporting. Consequently, Delivery Hero SE hereby declares a deviation from the respective recommendations. However, Delivery Hero SE is constantly seeking to improve its reporting system to comply with these recommendations of the Code 2020 in the future.

The currently valid Management Board compensation system was adopted by the Supervisory Board prior to the publication of the Code 2020. The structure of the compensation system is still partly due to the historical development of the Company from a start-up company to a stock listed SE, so that not all recommendations of the Code 2017 and the Code 2020 have been implemented.

To the extent that the new recommendations of the Code 2020 have not yet been complied with, the Company is not obliged to declare deviations, as the Code 2020 does not require any adjustment of current contracts due to grandfathering of established rights. The Supervisory Board is currently revising the Management Board compensation system and will align it with the specific needs of the Company as a growth company.

However, in the interest of the greatest possible transparency, Delivery Hero SE discloses these deviations below as a precautionary measure:

- Pursuant to Section G.1 indent 1, half-sentence 2 of the Code 2020, the compensation system of the Management Board shall in particular specify the amount of total remuneration that may not be exceeded (maximum remuneration). Currently, no maximum remuneration has been set for the reasons listed above regarding the deviation from Section 4.2.3 para. 2 sentence 6 of the Code 2017.

- Pursuant to Section G.11 sentence 2 of the Code 2020, the Supervisory Board shall be permitted to retain or reclaim variable remuneration of the Management Board, if justified. The current Management Board service agreements do not provide for such a provision since this recommendation did not yet exist in the Code 2017.

- Pursuant to Section G.13 of the Code 2020, any payments made to a Management Board member due to early termination of their Management Board activity shall not exceed twice the annual remuneration (severance cap) and shall not constitute remuneration for more than the remaining term of the employment contract. If post-contractual non-compete clauses apply, the severance payments shall be taken into account in the calculation of any compensation payments. Unlike the Code 2017, the Code 2020 no longer contains a recommendation for the maximum amount of severance payments in the event of premature termination of a Management Board member's contract due to a change of control. The Code 2017 limited such severance payments to 150% of the severance cap. The Company was compliant with this recommendation. As this recommendation has now been removed and the general severance cap also applies to these severance payments, the Company deviates from this recommendation with regard to the compensation agreement of one Management Board member due to the amendment of the respective recommendation in the Code 2020. Not all current Management Board service agreements take severance payments into account within the meaning of Section G.13 sentence 2 of the Code 2020 when calculating compensation payments if a post-contractual non-compete clause applies. However, these service agreements are grandfathered (see above).

Berlin, in December 2020

Delivery Hero SE

On behalf of the Supervisory Board

Dr Martin Enderle

The Management Board

Niklas Östberg **Emmanuel Thomassin**

Corporate governance and relevant disclosures on corporate governance practices

Corporate governance – standards of good and responsible corporate governance

Good corporate governance according to the guiding principle of the "reputable businessman" serves to sustainably increase the Company's value and promotes the trust in our Company's management and supervision among national and international investors, financial markets, business partners, employees and the public. Accordingly, the Company's Management Board, Supervisory Board and executives ensure that our corporate governance policies are actively practiced and continuously developed 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 the internal rules of procedures and guidelines.

The Management Board and the Supervisory Board attach great value to 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 can be found in the non-financial report for the Group on page 35.

Internal control system

To ensure the reliability of its bookkeeping and accounting as well as 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 ("ICS") effectiveness is monitored by the Internal Audit department, the Audit Committee and the Supervisory Board. The ICS is constantly adapted to the requirements of the rapidly growing Delivery Hero Group. The ICS team reports to the Risk & Compliance Committee.

The ICS includes the necessary organizational, technical measures and controls within the Company and ensures compliance with internal guidelines, protection of company assets and achievement of corporate goals. Furthermore, the ICS 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 of all significant risks of the Group.

Within Delivery Hero SE, the Risk Management team, as part of 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 Risk & Compliance Committee, 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 on page 67.

Internal auditing system

Independence is the cornerstone of Delivery Hero SE's internal audit function. Internal auditing 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 auditing serves to promote responsible corporate governance in accordance with the standards and code of ethics of the Institute of Internal Auditors (IIA) and the German Institute for Internal Auditing (DIIR). The Internal Audit team 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 annual audit plan, significant findings of completed audits and any outstanding issues relating to the 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 being committed within the Delivery Hero Group, by its employees, directors, executives or suppliers. 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 through 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 the Supervisory Board as well as 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 the 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 controlling 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 (CEO) and Emmanuel Thomassin (CFO), are personally responsible for managing the Company's business divisions assigned to them. In doing so, the Management Board is bound to act in the Company's interest and committed to sustainably increase the Company's value. Niklas Östberg and Emmanuel Thomassin lead the Company in a spirit of partnership and, in coordination with the Supervisory Board, are jointly responsible 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 business divisions is aligned with the targets set by the resolutions of the Management Board. Irrespective of the distribution of business responsibilities, the members of the Management Board are jointly responsible for managing the enterprise. They work together in a collegial manner and inform each other on an ongoing basis of significant measures and transactions in their respective business divisions.

The Rules of Procedure of the Management Board 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 the 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 determine the matters which are subject to the decision of 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 with 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 established plans and agreed targets, indicating the reasons thereof.

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 must not exploit 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 as well as related parties and companies with which they have a personal relationship on the other, must comply with 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 mandates outside the Delivery Hero Group, with the approval of the Supervisory Board.

The Supervisory Board is aware of the particular importance of diversity in the Company's management. It firmly believes that management and supervisory bodies with a diverse composition open up diversified perspectives that, in turn, enable decision-making processes that contribute to a sustainable increase in performance. As regards the composition of the Management Board, the Supervisory Board – even though professional and technical qualifications are always the decisive criterion – attempts to take the international character and various core sectors of Delivery Hero SE's business model into consideration as appropriately as possible while, at the same time, honoring the principle of diversity, particularly with regard to professional experience and the know-how of the candidates.

Even though performance and qualifications are the paramount factors when selecting Management Board members, such members shall not be older than 65 years at the time of their appointment.

The first-time appointment of Management Board members does not exceed a maximum period of three years. A re-appointment prior to one year before the end of an appointment period with simultaneous termination of the current appointment shall only happen if special circumstances apply.

Duties, lines of authority and composition of the Supervisory Board

The Supervisory Board is responsible for regularly advising and monitoring the Management Board in its management of the enterprise. The Supervisory Board performs its functions in accordance with statutory provisions, the Articles of Association of the Company and its own rules of procedure. It is involved in decisions of fundamental importance for the enterprise and – for the benefit of the enterprise – works closely and in a spirit of trust with the other governing bodies of the Company, especially the Management Board.

The Management Board members were appointed in the financial year 2018. Due to the term of appointment until April 30, 2022, the age structure of the Management Board members currently in office, as well as the long-standing commitment of Niklas Östberg, as Chair of the Management Board and co-founder of the Company, and Emmanuel Thomassin, as Chief Financial Officer of the Company, the Supervisory Board has not yet developed guidelines for the succession of Management Board members. However, the Supervisory Board will continuously monitor the need for succession planning with regard to the specific needs of the Company and, if necessary, provide for long-term succession planning.

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

The members of the Supervisory Board in the 2020 financial year were [1]:

- Dr Martin Enderle (Chair and member since May 29, 2017)
- Patrick Kolek (member since June 3, 2017, Deputy Chair since July 13, 2018)
- Jeanette L. Gorgas (member since June 18, 2020)
- Gabriella Ardbo (member since June 18, 2020)
- Gerald Taylor (member since June 18, 2020)
- Nils Engvall (member since June 18, 2020)
- Björn Ljungberg (member from July 13, 2018 to June 18, 2020)
- Hilary Gosher (member from July 13, 2018 to June 18, 2020)
- Vera Stachowiak (member from July 13, 2018 to June 18, 2020)
- Christian Graf von Hardenberg (member from April 1, 2019 to June 18, 2020)

The Supervisory Board has adopted rules of procedure for itself, which govern in particular the working methods and the division of responsibilities of the Supervisory Board and its committees. The chair of the Supervisory Board coordinates the work of the Supervisory Board and represents the interests of the Supervisory Board externally. In accordance with the suggestion in Section A.3 GCGC, he is – to an appropriate extent – prepared to hold discussions with investors on issues specific to the Supervisory Board. The Supervisory Board holds at least two meetings per calendar half-year, 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. Although it is not the rule to hold meetings in writing, by telephone or by electronic means, the majority of Supervisory Board meetings this year had to be held by telephone and video conference due to the measures taken to contain the spread of the COVID-19 pandemic and the associated travel restrictions. In general, the Supervisory Board passes its resolutions by a simple majority of the members participating in the vote; in the event of a tie, the chair shall have the casting vote. The Supervisory Board discusses the business development, strategic planning and significant investments on a regular basis. The Supervisory Board also regularly assesses how effective each, the Supervisory Board as a whole and its committees, fulfill their tasks. This self-assessment was last carried out in the financial year 2019 in cooperation with an external consultant. For this purpose, an online self-assessment of the Supervisory Board was conducted in the period from May to June 2019.

The Supervisory Board members undertake the training and development measures required for their duties on their own responsibility and are supported in this by the Company. New Supervisory Board members are trained by external legal advisors with regard to corporate governance and capital market issues as part of their onboarding. In addition, the new Supervisory Board members have the opportunity to bilaterally discuss current issues relating to the business divisions of the Management Board with the respective members of the Management Board and other executives. With regard to the specific activities of the Supervisory Board in the financial year 2020, please refer to the Report of the Supervisory Board on page 9.

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 comprehensively to the full Supervisory Board on the work of the committee.

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.

The Supervisory Board of the Company has set objectives regarding its composition and has determined a profile of skills and competencies for the body as a whole, which in particular seeks to ensure the following:

The Supervisory Board members should collectively possess the knowledge, skills and professional 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, skills 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. Each Supervisory Board member is required to have general knowledge of the field in which the Delivery Hero Group operates, either through practical experience, intensive training, corporate investment management or through longtime advisory activities. In addition, all members of the Supervisory Board must have sufficient time available to discharge their duties to supervise and advise the Management Board. No more than two former members of the Management Board shall be 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 business opportunities of the enterprise for their own benefit. No candidates shall be proposed for election as members of the Supervisory Board to the annual general meeting who, at the same time, are members of the governing bodies of, or exercise advisory functions at, significant competitors of the enterprise, or hold any personal relationships with a significant competitor or who (potentially) are permanently or frequently subject to a conflict of interest. Supervisory Board members must disclose possible conflicts of interest to the Supervisory Board immediately. Conflicts of interest that have occurred are handled appropriately; the Supervisory Board provides information about them and how they were addressed in its report to the annual general meeting. Material, and not merely temporary, conflicts of interest involving a Supervisory Board member shall result in the termination of the Supervisory Board member's mandate.

The Supervisory Board shall reflect a well-balanced level of diversity, particularly in respect of the internationality of its members, their experience and different career paths and professional backgrounds. The Supervisory Board has set a target for the quota of women and men on the Supervisory Board (for further details in this regard, please refer to the section about the targets on the appointment of women in management roles on page 21).

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

The Supervisory Board shall include what it considers to be an appropriate number of independent members. More than half of the shareholder representatives on the Supervisory Board shall be independent of the Company and the Management Board as defined in Section C.7 sentence 2 and sentence 3 GCGC. If the Company has a controlling shareholder, at least one shareholder representative shall be independent of the controlling shareholder. At present there is an age limit of 70 years and a term limit of 12 years for Supervisory Board members, from which, however, deviations can be made in justified individual cases, since the most important factor for the appointment as member of the Supervisory Board is the candidate's professional and technical qualification.

The members of the Supervisory Board shall comply with the limitation of the number of permissible mandates according to Section C.4 and C.5 GCGC. Accordingly, a Supervisory Board member who is a member of the Management Board of a listed company shall not hold more than a total of two Supervisory Board mandates in listed companies outside the Group or in comparable supervisory bodies and shall not chair the Supervisory Board of a listed company outside the Group. Whereas a Supervisory Board member who is not a member of the Management Board of a listed company shall not accept more than a total of five Supervisory Board mandates at non-Group listed companies or comparable functions, with an appointment as chair of the Supervisory Board being counted twice.

The chair of the Supervisory Board, the chair of the Audit Committee and the chair of the Remuneration Committee shall be independent from the Company and the Management Board. The chair of the Audit Committee shall also be independent from controlling shareholders.

The Supervisory Board is convinced that the composition described ensures independent and efficient advice to and supervision of the Management Board. With regard to the current state of implementation of the objectives 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 fulfillment of the profile of skills and competencies were achieved in full in the financial year 2020. The independent Supervisory Board members within the meaning of Section C.6 GCGC are Dr Martin Enderle, Patrick Kolek and Jeanette L. Gorgas as well as Gabriella Ardbo, Gerald Taylor and Nils Engvall. The Supervisory Board reviews the continuation of target achievement regarding the composition of the Supervisory Board and the fulfillment of the competence profile at regular intervals.

Proposals submitted by the Supervisory Board to the annual general meeting for the election of Supervisory Board members take these objectives into account while, at the same time, aiming for continuous fulfillment of the profile of skills and competencies for the body as a whole. Each candidate proposal to the annual general meeting is accompanied by a curriculum vitae, providing information on the relevant knowledge, skills and professional experience as well as an overview of the material activities performed in addition to the Supervisory Board mandate. The curricula vitae of all Supervisory Board members are updated continuously, but at least once a year, and published on the Company's website.

For further information, please refer to the objectives of the Supervisory Board, which can be found on the Delivery Hero SE website at ↗ **https://ir.deliveryhero.com/objectives.**

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 statement and to the approval of the consolidated financial statements, as well as for the Management Board's draft proposal for the appropriation of net retained profits and the Supervisory Board's proposal to the annual general meeting for the election of an auditor. In addition, the Audit Committee deals in particular with the monitoring of accounting, the accounting process, the effectiveness of the internal control system, the risk management system, the internal audit system, the audit of the financial statements – particularly the selection and independence of the auditor, the quality of the audit 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 this regard.

The members of the Audit Committee in the 2020 financial year were:

- Patrick Kolek (member and Chair since August 1, 2018)
- Dr Martin Enderle (member until July 13, 2018 and since August 1, 2018)
- Gerald Taylor (member since June 18, 2020)
- Björn Ljungberg (member from August 1, 2018 to June 18, 2020)

Patrick Kolek – as Chair 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, Patrick Kolek is independent and not a former member of the Company's Management Board. The members of the Audit Committee as a whole are familiar with the sector in which the Company operates.

Composition and working methods of the Remuneration Committee

The compensation system for the Management Board, as well as the amount and appropriateness of the remuneration of 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 corresponding resolutions for its plenary sessions.

The members of the Remuneration Committee in the 2020 financial year were:

- Dr Martin Enderle (member until July 13, 2018, Chair since August 1, 2018)
- Patrick Kolek (member since August 1, 2018)
- Gabriella Ardbo (member since June 18, 2020)
- Vera Stachowiak (member from August 1, 2018 to June 18, 2020)

Composition and working methods of the Nomination Committee

The Nomination Committee is composed exclusively of shareholder representatives and nominates suitable candidates to the Supervisory Board for its proposals to the annual general meeting for the election of Supervisory Board members. In addition to the statutory requirements and the recommendations of the GCGC, it also takes into account the desired profile of skills and competencies for the entire body with regard to the knowledge, skills and professional experience of the candidates, the specific objectives of the Supervisory Board for its composition and the diversity of the body. On this basis, the Nomination Committee determines an appropriate number of available candidates, with whom it conducts interviews. In this context, it considers whether the candidates meet the competence profile and the objectives of the Supervisory Board – in particular, whether they are independent and free of conflicts of interest and whether they have sufficient time to diligently fulfill the duties of a Supervisory Board member. The Nomination Committee then nominates the suitable candidates to the Supervisory Board for approval together with an explanation of the selection process and the suitability of the candidates.

The members of the Nomination Committee in the 2020 financial year were:

- Dr Martin Enderle (member until July 13, 2018, Chair since August 1, 2018)
- Patrick Kolek (member since August 1, 2018)
- Jeanette L. Gorgas (member since June 18, 2020)
- Hilary Gosher (member from August 1, 2018 to June 18, 2020)

Composition and working methods of the Strategy Committee

The Strategy Committee is composed exclusively of shareholder representatives and deals with matters of material strategic importance to the Delivery Hero Group. These include, but are not limited to, certain capital expenditures, the entry into new business areas, the acquisition and sale of a company or shares in a company, cooperation agreements of strategic importance and other strategic issues.

The members of the Strategy Committee in the 2020 financial year were:

- Jeanette L. Gorgas (member and Chair since June 18, 2020)
- Dr Martin Enderle (member since August 1, 2018)
- Patrick Kolek (member since August 1, 2018)
- Hilary Gosher (member and Chair from August 1, 2018 to June 18, 2020)

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

For information regarding the remuneration of the members of the Management Board and Supervisory Board and the members of the committees, please refer to the detailed compensation report, which is part of the combined management report. The compensation report on page 28 also contains specific information on the Company's existing stock option programs and similar securities-based 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 quota 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 women's quota in 2020 increased to 25% from 20% in 2019, meaning that the target has been exceeded again. This year-on-year increase is 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 19.4%, down from 24% in 2019. This decrease is due to simplifying organizational structures. Organizational structures were simplified across senior management teams to reduce direct reports to members of the management team. As a result, the women's quota in the second level below the Management Board decreased.

The Supervisory Board has set a five-year target of 0% by July 30, 2023, for the women's quota on the Management Board. The Supervisory Board is of the opinion that, for an appointment as member of the Management Board of the Company, the best possible professional and technical qualifications, and not gender, are of primary importance. In this regard, the Supervisory Board takes into account that the Company has been led by the same Management Board members since its conversion from a GmbH (German limited liability company) to an AG (stock corporation) 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 current exclusively male composition of the Management Board, the target of 0% has been achieved.

The Supervisory Board has set a five-year target of 30% by July 30, 2023 for the women's quota 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 exceeded its target.

The Supervisory Board is aware, however, of the importance of diversity, and specifically the particular importance of the participation of women in management and supervisory positions. Accordingly, the Supervisory Board aims to increase the women's quota 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 the Delivery Hero Group companies. All dimensions of diversity exist on an equal footing at Delivery Hero SE, be they, for example, age, gender, educational background and profession, origin and religion, or sexual orientation and identity. The employees of Delivery Hero SE come from more than 100 different countries and five continents. The Management Board and the Supervisory Board of the Company also regard it as their duty to further increase – beyond setting targets for the women's quota on the Management Board and Supervisory Board and in management positions – the presence of the various dimensions of diversity in the Company and to use them productively.

In the financial year 2020, Delivery Hero SE continued its actions and initiatives aimed at increasing diversity and promoting inclusion. Due to the COVID-19 pandemic, the progress slowed down slightly in the first half of the year. The implementation measures and programs were carried out virtually. Further details on specific actions can be found in the non-financial report for the Group on page 35.

To date, the Company has not pursued a diversity concept of its own in respect of the composition of the Management Board and the Supervisory Board. However, the 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 the Supervisory Board.

Corporate governance practice and transparency

Shareholders and the 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 him. As chair of the meeting, the chair of the Supervisory Board is guided by the suggestion in Section A.4 GCGC that an annual general meeting should be completed within four to six hours at the latest. Each share grants one vote. On the basis of its statutory duties, the annual general meeting decides, inter alia, on the appropriation of net retained profits, the discharge of the Management Board and the Supervisory Board, the appointment of the auditor, the election of Supervisory Board members and capital or structural measures.

On March 27, 2020, the German government passed the Act to Mitigate the Consequences of the COVID-19 Pandemic under Civil, Insolvency and Criminal Procedure Law. As a result, the Management Board and Supervisory Board held the Annual General Meeting for the financial year 2020 as a virtual Annual General Meeting without the physical presence of shareholders or their proxies. The Annual General Meeting was held in the physical presence of the chair of the Meeting and Chair of the Supervisory Board, Dr Martin Enderle, the Chief Financial Officer, Emmanuel Thomassin, and the notary public appointed to take the minutes, as well as the authorized proxies of the Company. The Chair of the Management Board, Niklas Östberg, participated in the virtual Annual General Meeting via conference call. Shareholders entered in the share register were able to follow the entire Annual General Meeting via video and audio transmission on the internet. Shareholders were able to exercise their voting rights and ask questions via electronic communication (voting rights could also be exercised by issuing a proxy). In addition, shareholders who registered their shares in due time and exercised their voting rights had the opportunity to object to the resolutions of the Annual General Meeting by electronic communication to the notary public appointed to record the minutes of the Annual General Meeting.

The Company supports the shareholders as far as possible in the exercise of their rights in the annual general meeting. All documents and information relating to the annual general meeting are available to all interested parties in German and English on the Company's website at ↗ **https://ir.deliveryhero.com/agm** as soon as the annual general meeting has been convened. Following the annual general meeting, the voting results are also made available on the Company's website in German and English.

Shareholders have the option of exercising their voting rights in the annual general meeting themselves or having it exercised by an authorized proxy of their choice. In addition, the Management Board ensures the appointment of an authorized proxy for the exercise of the shareholder's voting rights in accordance with the shareholder's instructions (voting proxy appointed by the Company); this authorized proxy will also be available during the annual general meeting.

The Management Board convenes an extraordinary general meeting when required by law. In accordance with the suggestion in Section A.5 GCGC, an extraordinary general meeting will also be convened in the event of a takeover offer relating to the Company, at which the shareholders will discuss the takeover offer and, if necessary, resolve on corporate measures.

D&O insurance

The Company has taken out a consequential loss liability insurance (known as "D&O insurance") for the members of the Management Board and the Supervisory Board that covers the 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 the amount of 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 the Supervisory Board are of the opinion that a deductible has no influence on Supervisory Board members' sense of responsibility and loyalty with 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 in the Prime Standard segment of the Frankfurt Stock Exchange. The Company is therefore subject to the highest statutory and stock exchange transparency requirements. Delivery Hero SE reports on the situation and development of the Company and the 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 equally. All key information, such as ad hoc announcements and voting rights notifications, all financial reports and the financial calendar, are published on the Company's website in German and English. Alongside notifiable changes to the shareholder structure, the Company also publishes transactions in shares of the Company carried out by individuals in management functions at Delivery Hero SE, and by persons closely associated with them, in accordance with Article 19 of the Market Abuse Regulation.

As part of its comprehensive investor relations work, the Company maintains a close and constant contact with current and potential shareholders.

Accounting and auditing

The unaudited semi-annual financial report as of June 30, 2020 and the consolidated financial statements as of December 31, 2020 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 statement of the Company for the financial year 2020 was 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 the financial year 2020 as the auditor of the annual financial statements and consolidated financial statements. The undersigning auditors for the 2020 annual and consolidated financial statements of the Company are Marcus Rohrbach and Björn Knorr.

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

KPMG promptly reports to the chair 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 shall also report promptly on all findings and issues of material importance for the tasks of the Supervisory Board which come to the auditor's knowledge during the performance of the audit. It is likewise agreed that the auditor will inform the Supervisory Board and note in the audit report, if, during the performance of the audit, he identifies any facts that indicate an inaccuracy in the declaration of compliance issued by the Management Board and the Supervisory Board pursuant to Section 161 AktG. The chair of the Audit Committee is also in direct contact with KPMG outside of the Audit Committee meetings to ensure a regularly and timely exchange on important issues. 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, April 26, 2021

Delivery Hero SE

On behalf of the Supervisory Board

Dr Martin Enderle

The Management Board

Niklas Östberg **Emmanuel Thomassin**

TAKEOVER-RELATED DISCLOSURES AND EXPLANATORY NOTES BY THE MANAGEMENT BOARD

This chapter contains the disclosures pursuant to Sections 289a sentence 1, 315a sentence 1 of the 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 € 199,377,935.00 which was subdivided into 199,377,935 no-par value registered shares.

In January, February and in March 2021, three further capital increases were registered, so that at the time of the publication of this report the Company's subscribed capital amounts to € 249,017,321.00, which is subdivided into 249,017,321 no-par value registered 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.

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 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, and June 30, 2020, respectively.

Persons who exercise managerial duties at Delivery Hero SE within the meaning of the Market Abuse Regulation (EU) No. 596/2014 ("MAR") must observe the closed periods (trading prohibitions) established by Article 19(11) MAR.

Restrictions on voting rights

To the Management Board of the Company's best knowledge, the restrictions on voting rights as stated by the law on obligations are as follows:

- Pursuant to Sections 71b and 71d AktG, by the end of the reporting period, there were no voting rights with respect to 78,230 shares in the Company. At the time of the publication of this report, there are no voting rights with respect to 73,819 shares in the Company.
- In accordance with Section 136 AktG, by the end of the reporting period the members of the Management Board were restricted in exercising their voting rights with respect to the 728,406 shares in the Company held by them. At the time of publication the members of the Management Board are restricted in exercising their voting rights with respect to 794,838 shares in the Company held by them.

There may be voting rights restrictions that arise further pursuant to 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 2020 financial year, the following direct and indirect holdings in Delivery Hero SE existed, which exceeded the threshold of 10% of the total voting rights[1] 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[2] with its registered seat in Edinburgh, United Kingdom through in particular Vanguard Word Fund (attributed)

Further information on the shareholdings listed above can be found in the disclosures on voting rights notifications in the relevant notes of the Delivery Hero SE 2020 annual financial statement as well as the "Voting Rights Notifications" section on the Company's website at ↗ **https://ir.deliveryhero.com/votingrights.**

Shares with special rights conferring powers of control

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

1 The information shown here takes into account the most recent notifications of voting rights received by the Company. These notifications of voting rights may not take into account capital increases that have already taken place.

2 Baillie Gifford & Co fell below the threshold of 10% of the total voting rights on March 4, 2021 and submitted the corresponding voting rights notification to the Company on March 10, 2021.

Statutory requirements and provisions in the Articles of Association regarding the nomination and dismissal of members of the Management Board, and the amendment process of 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 Sections 7(3),7(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 material 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), sentences 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, a 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 changes to the Articles of Association by resolution, if such changes are only related to amendments in the wording.

Powers of the Management Board in particular with respect to the possibility of issuing or buying back shares

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 € 8,158,550.00 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 was used for any purposes (including, without limitation, in connection with acquisition transactions by the Company, 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 under any new loan agreements, etc.). To the extent that the new shares were issued pursuant to the so-called Loan and Escrow Agreement entered into on August 7, 2014, as amended from time to time, or any new loan agreements, the new shares were issued at the lowest issue price. The Management Board of the Company was authorized to further determine, with the consent of the Supervisory Board, the 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 and was cancelled by resolution of the Supervisory Board of January 15, 2020.

The Management Board is authorized by resolution of the Annual General Meeting from June 9, 2017 (agenda item 2) 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 € 3,822,655.00 by the issuance of up to 3,822,655 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. New shares with utilization of the Authorized Capital/IV may be issued only for this purpose. The Management Board is authorized to further determine, with the consent of the Supervisory Board, the scope of the shareholders' rights pertaining to the shares to be newly issued and the further conditions of the issuance of the new shares. By the end of the reporting period, the Authorized Capital/IV still amounted to € 4,382,929.00 after partial utilization. At the time of the publication of this report, the Authorized Capital/IV amounts to € 3,822,655.00 after partial utilization with the share capital increase registered on February 24, 2021.

The Management Board 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 € 18,675,300.00 by the issuance of up to 18,675,300 new no-par value registered shares against contribution in cash (Authorized Capital/V). The subscription rights of the shareholders are excluded. The Authorized Capital/V served the fulfilment of contractual claims, already agreed upon prior to January 1, 2017, to those shareholders who subscribed for new shares in Delivery Hero GmbH (prior to the conversion into Delivery Hero AG) based on the company's increase of nominal share capital resolutions dated from December 4 until 9, 2016; shares out of the Authorized Capital/V may only be issued for this purpose. For certain claims, the utilization of the Authorized Capital/V was limited to 3,505,500 new shares. The shares would be issued at the lowest issue price. The Management Board 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/V was cancelled by resolution of the Annual General Meeting on June 18, 2020 (agenda item 8).

The Management Board is authorized by resolution (agenda item 6) of the Annual General Meeting of June 6, 2018 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 € 13,725,505.00 by the issuance of up to 13,725,505 new no-par value registered shares against contributions in cash and/or non-cash contributions (Authorized Capital/VII). The Authorized Capital/VII has been partially utilized since the original authorization. By virtue of its resolution dated December 13, 2019, the Management Board resolved to partially utilize the Authorized Capital/VII and, under exclusion of the subscription rights of the existing shareholders, to reserve a total of up to 42,087,761 new shares in connection to a M&A transaction. The capital increase in relation to this partial utilization of the Authorized Capital/VII with issuance of 39,636,147 shares was registered on March 4, 2021. 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 consummation, 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 from Section 60 (2) AktG, entail profit participation rights for completed fiscal years. Shares which 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 seqq. AktG, shall have in each case a full profit participation for the fiscal year in which they are issued. By the end of the reporting period, the Authorized Capital/IV still amounted to € 53,361,652.00 after partial utilization. At the time of the publication of this report, the Authorized Capital/IV amounts to € 13,725,505.00 after partial utilization with the share capital increase registered on March 4, 2021.

The Management Board is authorized by resolution (agenda item 7) of the Annual General Meeting of June 18, 2020 to increase the share capital of the Company until June 17, 2025, with the consent of the Supervisory Board, once or repeatedly, by up to a total of € 20,000,000.00 with the issuance of up to 20,000,000 new no-par value registered shares against contributions in cash and/or in kind (Authorized Capital 2020/I). 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 consummation, 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 from Section 60 (2) AktG, also participate in the profit of completed fiscal years. Shares which 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 seqq. AktG, shall have in each case a full profit participation for the fiscal year in which they are issued.

The Management Board is authorized by resolution (agenda item 8) of the Annual General Meeting on June 18, 2020 to increase the share capital of the Company until June 17, 2025, with the consent of the Supervisory Board once or repeatedly, by up to a total of € 9,232,335.00 by the issuance of up to 9,232,335 new no-par value registered shares against contributions in cash and/or non-cash contributions (Authorized Capital 2020/II). The Authorized Capital/II has been partially utilized since the original authorization. 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 consummation, 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 from Section 60 (2) AktG, also participate in the profit of completed fiscal years. Shares which 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 seqq. AktG, shall have in each case a full profit participation for the fiscal year in which they are issued.

In accordance with authorization by the Annual 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 nominal 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 Annual General Meeting (formerly Delivery Hero AG) of June 13, 2017 (agenda item 4, lit. a)) as part of the Stock Option Program 2017 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 profit participation from the beginning of the fiscal year for which, at the time the subscription right is exercised, no resolution has yet been passed by the Annual General Meeting on the appropriation of the net income. 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 Annual General Meeting of June 12, 2019 (agenda item 6), the share capital of the Company is 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 nominal amount of the registered share capital of € 1.00 per share (Conditional Capital 2019/I). The conditional capital increase is tied to 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 Annual General Meeting of June 12, 2019. 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 either the exercise of the conversion or option rights, or the fulfilment of conversion or option obligations, or the granting of shares in lieu of cash amounts due no resolution has yet been passed by the Annual General Meeting on the appropriation of net income. The Management Board is authorized to determine the further details of the consummation of the conditional capital increase. On January 15, 2020, the Management Board resolved upon the placement by the Company – partially utilizing the authorization by the Annual General Meeting of the Company of June 12, 2019 –, against contribution in cash, of two tranches of convertible bonds in the principle aggregate amount of at least € 1,500,000,000.00, with conversion rights to new shares of the Company from the Conditional Capital 2019/I. No conversion rights have been exercised yet.

In accordance with authorization by the Annual 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 nominal 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 profit participation from the beginning of the fiscal year for which, at the time of the exercise of the subscription right, no resolution has yet been passed by the Annual General Meeting on the appropriation of net income. 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 Annual General Meeting of June 18, 2020 (agenda item 9), the share capital of the Company is conditionally increased by € 20,000,000.00 by issuing up to 20,000,000 new no-par value registered shares of the Company with a nominal amount of the registered share capital of € 1.00 per share (Conditional Capital 2020/I). The Conditional Capital 2020/I 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 Annual General Meeting of June 18, 2020, in each case at a conversion or option price to be determined. 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 either the exercise of the conversion or option rights, or the fulfilment of conversion or option obligations, or the granting (of shares) in lieu of cash amounts due, no resolution of the Annual General Meeting has yet been passed on the appropriation of net income. The Management Board is authorized to determine the further details of the consummation of the conditional capital increase. On July 7, 2020, the Management Board resolved upon the placement by the Company – partially utilizing the authorization by the Annual General Meeting of the Company of June 18, 2020 –, against contribution in cash, of two tranches of convertible bonds in the principle aggregate amount of at least € 1,500,000,000.00, with conversion rights to new shares of the Company from the Conditional Capital 2020/I. No conversion rights have been exercised yet.

The complete version of these authorizations is set out in the Company's Articles of Association in the version of March 2, 2021 (registered in the trade registry on March 4, 2021). The current version of the Articles of Association of the Company is available in the sub-section "Articles of Association" on the Company's website at ↗ **https://ir.deliveryhero.com/articles-of-association.**

Subject to approval by the Supervisory Board and in accordance with the principles of equal treatment of shareholders (Section 53a, AktG), the Management Board is (or respectively – regarding the authorization to take treasury shares as security – was), authorized, until June 12, 2022, to acquire shares to be held by the Company as treasury shares up to a total number corresponding to 10% of the Company's share capital existing at the time of the resolution, or – if this value is lower – at the time the authorization is exercised, or to take them as security, subject to a time limit of the authorization until June 30, 2017. 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 purpose, but also by group companies or by third parties in the name and on behalf of the Company or group companies. The authorization must not be exercised for the purpose of trading in Company's treasury 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 which are subject to a change of control following a takeover bid:

The Company is party to five substantial software license contracts, which are subject to a change of control clause. One of them contains an automatic termination of a service component, two provide the supplier with the right to terminate in the event of an acquisition by a direct competitor, and the other two provide the supplier with the right to terminate. Furthermore, the Company is party to four substantial lease contracts, which contain a common consent requirement for the transfer of the lease agreement in case of a sale of the business.

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 from the end of a calendar month. Resignation from the Management Board becoming effective results in the 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 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 Niklas Östberg and Emmanuel Thomassin (such as convertible bonds and share options) become vested or are immediately allocated. In the case of Emmanuel 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 of members of the Management Board do not provide for any other compensation in the event of their termination of the employment due to a change of control.

There are no similar compensation agreements with other Company employees.

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

(This compensation report pursuant to §§ 289a(2), 315a(2) HGB constitutes part of the Combined management report 2020).

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 2017”) and in the version of December 16, 2019 (hereinafter “DCGK 2020”) published in the Federal Gazette on the 20th March 2020 (“DCGK 2020”) as far as applicable. The basic features of the compensation system for Management 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 2020.

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 Sections 4.2.2 and 4.2.3 of DCGK 2017 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 current compensation system for the members of the Management Board was resolved by the Supervisory Board in June 2017 and became effective on January 1, 2018. Since then it has applied 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 high level of congruence with the interests of the investors is achieved through the distinct variable share-based compensation component. The agreed internal performance target corresponds to the Company’s growth-oriented strategy. The stock option plan awarded to the Management Board balances risk (total loss) and opportunities (upside without cap), thereby ensuring harmonization with the interests of shareholders.

Pursuant to the recommendation G.3 of DCGK 2020 and in order to assess the specific total compensation of Management Board members, the Supervisory Board initially used a peer group of all entities listed in the MDAX since Delivery Hero SE was listed in the MDAX at the time of the assessment. Due to the extraordinary growth of Delivery Hero SE in terms of market capitalization with a potential listing in the German benchmark index DAX at the time of the assessment, a second peer group consisting of all DAX as well as MDAX companies was used in addition. In this horizontal market comparison, the Supervisory Board considered the equally weighted criteria revenue, number of employees and market capitalization.

The Supervisory Board will regularly review and adjust the compensation system as necessary 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 Section 4.2.3 para. 2 sentence 3 DCGK 2017.

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 of commuting between his place of residence and place of work.

Performance-based compensation

Share-based compensation

The performance-based compensation consisted of the Stock Option Program 2017 (also "SOP 2017" or "DH SOP"), which was launched after the initial public offering (IPO)[1].

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 can option rights be exercised. It was not permitted to exercise options during the first year after the IPO.

Since 2018, the performance-based compensation has consisted of a 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 € is granted annually. The commitment is binding for four years.

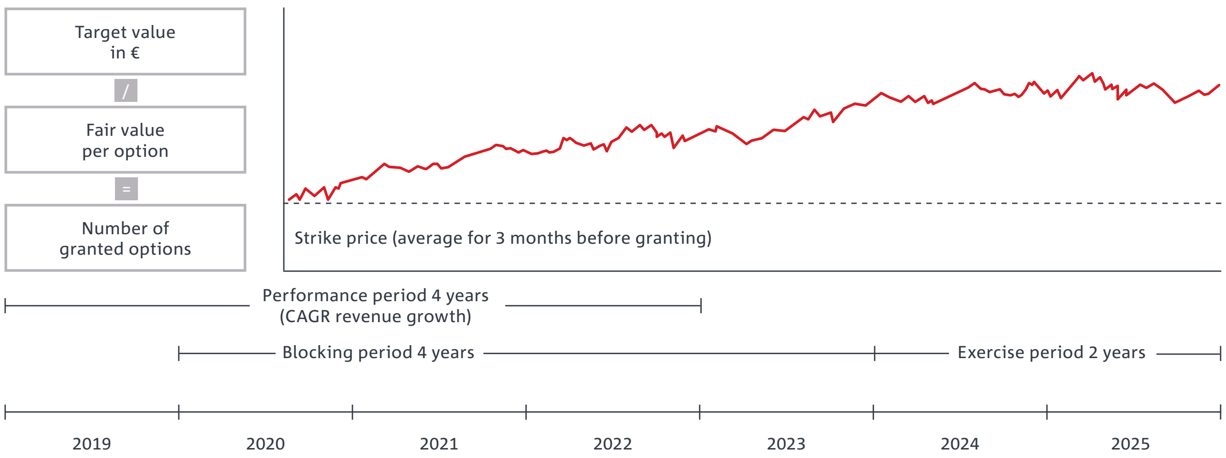
To calculate the number of stock options (SOPs) granted in a financial year, the annual target value in € is divided by the fair value of an SOP at the grant date. The calculated number of SOPs granted is blocked of a period of four years from the date on which they are granted. Subsequently, an exercise 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 to four 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.

LONG-TERM INCENTIVE PROGRAM (LTIP)



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

Special compensation

In the current and previous year no special compensation was granted.

Pension commitments

No pension arrangement with Management Board members exists.

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 to a maximum of the compensation for the remaining term of contract (severance pay cap). The severance provision thus complies with the recommendation of Section 4.2.3 para. 4 DCGK 2017.

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 in the current compensation system was in compliance with the relevant recommendation of Section 4.3.2. para. 5 DCGK 2017.

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 last 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 last received according to the contract.

Loans and advances

The Management Board members did not receive advances or loans in 2020.

Disclosures pursuant to the requirements of DCGK

The following tables follow the recommendations of DCGK 2017 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 2020, 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 are also shown to the extent applicable. The table "Payout" shows the compensation actually paid in financial year 2020. 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	2019	**2020**	**2020 (MIN)**	**2020 (MAX)**	2019	**2020**	**2020 (MIN)**	**2020 (MAX)**
Base salary	325.0	350.0	350.0	350.0	325.0	350.0	350.0	350.0
Fringe benefits	25.0	25.0	0.0	25.0	0.0	0.0	0.0	0.0
Sum	**350.0**	**375.0**	**350.0**	**375.0**	**325.0**	**350.0**	**350.0**	**350.0**
Special bonus	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Multi-year variable compensation	2,202.6	4,000.0	0.0	n/a	1,101.3	1,850.0	0.0	n/a
LTIP (4-year plan term)	2,202.6	4,000.0	0.0	n/a	1,101.3	1,850.0	0.0	n/a
Total compensation	**2,552.6**	**4,375.0**	**350.0**	**375.0**	**1,426.3**	**2,200.0**	**350.0**	**350.0**

PAYOUT

	Niklas Östberg CEO		Emmanuel Thomassin CFO	
EUR K	2019	**2020**	2019	**2020**
Base salary	325.0	350.0	325.0	350.0
Fringe benefits	25.0	25.0	0.0	0.0
Sum	**350.0**	**375.0**	**325.0**	**350.0**
Special bonus	0.0	0.0	0.0	0.0
Multi-year variable compensation	0.0	45,371.8	1,190.0	13,090.4
VSP/SOP 2018	0.0	45,371.8	1,190.0	13,090.4
LTIP (4-year plan term)	0.0	0.0	0.0	0.0
Total compensation	**350.0**	**45,746.8**	**1,515.0**	**13,440.4**

In the financial year 2020, the third tranche of the 2018 LTIP commitment was granted to the members of the Management Board. The third and fourth tranches of this LTIP commitment were raised for Niklas Östberg from previously € 2,500k each to € 4,000k each and for Emmanuel Thomassin from previously € 850k each to € 1,850k each.

During the financial year, 566,600 options of the SOP 2018 were exercised and sold by Niklas Östberg, resulting in a payout of € 45,372k. Emmanuel Thomassin has exercised and sold in the financial year 180,000 options, resulting in a payout of € 13,090k. In the previous year, 40,000 options were exercised and sold by Emmanuel Thomassin, resulting in a payout of € 1,190k. Niklas Östberg did not exercise any previously granted compensation components in the previous year. There are still outstanding options, which have been granted in previous years but have not yet been exercised and may be exercised in 2021 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 the financial year 2020 came to € 6.6 million (previous year: € 4.0 million), of which non-performance-based components accounted for € 0.7 million (previous year: € 0.7 million) and performance-based components accounted for € 5.9 million (previous year: € 3.3 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.

The expense from share-based compensation recognized in 2020 amounted to € 4.5 million (previous year: € 5.1 million) for Mr Östberg and € 2.6 million (previous year: € 2.4 million) for Mr Thomassin.

2020

EUR K	Non-perfomance-based components		Perfomance-based components				
				LTIP			
Acting Board members	Base salary	Fringe benefits	Special bonus	Allocation value [1]	Numberof shares/options [2]	Fair value [3]	**Total**
Niklas Östberg	350.0	25.0	0.0	4,000.0	88,987.0	4,000.0	4,375.0
Emmanuel Thomassin	350.0	0.0	0.0	1,850.0	41,156.0	1,850.0	2,200.0
Total	**700.0**	**25.0**	**0.0**	**5,850.0**	**130,143.0**	**5,850.0**	**6,575.0**

1 Increase of tranches for 2020 and 2021 of LTIP commitment 2018 – see statement above.

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 on the consolidated financial statements.

2019

EUR K	Non-perfomance-based components		Perfomance-based components				
				LTIP			
Acting Board members	Base salary	Fringe benefits	Special bonus	Allocation value [1]	Numberof shares/options [2]	Fair value [3]	**Total**
Niklas Östberg	325.0	25.0	0.0	2,202.6	221,669.0	2,202.6	2,552.6
Emmanuel Thomassin	325.0	0.0	0.0	1,101.3	110,833.0	1,101.3	1,426.3
Total	**650.0**	**25.0**	**0.0**	**3,303.9**	**332,502.0**	**3,303.9**	**3,978.9**

1 In the financial year, the LTIP commitment from the previous year was raised for Niklas Östberg for the 2019 tranche to € 1,500k and for the tranches of 2020 and 2021 to € 2,500k (previously € 1,000k each). The LTIP commitment from the previous year for Emmanuel Thomassin was increased to € 750k for the 2019 tranche and to € 850k for the tranches of 2020 and 2021 (previously € 500k each). In addition there was a one-off commitment in the amount of € 703k for Niklas Östberg and in the amount of € 351k 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 set 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 on the consolidated financial statements.

In 2020, a total of 88,987 new stock options in the amount of € 4.0 million were granted under the LTIP to Mr Östberg. Mr Thomassin was granted a total of 41,156 new stock options in the amount of € 1.9 million in 2020. The option rights can be exercised in financial year 2024 at the earliest. In the previous year, 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 stock options in the amount of € 1.1 million in 2019. The option rights granted to the Management Board members and outstanding are shown on the right side.

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 their unreduced remuneration for six months, but no longer than as the term of their 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.

STOCK OPTIONS SOP 2017

	Niklas Östberg, CEO		Emmanuel Thomassin, CFO	
	Weighted average exercise price in EUR	Number of options	Weighted average exercise price in EUR	Number of options
Outstanding stock options as of January 1, 2019	**5.71**	**846,600**	**11.7**	**390,000**
Granted in the reporting period	0.00	0	0.0	0
Forfeited in the reporting period	0.00	0	0.0	0
Exercised in the reporting period	0.00	0	5.0	40,000
Expired in the reporting period	0.00	0	0.0	0
Outstanding stock options as of January 1, 2020	**5.71**	**846,600**	**12.4**	**350,000**
Granted in the reporting period	0.00	0	0.0	0
Forfeited in the reporting period	0.00	0	0.0	0
Exercised in the reporting period	5.83	566,600	8.89	180,000
Expired in the reporting period	0.00	0	0.0	0
Outstanding stock options as of December 31, 2020	**5.83**	**280,000**	**7.86**	**170,000**
Exercisable on December 31, 2020	0.0	0	0.0	0

STOCK OPTIONS LTIP

	Niklas Östberg, CEO		Emmanuel Thomassin, CFO	
	Weighted average exercise price in EUR	Number of options	Weighted average exercise price in EUR	Number of options
Outstanding stock options as of January 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	0	n/a	0
Exercised in the reporting period	n/a	0	n/a	0
Expired in the reporting period	n/a	0	n/a	0
Outstanding stock options as of January 1, 2020	**37.34**	**324,825**	**37.34**	**162,411**
Granted in the reporting period	70.11	88,987	70.11	41,156
Forfeited in the reporting period	n/a	0	n/a	0
Exercised in the reporting period	n/a	0	n/a	0
Expired in the reporting period	n/a	0	n/a	0
Outstanding stock options as of December 31, 2020	**44.38**	**413,812**	**43.96**	**203,567**
Exercisable on December 31, 2020	n/a	0	n/a	0

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
- Termination of Management Board services as Bad Leaver

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 € 200,000 (previous year: € 150,000), 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 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.

In 2020, a total of € 507 (previous year: € 6,525) was reimbursed for expenses. In addition, € 14,691 were subsequently reimbursed for 2019.

In the financial year a total of 169 new stock options in the amount of € 7,500 and a total of 79 shares in the form of RSUs in the amount of € 7,500 were granted under the LTIP to Gerald Taylor, member of the Supervisory Board (employee representative), in his function as an employee.

In the previous year, a total of 7,381 new stock options in the amount of € 75,000 were granted under the LTIP to Christian Graf von Hardenberg, former 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 in the previous year.

	Fixed salary		Committee compensation		Total compensation	
EUR	**2020**	2019	**2020**	2019	**2020**	2019
Dr Martin Enderle	200,000	150,000	14,000	14,000	214,000	164,000
Patrick Kolek	20,000	20,000	21,000	21,000	41,000	41,000
Hilary Gosher (until 18.06.2020)	6,967	15,000	3,251	7,000	10,219	22,000
Vera Stachowiak (until 18.06.2020)	6,967	15,000	929	2,000	7,896	17,000
Björn Ljungberg (until 18.06.2020)	6,967	15,000	929	2,000	7,896	17,000
Christian Graf von Hardenberg (from 01.04.2019 until 18.06.2020)	6,967	11,301	–	–	6,967	11,301
Nils Engvall (from 18.06.2020)	8,074	–	–	–	8,074	–
Gabriella Ardbo (from 18.06.2020)	8,074	–	1,077	–	9,150	–
Jeanette L. Gorgas (from 18.06.2020)	8,074	3,768	3,768	–	11,842	–
Gerald Taylor (from 18.06.2020)	8,074	–	1,077	–	9,150	–
Semih Yalcin (from 13.07.2018 until 01.04.2019)	–	3,740	–	–	–	3,740
Total	**280,164**	**230,041**	**46,030**	**46,000**	**326,194**	**276,041**

NON-FINANCIAL **REPORT FOR THE GROUP**

Letter from the CEO:

Fellow Shareholders and Heroes,

2020 has been an unprecedented year for everyone around the world. Driven by Delivery Heroes core values, we were able to continue creating an amazing experience for our customers who were relying on us throughout the Covid-19 pandemic. With our Heroes living our values every day at work, we strive to create a positive change in the communities where we work and take measure to understand and address our environmental footprint.

After creating our Corporate Social Responsibility (CSR) and Sustainability team in 2019, we used 2020 to roll out many projects across the company. I am pleased to say we made great progress on many of our teams ambitions and I am excited to see what 2021 has in store.

One initiative that I am very proud of is our partnership with the World Food Programme, who also won the Nobel Peace Prize in 2020. Our partnership integrated a “tech4-good” solution into our platforms across various countries, which enabled our customers to donate meals to those in need. Through this partnership and other meal donation initiatives across our global brands, we provided over 2.3 million meals in 2020.

I am also committed to environmental stewardship and tackling climate change. I joined the Leaders for Climate Action in 2019, and announced that we will be carbon neutral globally by the end of 2021. We made significant progress towards this ambitious goal and I am pleased to say that at the start of 2021 we are carbon neutral across our European and Latin American operations.

We took on the responsibility of being deemed an essential service in many of the markets that we operate throughout the pandemic in 2020. As with many businesses around the world, COVID-19 forced us to change the ways we worked. We adapted quickly and enabled our deliveries to be contactless and keep everyone as safe as possible to help prevent the spread of COVID-19.

In the following sections, we have provided a summary of what we have achieved as a company in 2020 as well as insights into what we have planned going forward. Delivery Hero has great potential to address societal and environmental issues, and I am thrilled to see how our business positively impacts local and global challenges in the future.

Yours,

Niklas Östberg

SUSTAINABILITY APPROACH AND MATERIAL ISSUES

Our values

Sustainable thinking and action based on 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. This means taking on the responsibility for any negative impacts of our business, working on these impacts by reducing our footprint, and contributing to solutions that follow the principles of sustainable development.

Our strategic priorities

Sustainability is about responsibility: If we deal responsibly with our people and our environment, if we do business in a forward-looking and caring manner, we contribute to sustainable development. Ultimately, we want to do our share to make the UN Sustainable Development Goals (SDGs) become a reality and we are looking to complete a fuller integration of the SDG's into our sustainability strategy and company values in the future. We believe that this orientation will make our company more successful, not only today but also for many years to come.

Responsibility needs strategic thinking, clearly defined and realistic goals and an effective organizational structure. We spent much of 2019 developing our strategy, the necessary department structure and processes as well as creating foundations for the strategic projects that we envisage. In the reporting year of 2020, while some of the structural processes were still ongoing, we were excited to begin to deliver on strategic projects.

A highlight of 2020 came in Q3 when Delivery Hero entered the DAX (Deutscher Aktienindex), Germany's leading stock market, signaling the market's strong belief in our growth strategy and business model. While this confirms our strategic framework, we also realize the responsibility it entails when it comes to transparency expectations.

Delivery Hero continued to grow and scale very quickly during 2020. Our CSR & Sustainability team is adapting to this growth to ensure our approach and strategy applies to the evolving business. The CSR & Sustainability department comprises teams responsible for different topics, reporting to the Director of Sustainability, CSR & Safety, who reports to the Chief People Officer, and in turn to the CEO.

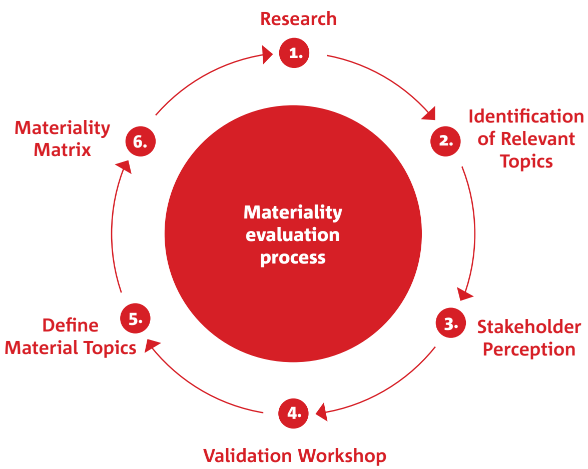
Clearly, 2020 was dominated by the COVID-19 pandemic. It became clear that our business can be an essential service as cities entered lockdowns. In many countries we were able to help people to obtain food, medications and other items. We aimed at keeping the transmission rate among our employees, riders, restaurant partners and customers as low as possible during the pandemic and established several measures, such as contactless delivery, contact tracing processes, and social distancing or work from home wherever possible.

Our material topics

Delivery Hero's four-pillar approach to sustainability management and reporting is the result of a revision of the materiality analysis of previous years. During October and November 2020, supported by an external consultancy, we revisited the process in the light of different definitions of materiality by reporting frameworks such as the Global Reporting Initiative's (GRI) Standards, the EU's non-financial reporting directive as well as related and upcoming frameworks by the Sustainability Accounting Standards Board (SASB) and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

The process involved internal stakeholders only, the primary aim being to present a materiality analysis in line with current reporting practice and legal requirements for immediate use for the present 2020 non-financial report. We envisage another major overhaul of the materiality analysis in 2021 with a view to embracing all relevant departments at Delivery Hero, which will then also involve external stakeholders.

MATERIALITY EVALUATION PROCESS



Remote working in 2020 forced us into a virtual series of workshops. Initially involving our CSR & Sustainability team only, a shortlist of topics based on research of international sustainability frameworks (including the UN SDGs, SASB, and others), the competitive environment and Delivery Hero's own ambitions were compiled and discussed. The agreed draft topics were then presented to a larger group of internal stakeholders, who completed an online questionnaire, evaluating the materiality topics for Delivery Hero and their predetermined stakeholder group.

DELIVERY HERO'S STAKEHOLDERS

Riders	Investors	Restaurants
We want to keep the riders safe and engage them to continue to deliver an amazing experience.	We are committed to increasing shareholder value.	We seek to encourage social, ethical and environmental standards among our restaurant partners.
Engagement surveys (rider NPS), safety training and initiatives, communication, support programs.	Providing transparent and timely information on Delivery Hero via financial statements, bilateral engagement with investors and analysts, presenting the company on investor conferences and roadshows.	Engagement surveys (restaurant NPS), account management operations.

Employees	Community/NGO	Regulators
We want to motivate, engage and develop our people so they can achieve their maximum.	We are determined to contribute the communities where we operate and work in.	We are interested in maintaining an open dialogue with regulators and being compliant with legislation and regulation.
Engagement survey, training, performance management process, all-hands/update meetings, Supervisory Board representation.	Volunteering program, virtual talks/events, partnerships	Dialogue with regulators in local markets.

Customers	Suppliers
We are focused on improving our customers' everyday lives by providing amazing and innovative services.	We intend to implement high social, ethical and environ-mental standards in all relationships with our suppliers.
Satisfaction surveys, social media, brand studies (focus groups + surveys)	Account management operations, supplier onboarding

Why is the stakeholder important? Examples of engagement activities/resources

The final shortlist of material topics was validated in co-ordination with various internal stakeholders during a materiality workshop. The discussion resulted in revising selected material topics, an updated materiality matrix, and defined reporting thresholds for the non-financial report as well as for our additional GRI reporting. The image below is the result of our materiality assessment for 2020.

DELIVERY HERO'S MATERIALITY MATRIX

The result of the materiality exercise, therefore, is the new clustering of topics into the four main pillars, with ten topics to be reported in the non-financial report and 16 in our GRI Content Index.

MATERIALITY TOPICS CHART

	Topic	Reported in Non-Financial Report (Material Topic)	Reported in GRI Content Index
Climate & Environment	Greenhouse Gases	✓	✓
	Resource Efficiency	✓	✓
	Sustainable Packaging Solutions	✓	✓
	Food Waste	x	✓
Workforce, Safety & Human Rights	Working Environment	✓	✓
	Diversity & Inclusion	✓	✓
	Employee Development	✓	✓
	Health & Safety	✓	✓
Good Governance & Ethics	Customer Privacy & Data Protection	✓	✓
	Fair Business Conduct & Compliance	✓	✓
	Sustainable Sourcing	x	✓
	Sustainable Restaurant Partners	x	✓
	Food Safety & Quality	✓	✓
Social Engagement & Partnerships	Education & Outreach	x	✓
	Community Support	x	✓
	Cooperation & Dialogue	x	✓

CLIMATE AND ENVIRONMENT

Delivery Hero aspires to make its business more environmentally friendly and is implementing global projects to reduce negative effects on the planet. Our sector impacts the natural environment primarily through the greenhouse gas emissions we and our partners emit, the plastic in food packaging, food waste, and the resources used in our office operations. To manage these impacts, our environmental program in 2020 addressed these three material topics: greenhouse gases, resource efficiency and sustainable packaging.

Greenhouse gases

As global warming is a major issue impacting the world, we believe that we have a responsibility to address the impact of our greenhouse gas emissions as a result of our operations.

If the world does not act quickly to reduce carbon emissions, our own business may be threatened by shortages of food supply, resulting in higher prices and possible customer dissatisfaction. Extreme weather events may impact our ability to deliver our goods as well as our supply chain. Further, reputational risks exist, as NGOs or customers might boycott a company with a negative environmental impact.

Nevertheless, we see investment possibilities in companies related to our core business. Before 2020, we invested in companies producing environmentally friendly alternatives such as sustainable packaging and plant-based meats. In the future, we see potential to engage with restaurants and retail suppliers to source sustainable ingredients and products, and to reduce their food waste. We also want to raise awareness of climate change by engaging with customers to inform them about sustainable options on our platforms.

Within Delivery Hero, greenhouse gases are a result of our activities, supply chain functions and partners' operations. We set an ambition to become carbon neutral by the end of 2021 across our global operations. Our approach to achieving carbon neutrality is to measure our footprint and offset the impact of our emissions footprint. In order to achieve carbon neutrality in a very short time frame, we use offsetting as an initial approach. Once we know where our largest emissions occur in our business, we aim to identify where we can reduce or avoid them. This commitment addresses all of Delivery Hero's direct and indirect emissions according to the Greenhouse Gas (GHG) Protocol. In January 2020, we achieved carbon neutrality for our European operations [1]. Additionally to Europe, we began offsetting Latin America in 2020 and this will be finalized in early 2021, both based on 2020 carbon emissions [2].

Our carbon footprint comprises two sets of emissions: delivery and corporate emissions. Delivery emissions result from the vehicles used to deliver food and the packaging used by the restaurants for the deliveries. Corporate emissions comprise our internal operations, our Dmart (retail) operations, and the emissions caused by our partners, including amongst others restaurant hardware and IT equipment. In 2020, we refined our methodology for measuring GHG emissions, working with an external partner. As prescribed by the GHG Protocol, we consider emissions within different scopes: Scope 1 (direct emissions from heating, air-conditioning installations and the company's vehicle fleet), Scope 2 (indirect emissions from the generation of electricity, steam, heat or cooling purchased from external energy providers) and Scope 3 (includes the remainder of indirect emissions not covered within Scope 2; for example purchased goods and services, waste from operations, business travel, downstream transportation and distribution). Where accurate data is not available, we use estimations in line with common and accepted approaches. For instance, if only fuel expenses are available to calculate the direct emissions from company cars (Scope 1), a common and accepted approach is to estimate the fuel quantity based on the average cost of one liter of fuel in the respective country. For a detailed review of our GHG methodology, please see our website at ↗ **www.deliveryhero.com/sustainability.**

1 To achieve this, we have purchased 82,525.6 tCO_2 worth of carbon credits. The underlying carbon footprint is based on delivery emissions for 2019 and corporate emissions for 2018 and was calculated for Delivery Hero by an external service provider. This emissions volume is not subject to the external assurance on this report provided by KPMG.

2 Offsetting of Latin American markets excludes Glovo's operations as this entity was acquired during the 2020 reporting year.

In 2020, the CO_2 emissions of our European and Latin American operations amount to 282,737 tCO_2e [3]. This figure is broken down into Scope 1, 2 and 3, as outlined in table "Greenhouse Gas Emissions". Delivery Hero supports several internationally certified climate action projects. The emissions produced are being offset through projects that generate renewable energy (i.e. solar, wind, hydroelectric, biomass) in Bulgaria, India and China. Besides reducing reliance on fossil fuel-based power, these projects promote environmental and socio-economic wellbeing as well as energy security for the local communities.

GREENHOUSE GAS EMISSIONS [3]

	Scope 1 Emissions	Scope 2 Emissions	Scope 3 Emissions	Total Carbon Footprint
Total	1,274 tCO_2e	3,103 tCO_2e	278,361 tCO_2e	282,737 tCO_2e

Our management approach to this topic is centralized, as calculating an accurate greenhouse gas footprint requires special expertise and we want to ensure that a consistent methodology is used. Delivery Hero SE collects the data from our local entities within the operating markets. In 2020, we worked with teams in the European and Latin American operations to provide internal training on the matter and to collect greenhouse gas emissions, as well as take into account regional specifics in the greenhouse gas methodology. The training and data collection are one of the tasks of our CSR & Sustainability team, led by the Director of Sustainability, CSR & Safety and supported by a senior environmental specialist. The team will grow in early 2021 as we prepare to expand the program to Asia and Middle East and North Africa (MENA).

3 Data comprises actual figures for Q1-3 2020 and estimates of Q4 data for our European and Latin American operations.

Resource efficiency

Delivery Hero relies on natural resources such as fuel and raw materials and we acknowledge that resources are finite. Our business is also a driver of resource consumption and we take responsibility for greater natural resource efficiency. To do so, we are identifying ways to use fewer resources, reduce our impact on the environment, and aim to apply and develop intelligent, innovative solutions.

Delivery Hero applies a shared responsibility for the topic. Various teams are responsible for managing resource efficiency, including CSR & Sustainability, Workplace (building), Procurement (utilities), Logistics (mobility) and Data Infrastructure (server storage). The reporting line starts with the teams reporting to their functional lead, who in turn reports to a C-level executive and further to the CEO.

The workplace team at Delivery Hero SE (DHSE), who own the management of the buildings, started developing a reduction plan for our Berlin offices early in 2020. The views of the Workplace team were important for the development of the reduction approach, and they are continuously working towards reducing waste and building emissions. In November 2020, our Berlin headquarters switched to a renewable energy supplier. Throughout 2020, the electricity consumption of our European and Latin American operations resulted in approx. 4.5 GWh. This data comprises the actual figures for Q1–3 and an estimate of Q4 data. The Q4 actuals data will become available after the finalization of this report.

While work began in 2020, we are continuing to develop the strategy for where we can be most effective to further reduce energy consumption and waste in the upcoming years.

Sustainable Packaging Solutions

Plastic has become one of the world's biggest environmental problems. The rapidly increasing production of single-use plastic products exceeds the world's ability to handle it. We recognize the impact that plastic has on the environment, whether it stems from the emissions made during its manufacturing or the lasting presence of plastic after the packaging is discarded.

Food ordered through our platforms is packaged by the restaurant partners for delivery. Historically, the packaging has been made from plastic due to cost and availability of the raw material. Packaging is a necessary by-product of Delivery Hero's business, and therefore we have an impact on the environment through our core business operations. We want to find solutions that can reduce this impact.

Our restaurant partners mainly source their packaging materials independent of Delivery Hero. Since we have a connection to restaurants, we want to provide access to alternative and more sustainable forms of packaging. The main way we are doing this is by developing a globally scalable Sustainable Packaging Program to supply compostable packaging to restaurants.

Not all of the countries we operate in have robust recycling waste streams and some recyclable items are often discarded as waste due to contamination. For these reasons we have selected to build our SPP program around compostable and biodegradable packaging solutions. Additionally, by having a common approach globally, we can scale more quickly enabling us to address larger amounts of plastic packaging than we would be able to achieve through reusable schemes, for example.

To this end, we have developed a Sustainable Packaging Standard, which serves as an internal guideline and definition of what constitutes sustainable packaging for our businesses. We require any packaging supplier that will provide sustainable packaging to us to meet our standard, and in doing so, be compliant with the Biodegradable Products Institute (BPI) standards/the "kompostierbar" standard based on DIN EN 13432, the Global Food Safety Initiative (GFSI) standard as well as SMETA and BSCI ethical audit standards. By requiring this we seek to ensure that the supply chain that provides our sustainable solutions is operating at a high level of quality and compliance.

In 2019 we designed the strategy and rollout plan for the SPP and in 2020, we faced challenges with a previous supplier and therefore conducted a new request for proposals. We have selected a new partner and conducted field-tests again to ensure the packaging meets the quality we expect and the rigors of food delivery. In the second quarter of 2021, eight markets will pilot the rollout of the compostable packaging units to restaurants. We have an aspirational goal to replace 3.5 million items of traditional packaging in 2021 through the program. The pilot is serving our food ordering services and will replace a small portion of the packaging that our restaurants use but it will provide valuable information on how we can further scale our program to more markets and reduce the amount of plastic in future years.

The sustainable packaging program is a cross-functional project involving teams across our headquarters and the pilot markets. The departments involved are CSR & Sustainability, Procurement, Food Safety, Central Sales, Central Finance, Central Legal and Central Brand. Our external partners are packaging providers, restaurant vendors and our customers.

So far, the management team has been updated and reviewed the strategy and financial model of the program. Plans will continue to be shared with the management team as appropriate.

WORKFORCE, SAFETY AND HUMAN RIGHTS

Delivery Hero is growing fast, creating job opportunities for many people around the world – directly at our headquarters and subsidiaries, as well as through our restaurant and other retail partners, and for riders. We need to hire talented people quickly enough to fuel our growth. At the same time, we must ensure we develop the talent we already have so they choose to stay and achieve their full potential. We also want to grow a business that is as diverse as the societies it represents while creating a culture that is inclusive and encourages openness and respect. By providing job opportunities, we contribute to sustainable development by raising local purchasing power and tax generation.

Delivery Hero operates with multiple workforce engagement models to cater to its business needs, the needs of the logistic operations, and the interests of workers. Given the complex and decentralized nature of our operations, as well as the large number of markets we operate in, giving a conclusive overview of our workforce engagement model is difficult. Most of our office-based people are directly employed with a small number of contractors and employee leases. For our logistic operations, we have a variety of different contractual arrangements, which vary across markets, with three primary approaches: direct employment, freelancer self-employment and the outsourcing of the activity with third party providers through logistics contracts for our delivery service.

At Delivery Hero, People Operations is tasked with leading the work on recruitment, development and Diversity and Inclusion (D&I). People Operations continues to be both centralized and decentralized. We have deepened the level of expertise within our central human resources (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.

At the headquarters, the People Operations department comprises Talent Acquisition, People Systems and Analytics, People Experience, Total Rewards, Talent Development, Communications, D&I and CSR & Sustainability. Many People Operations functions act as a service organization for other business departments. The main responsibility for the people team lies with the Chief People Officer who reports directly to the CEO. Regional and local People Leaders report to their respective CEOs, so that responsibility is delegated to global and local People Leaders.

Working environment

In a job market that is characterized by strong competition for the most talented people, having committed employees at Delivery Hero is essential for us to achieve our ambitions. Employee satisfaction contributes towards engagement and retention, future recruitment, corporate culture, and ultimately, company growth. At the same time, we strive to be a responsible employer in terms of local labor laws, including remuneration, and related topics.

Since 2019, Delivery Hero has been using and implementing an HR management software across its entities, which provides technical tools to streamline our people processes. During 2020, we continued to roll out the management software internationally and we plan to move more countries into the system during 2021. The rollout in all local entities will enable us to have deeper insight into global people data.

By the end of 2020, Delivery Hero employed more than 29,000 people worldwide and over 1,700 are at our Berlin headquarters. An indicator of our success and growth in 2020 in People Operations is the number of new hires. In 2020, this stood at more than 1,100 hires at our headquarters in Berlin.

Delivery Hero's growth strategy relies on hiring the talent we need to execute the business plans. As such, recruitment is a critical part of our people agenda. Employer branding is an important component of our talent acquisition strategy as we seek to differentiate ourselves among our peers and attract candidates to the business. As part of our employer branding strategy, we are hosting and participating in various meet-ups, conferences and events online and in person. This helps us to showcase our work, create more awareness about us as an employer and to network with external communities and potential candidates. In 2020, we hosted and/or participated in 26 events, of which 20 were online.

We also offer various benefits that make our working environment attractive. For DHSE office-employees, this includes individual corporate pension schemes to contribute to the long-term provision of our employees, but also benefits during office time such as free drinks, snacks and a nap room. With the sudden shift to remote working due to COVID-19, we also introduced various virtual benefits such as internal and external speaker series, virtual events and resources on many topics to inform and foster the wellbeing of our employees. Additionally, we provided our employees at DHSE with parental support, assistance with home office equipment and care packages.

To understand how we are performing as an employer and where we need to improve, we conduct quarterly employee engagement surveys with our office workforce and participate in external ratings. In late 2020, we were awarded with the 2021 “Best Places to Work” certificate at our DHSE headquarter. For our global employee engagement surveys among our office-based employees, we use the “employee Net Promoter Score” (eNPS), an indicator that measures the engagement and commitment of our employees. The score is computed by subtracting the percentage of detractors (scoring 0–6) from the percentage of promoters (scoring 9 and 10), resulting in a score between −100 and 100. We use the results to create action plans to address areas of improvement. Our last survey of 2020 had a global participation rate of 74% and we achieved an eNPS of 39 points, which is eight points above the tech industry benchmark.

By the end of 2020, Delivery Hero has over 700,000 active riders across the world. We have been developing a Global Rider Program (GRP) throughout 2020 to ensure continuous collaboration among DHSE and our local entities and their riders. Topics that the GRP addresses include working environments, safety, engagement and rider technology. An outcome of the GRP was creating a financial support program for riders around the world during the COVID-19 pandemic. This program had an overall sum of € 3 million and is available for all of Delivery Hero's local entities. The funds offer a one-time financial assistance for a maximum of 15 days of lost remuneration due to contracting COVID-19 or being quarantined by local authorities. We will continue to develop the GRP throughout 2021.

In order to understand the satisfaction of our overall performance and areas for improvement, we decided to use the Net Promoter Score (NPS). This overarching key performance indicator for loyalty assesses the likelihood of recommendation and enables us to understand areas of satisfaction and improvements.

We use the NPS for customers as a management tool assessing the likelihood of customers to recommend a product or service. In 2020, we achieved a customer NPS of 34 and gained additional understanding on areas of satisfaction as well as areas of improvement[4]. We started collecting feedback from the riders throughout 2020 and seek to refine the corresponding process in 2021 as well as to report the rider NPS in the future.

4 Our After Order NPS survey (AO/customer NPS) was live in all countries besides Peru, Ecuador, Costa Rica, Honduras, Guatemala, Canada, Lebanon and Cyprus in 2020. It includes the restaurant food orders only and is conducted via the third-party tool with a participation rate of approx. 1–2% with significant regional differences. The result is an average of all responses and no regional weighting has been applied. The global AO NPS 2020 included customer responses from successful orders and failed orders (only foodpanda). The AO survey goes to all customers with a frequency cap of 30 days regardless of the number of orders placed within that time frame.

Another important part of our value chain includes the procurement of goods and services from suppliers. Depending on the market in question, this may have implications for human rights when it comes to remuneration, and other labor- or environment-specific questions. We emphasize, therefore, that the protection of human rights along the entire value chain is very important to Delivery Hero as this touches upon essential principles that guide us as a company.

In our management of this topic, we are guided by the principles established by the United Nations Global Compact, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work. Managerial responsibility lies with the Central Procurement department together with Central Governance, Risk and Compliance (GRC), CSR & Sustainability and Legal Employment. The ultimate responsibility lies with the CFO.

In April 2020, we completed and published our ↗ **Supplier Code of Conduct** (SCoC)[5]. It aims to promote responsible business practices along the value chain and to minimize financial, reputational and supply chain risks resulting from potential violations of human rights in areas beyond our immediate organizational responsibility. It clarifies that Delivery Hero, as part of its corporate responsibility, evaluates and selects suppliers not only on the basis of economic criteria but also considers environmental protection, compliance with human rights, labor, and social standards as well as anti-corruption practices when selecting suppliers or extending contracts. The SCoC also includes topics such as remuneration and forced labour or illicit forms of labour. We started to introduce the SCoC to our entities in 2020 and will continue to roll it out globally in 2021.

Through Delivery Hero's Code of Conduct and ↗ **Supplier Code of Conduct** we respect the right to collective bargaining agreements and strive to comply with all local regulations. In 2020, we sought to work with our markets to build employment models with our employees and riders that fulfilled the needs of the business and our stakeholders. We also created dedicated legal teams to address issues pertaining to office employees and logistics operations. Throughout 2021, we will continue to address this topic within our business operations.

While the SCoC is a global guideline, its usage needs to be rolled out step by step across the markets in order to accommodate different national laws. In 2020, the focus was on suppliers procured by DHSE. In the fourth quarter of 2020 we started the qualification of new suppliers, including their acceptance of the SCoC in Latin America and Asia, and this will continue in 2021. The requalification of major suppliers with existing contracts is planned to start in 2021. To assist in this process, we are currently selecting a global third-party provider for due diligence and assessing potential supplier risks.

Today, suppliers are expected to provide a self-declaration form and agree to the SCoC or to show a comparable document of their own. Suppliers not adhering to the values expressed in the SCoC within a defined time frame can be excluded from future business relationships with our company.

Diversity and inclusion

At Delivery Hero, we welcome and encourage diversity in terms of ethnic or national origin, age, gender, religion, sexual orientation and dis/abilities. We believe that different approaches to problem-solving come with a range of personal backgrounds and give us a competitive edge. We aspire to foster diversity and inclusion of underrepresented groups which we believe will make us as a company more successful. At the same time, we believe that fostering diversity positively impacts sustainability, as we contribute to a larger societal goal of increasing fairness and equal opportunity amongst all identities.

It is for these reasons that Delivery Hero strives to be a diverse and inclusive company that reflects the communities we serve. We believe diversity facilitates the development of the products, platforms and services that benefit our broad customer base most effectively, as well as motivates and engages our people.

Delivery Hero intends to adhere to all global and local regulations regarding this topic. DHSE also supports the UN Standards of Conduct for Business Tackling Discrimination against LGBTI (including its audit) and completed the PRIDE 500 LGBT+ Diversity audit in 2020. DHSE also signed a declaration with Aidshilfe e.V. that we do not discriminate against HIV positive people in the workplace.

To define our approach towards building an equitable and unbiased working environment, Delivery Hero implements a D&I strategy and program. The foundation of our D&I program for DHSE was created in 2019 and was further refined in 2020. In 2021 we will continue to roll out key strategic initiatives. The focus areas include three parts: Increase the number of women in leadership, tech and overall at Delivery Hero; enhance equitable structures and systems; and promote inclusive behavior.

At DHSE, management responsibility for the strategy lies with the D&I team that reports to the Chief People Officer, who reports to the CEO. While operating primarily within People Operations, the D&I team works with several divisions, including CSR & Sustainability, corporate communications, people experience, legal, talent acquisition, and people systems. Additionally, D&I has touch points with all departments and consult on D&I programs and objectives.

5 Suppliers include agents, trading companies, service providers, their subcontractors and every member of the supply chain.

In 2020, our management team continued to refine strategic goals for the company on diversity and inclusion. Our main goal is to have 50% of employees in the leadership succession pipeline from diverse backgrounds by 2022. To promote an inclusive culture, D&I is part of our talent development program, ensuring that training is available to help our people manage their potential unconscious biases and become more inclusive leaders. In 2020, we trained 32% of managers on unconscious bias at DHSE and Delivery Hero Austria. The COVID-19 pandemic affected the number of sessions and participants able to complete the training. In response, we transferred the sessions online and were pleased to continue to offer this important training.

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 HeroCommunities. Three HeroCommunities were active during 2020: a Proud Heroes group, a Muslim Heroes group and a Female Heroes group.

Among our D&I goals for the near future, is our ambition to become a leader for women in the tech sector, for which we need to further improve the representation of women and conduct targeted succession planning. We invest in solutions to increase diversity in the sector, in particular with the Delivery Hero Tech Academy, which we started planning in the third quarter. The aim of the Delivery Hero Tech Academy is two-fold: to provide tech training externally and to offer opportunities for external people who tend to be excluded from opportunities in the tech sector, with a view to creating potential opportunities with Delivery Hero.

For further information on gender diversity at Delivery Hero and its subsequent goals regarding gender diversity of our Supervisory Board, Management Board, and the two executive levels directly below, please see the Corporate Governance Statement on page 14.

Employee development

As one of the world's leading online food ordering and delivery marketplaces, Delivery Hero is looking for the best talent. We find the people we need on the job market but we also like to grow talent from within. For this purpose, we pursue the personal and professional development of our office-based employees through active talent management, further education and training as well as regular staff appraisals. We want to provide opportunities for professional and personal development for the benefit of our people and their long-term satisfaction within the company.

At DHSE, employee development and training is facilitated by the Talent Development team within People Operations. In addition to internal trainings offered by the Talent Development team, external learning and development opportunities can be booked with an annual budget of € 1,000 per full-time equivalent employee at DHSE. Additionally, all employees at DHSE are offered opportunities to create individual development and growth plans throughout the year. 327 individuals created either an individual development plan or growth plan in 2020.

At our DHSE headquarters, we conducted 129 training sessions with a total of 720 participants in 2020. These trainings were hosted by our internal trainer community, consisting of approximately 40 individuals from various parts of our business. The internal trainer community is a group of volunteer managers and employees, who host manager and employee trainings on the behalf of the Talent Development team.

In 2020, we introduced People Leader Principles (PLPs), which provide our senior managers with best practices and enhanced skills to lead a team. The PLPs, eight defined leadership behaviors, outline our idea of what it means to be a leader at Delivery Hero. Targeted at employees at management level and founded upon our values, the PLPs aim to enable our people in leadership positions to be more successful in their roles by defining principles unique to Delivery Hero. They are used for performance reviews and training but also for identifying leadership potential and recruiting.

To discuss development prospects with employees and outline future training needs, a Performance Management Process is conducted twice a year in DHSE and Delivery Hero Austria, with a full review during June and July and a check-in in January. In 2021 we aim to roll out the Performance Management Process to more locations. The purpose is to discuss past performance and development prospects as well as salary and compensation. In addition, managers have regular one-on-one meetings with their team members.

Monthly global talent development calls are used to share successful projects with global talent development counterparts, for coordination, and to inspire each other.

Health and safety

Being safe at work is essential, whether our people work at or for Delivery Hero or its affiliates in the markets in a capacity as employees or riders. The need to feel safe is paramount, whether on the road, in the office, or while travelling.

Safety is decentralized, with local entities and offices having responsibility for defining their procedures to align with the respective national or regional legal requirements. This enables local management to craft responses to the specific health and safety risks that exist in their area. We started to create a global Operational Safety Program with the aim to gain greater oversight of the safety risks within our operations and to identify potential areas of action. The Safety Team at our headquarters is leading this effort and will continue focusing on finalizing the strategy in 2021.

At DHSE, operational health and safety management includes ergonomic office design, well being programs and health initiatives. In 2020, we also provided an employee assistance program globally so any of our employees can reach the help they need regardless of where they work for us. Training is available to employees on how to maintain a safe working environment, including first aid training for some office-based employees. We also make training available for our riders on road safety and the use of safety equipment. In 2021, we aim to further expand our safety program for riders, including creating a more systematic process to report accidents and fatalities.

With the outbreak of the pandemic, particular emphasis was put on helping to prevent the spread of COVID-19. We formed a COVID-19 Taskforce in January 2020, which developed a range of safety procedures that provided a basis for safety protocols for our offices and operations globally. We also established protocols for managing situations involving a positive case of COVID-19 infection within offices or in our operations. We based our protocols on information from health authorities and scientific sources, particularly the Robert Koch Institute (RKI) in Germany, the Centers for Disease Control and Prevention (CDC) in the USA and the European Center for Disease Prevention and Control (ECDC). Following the guidance provided by these procedures, regional offices strived to establish requirements aligned to the regulations within their countries.

At our headquarters in Berlin, our goal was to minimize COVID-19 transmission inside our offices by providing information to employees about how to prevent infections, social distancing measures, hygiene standards, and contact tracing. We believe we fulfilled this goal based on the detailed contact tracing we conducted for each COVID case among our DHSE employees, with none being clearly linked to transmission within the office. Information was provided to employees about how to prevent infections and how to be as safe as possible during social gatherings or sport classes. The COVID-19 Taskforce coordinates these activities as well as issuing updates to the Management Team on a regular basis via presentations or email communications.

As a further response to COVID-19, in March 2020, we launched a series of health and safety instructions for customers, riders, restaurants and office employees, which were still in place by the end of the reporting year. Many of our local entities have created protocols for the handling of COVID-19, which cover restaurants, riders and any related operations. By the end of the year we conducted a survey among our entities to find out about best practices and possible improvement areas. In addition to heightened hygiene requirements for restaurants and riders and disinfection procedures for orders, we wanted to reduce contact as much as possible. We conducted online onboarding sessions and riders have implemented no-contact delivery with drop-off zones that do not require any personal interaction between customer and courier. We further provided safety material to riders and tried to keep them as informed as possible about best practices and new local regulations.

GOOD GOVERNANCE AND ETHICS

Fair business conduct, data protection and quality of service are fundamental requirements for the long-term success of Delivery Hero as a delivery platform. In any market we operate in, we believe that compliance with applicable laws and regulations is the basis of our operations. We foster awareness that compliance is always in the interest of the company, our employees and stakeholders. Since Delivery Hero handles customer data and assumes a duty for the safety and quality of food as long as it is in our care, a general awareness of our legal duties must always reign high among all individuals in our network.

Fair business conduct and compliance

Delivery Hero aims to act within a framework of ethics, integrity and applicable laws in every jurisdiction we operate in. Delivery Hero wants to be a company that can demonstrate that technology platforms can provide benefits to society and relevant stakeholders, including consumers, restaurants and riders.

Our understanding of ethical corporate behavior is reflected in our commitment to respect human rights, equal opportunities and provision of a workplace free of discrimination, harassment, intimidation and abuse. In our business relationships we do not tolerate any form of fraud, bribery, corruption, financial crimes or other forms of non-compliant behavior by our employees or other stakeholders under our responsibility. 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 when needed. The local entities are responsible for communicating the Code of Conduct within their organization.

To strengthen our ethical principles and compliant behavior, Delivery Hero has implemented an organizational structure for Governance, Risk and Compliance (GRC). The responsibility for recommendation and final reviews lies. The Legal and GRC teams work under the direction of the General Counsel, who reports to the CFO. The mechanisms for advice and concerns about ethics are assessed on a regular basis. The GRC team continuously monitors and updates Delivery Hero's policies by integrating relevant concerns into future business decisions. This may take the form of a structured internal stakeholder consultation or, if necessary, the involvement of external lawyers or other experts.

For matters of antitrust and competition, responsibility is delegated to the Legal Commercial Regulatory team and further down to the Legal Antitrust and Disputes team. These teams advise on Merger & Acquisition (M&A) projects, commercial set-ups and investments in order to ensure that these are carried out in a way that is compliant to relevant competition laws.

Every employee at Delivery Hero is responsible for addressing potential violations of laws, of the Code of Conduct or of internal policies. Every new office-based employee at DHSE is requested to complete training on our Code of Conduct within their first two months. To report serious compliance breaches and illegal business practices, a third party online whistleblower platform is available in multiple languages around the clock and managed by the Compliance team in Delivery Hero's HQ. Our whistleblower system guarantees anonymous submission and a high level of security for whistleblowers. All reported issues are carefully assessed by Delivery Hero. When appropriate, the case is managed as per the regulations and procedures for handling reported compliance concerns. Information and procedures about potential violations are treated with confidentiality to the maximum extent possible. Of all the cases that were reported in 2020, an internal investigation by the compliance functions was conducted for 20 of them. 14 of these incidents were resolved in 2020 and the remainder will continue to be investigated into 2021.

To conclude, Delivery Hero's compliance efforts aim to:

- raise awareness of compliance and legal issues, including but not limited to competition law issues and ultimately, to operate in a compliant way in our day-to-day operations and in the context of M&A transactions,
- provide employees with guidance on the relevant compliance and legal issues,
- mitigate risks of complaints by competitors, partners or consumers,
- reduce the risk of investigations or fines,
- contribute to policy developments around new regulations, and
- promote a culture of integrity within our organization.

In 2020, we also implemented our ↗ **Supplier Code of Conduct.** For more information on this, please refer to the working environment section.

Customer privacy and data protection

In an ever more connected business world where transactions increasingly go online, customer privacy and data protection are of growing importance. Media reports about illegal takeovers of personal accounts and breaches of privacy contribute to uncertainty among many customers. At the same time, they challenge corporations to demonstrate their responsibility towards customers and employees alike by abiding to laws and installing safe technologies.

For Delivery Hero, the protection of both customer and employee data is of utmost importance. The consumer privacy policies of the operating companies in the Delivery Hero network strive to comply with the requirements of Articles 13 and 14 of the European General Data Protection Regulation (EU GDPR). Our policies are accessible on the websites of almost all our entities.

Our goal in customer privacy and data protection is to have the best-in-class data protection in our industry. Best-in-class defines a privacy framework implemented that complies with international standard privacy frameworks (AICPA, NIST, NYMITY) and is regularly reviewed and updated. Our vision statement has been aligned with and communicated to the General Counsel. We measure our success with 80 defined KPIs, which are now applicable worldwide with the launch of the Global Privacy Management strategy in 2021. These include the number of breaches per fiscal year, the number of signed Data Protection Agreements, the number of completed due diligence processes for new vendors, the number of trained and certified 'Privacy Hero's', the amount of relevant trainings, the number of data subject requests, etc.

The manager responsible for customer privacy and data protection is the Data Protection Officer (DPO). Delivery Hero applies a shared responsibility for the topic, with the central team providing a global strategy, tools, guidelines, policies and trainings, and the local entities being accountable for privacy at the local or regional level through Data Protection Coordinators. In 2020, the central team started to introduce these measures to the local entities in Europe and this will be further rolled out on a global scale. The central team audits the local entities and in 2020 we focused our audits on our European operations and in 2021 we plan to roll it out globally. The DPO operates a Data Protection Management System (DPMS) that is based on well-known international frameworks as well as requirements of the GDPR and other applicable laws. Until the end of 2020, the DPO reported to the Head of Governance, Risk and Compliance (GRC) but this will change in 2021 to a reporting line involving the General Counsel and also providing input for the Audit Committee and Supervisory Board Meetings. The DPO is independent in its work and reports regularly to the highest level of management.

Our DPMS is based on a Plan-Do-Check-Act approach. We review existing policies, measures and controls on a regular basis. If any have been assessed as a potential risk based on internal risk analyses, they are subjected to an impact assessment and reviewed as part of a monitoring process.

While customer data must be protected against any illegal abuse, a limited amount of data collection on the part of Delivery Hero is needed to run our business smoothly and to satisfy our customers' expectation in terms of a fully functioning and dedicated service. Based on the GDPR standard and local requirements, we inform our customers and other stakeholders about the data collected on the majority of our websites and explain how this data is used. We are continuously working on updating our privacy policies in all countries. Our Customer Care Teams based in Europe have been trained to deal with customer requests regarding personal data, and necessary processes have been provided. We will start to roll out this training globally in 2021.

On many platforms, a data protection function was integrated into the accounts of the customers, which simplifies and guarantees the exercise of the data subject rights. Through 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. We expect to have an overruling global approach for data privacy with all functions available by the end of 2021.

Furthermore, the acknowledgement of our Code of Conduct, which also contains passages addressing data protection and information security, is mandatory for all employees. In order to ensure employees' awareness on the matter, every employee in the European Union has to complete a compulsory data protection training once a year and pass a test. In addition, department-specific training is carried out to take account of relevant special requirements.

Food safety and quality

We strive to be a leader in the on-demand food delivery market, for which we consider the safety and quality of food delivered to our customers to be an important prerequisite. It is the prime responsibility of our restaurant partners to prepare safe food. Delivery Hero entities also operate as a food principal under new vertical business models and must ensure that neither food safety nor quality is diminished through our handling during reception, preparation, storage, transport and delivery.

By offering speed and convenience of service, we aim to always deliver safe and clean food to our customers. The Food Safety and Quality Management Department (FSQM) was formed throughout 2020 and takes care of this, with competencies and responsibilities in management, hazard assessment, and good industry practices. Prior to the formation of the FSQM our compliance team was responsible for this topic. The department reports to the Head of Governance, Risk and Compliance (GRC), who reports to the General Counsel (GC), and the GC to the CFO. The GRC department has a GRC Roadmap, which acts as the key forum for raising any issues of food safety risk with local entities and the team is working on the introduction of a Food Safety program in 2021.

Our ↗ **Supplier Code of Conduct,** which was introduced in 2020, stipulates that food and food contact packaging materials must be manufactured, sourced, stored and distributed by a certified supplier according to the standards benchmarked by the Global Food Safety Initiative (GFSI). In addition, all equipment and machinery for food that is used by our restaurant partners within our new verticals (see Combined Management Report, **page 52**) must meet the legal requirements for hygiene and safety by design, with the appropriate conformity marking (i.e. CE in the EU) affixed.

As we aim to keep our food safety standards up to date and to communicate any ad hoc changes, we involve a wide range of internal stakeholders. Among others, we run a food safety survey, provide management updates, practice country GRC calls, review legal requirements with relevant departments, have calls with regional teams and interact with the enterprise risk management team as well as the internal control team.

REPORTING PROFILE

The report constitutes the separate, combined non-financial report – as defined in Sections 315b, 315c and 289b through 289e of the German Commercial Code (HGB) – for both Delivery Hero SE and the Delivery Hero Group for fiscal 2020. In compliance with the revised International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information", it was reviewed by KPMG AG Wirtschaftsprüfungsgesellschaft, to obtain limited assurance relating to the disclosures legally required in accordance with Sections 315b, 315c and 289b through 289e HGB.

Delivery Hero provides online food ordering and other delivery services in around 50 countries in four geographical regions, comprising Europe, Middle East and North Africa ("MENA"), Asia and South America. Further information on Delivery Hero's business model can be found in the Group management report 2020 on **page 52**.

This NFR has been prepared in orientation towards the GRI Standard 'Core' issued by the Global Reporting Initiative. This applies in particular to the description of our basic management approaches. Within the individual sections, 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 NFR reports significant non-financial 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.

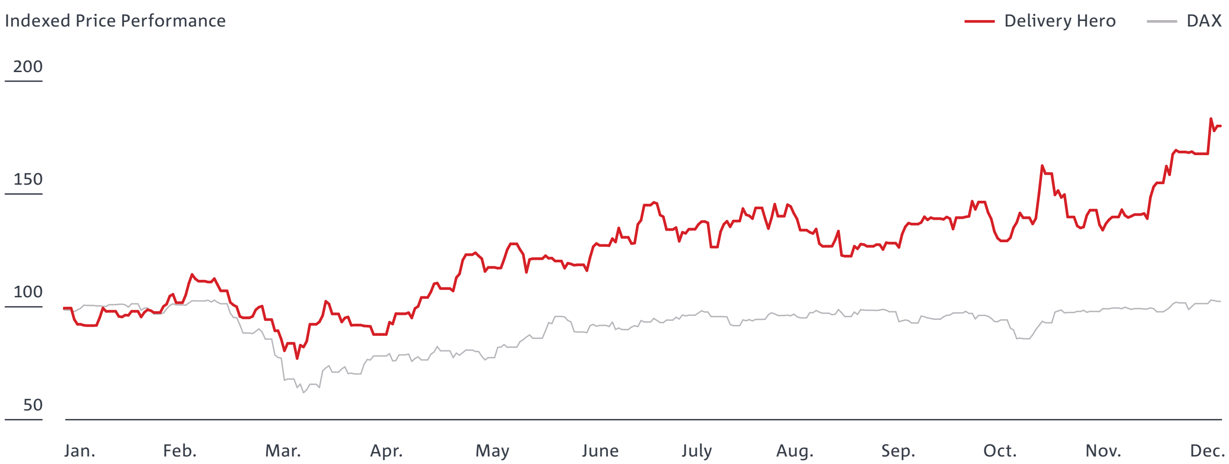
We assessed our non-financial risks acc. to § 289c (3) sentence 3–4 HGB and no non-financial risks were identified. Further information on risk management at Delivery Hero can be found in the risk and opportunity report 2020 on **page 67.**

INVESTOR RELATIONS

DELIVERY HERO – 2020 IN REVIEW

2020 has been a very turbulent year for capital markets. The COVID-19 pandemic triggered events not observed in decades. The world was pushed into a global lockdown, global GDP contracted heavily, and equity markets plummeted worldwide. In Germany, the DAX 30 reached a five-year low by March after contracting 39% from its February high. Since then, exceptional support from governments and central banks quickly restored market confidence, triggering a powerful V-shaped recovery of equity markets. Thanks also to the successful development of COVID-19 vaccines and the start of vaccinations toward the end of the year, the DAX 30, the S&P 500 and the Nasdaq 100 all approached new all-time highs with the DAX 30 finishing the year up 3.5%, the S&P 500 up 16.3% and the Nasdaq 100 even up 47.6%.

2020 SHARE PRICE PERFORMANCE: DELIVERY HERO SE VS. DAX



Source: Factset, prices based on Xetra closing prices.

DELIVERY HERO SHARES WITH SIGNIFICANT OUTPERFORMANCE

The Delivery Hero stock finished the year 2020 at € 127.00, up 80.0% compared to the previous year's close of € 70.56, making it the best-performing stock in the DAX 30. With this outperformance, investors continued to reward the resilience of the online food industry, Delivery Hero's ongoing strong growth and operational execution as well as the forward-looking investments in the last-mile delivery businesses.

THE DELIVERY HERO SE STOCK

		2020	2019
Number of shares outstanding at year-end	Shares	199,377,935	188,775,039
Year-end price	€	127.00	70.56
Year high, intraday	€	132.10	71.72
Year low, intraday	€	50.18	29.00
Market capitalization	€ in millions	25,321	13,320
Average daily trading volume	Shares	583,288	399,192
Average daily trading volume	€ in millions	51.32	16.67

ISIN	DE000A2E4K43
Ticker symbol	DHER
WKN	A2E4K4
Common code	163274973
Stock Exchange	Frankfurt Stock Exchange
Trading segment	Prime Standard (regulated market)

Source: Bloomberg, prices based on Xetra, Market capitalization based on year-end price.

FROM MDAX TO DAX – AN EXCEPTIONAL JOURNEY

Three years after the IPO and only nine years after Delivery Hero was founded, Deutsche Börse Group announced in August 2020, that Delivery Hero will join the prestigious DAX. The DAX measures the performance of the 30 largest and most liquid German companies by market capitalization and trading volume and is often seen as the benchmark index for the German equity market. Our first day of trading on the DAX was August 24, 2020.

While Delivery Hero ranked 27th and 33rd on market capitalization and turnover, respectively, when it joined the DAX, the rankings continued to improve, finishing the year ranking 22nd on market capitalization and 28th on trading volume (turnover).

CORPORATE FINANCING THROUGHOUT 2020

Delivery Hero was very active in the capital market during 2020. In January 2020, the group decided to issue senior, unsecured convertible bonds and at the same time executed a capital increase. The convertible bond issue consisted of two tranches with a principal amount of € 875 million each, maturing in January 2024 and January 2027, respectively. More information about the convertible bond offerings during 2020 can be found in Section F.14 in the Notes to the Consolidated Financial Statements on **page 121**.

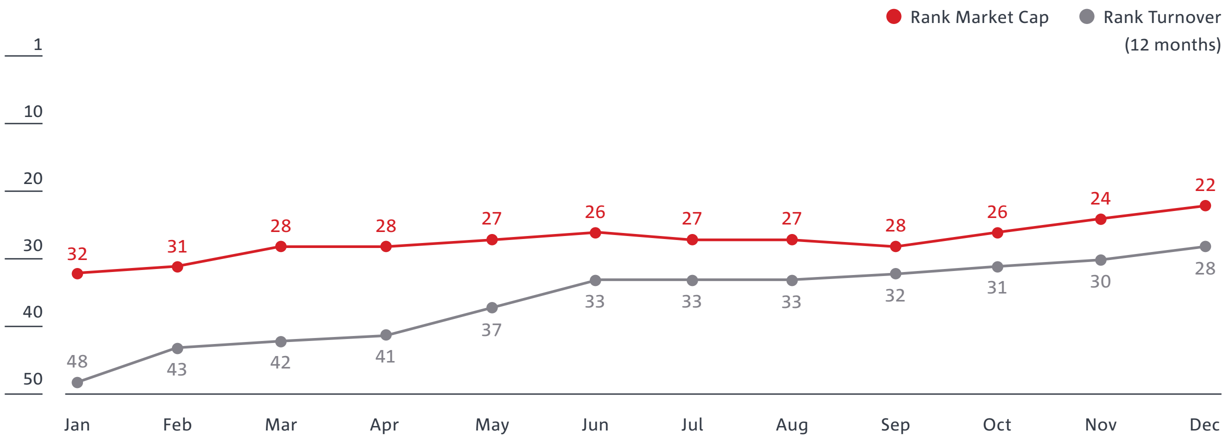
The corresponding capital increase raised Delivery Hero's share capital by approximately 4.3%, from € 188,775,039 to € 196,933,589, through the exercise of its authorized capital. Shareholders' subscription rights were excluded. The 8,158,550 new no-par value ordinary registered shares were placed with institutional investors at a placement price of € 70.00 per new share by way of an accelerated book building process. The aggregate capital was raised in order to finance the strategic partnership with Woowa (announced in December 2019) as well as to further finance the operational business.

In connection with existing stock option programs, three smaller capital increases and sale processes took place throughout 2020. During the period, 1,710,868 new ordinary registered shares were issued, representing approximately 0.88% of Delivery Hero's registered share capital. More information about the share issuance during 2020 can be found in Section F.10 in the Notes to the Consolidated Financial Statements on **page 118**.

In July 2020, Delivery Hero launched a second convertible bond offering. This time, the two tranches had principal amounts of € 750 million each, with maturities in January 2025 and January 2028, respectively. The funds were raised in order to take advantage of attractive investment opportunities that may arise as well as for general corporate purposes. More information about the convertible bond offerings during 2020 can be found in Section F.14 in the Notes to the Consolidated Financial Statements on **page 121**.

Following the year end, in January 2021, Delivery Hero increased its current share capital by approximately 4.7% from € 199,377,935.00 to € 208,820,900.00 through a partial exercise of its authorized capital. The operation resulted in gross proceeds of approximately € 1.2 billion. More information about the capital increase can be found in Section B.4 on **page 66** (Subsequent Events).

2020 INDEX RANKING DAX



Source: Qontigo (Deutsche Börse Group).

SUPPORTING THE SHAREHOLDER CULTURE WITHIN DELIVERY HERO

Delivery Hero believes that a strong "ownership culture" can drive results. We want to encourage employees to have a stake in the organization and its future. 2020 was a year where we further supported the shareholder culture among employees through various measures.

As a thank you for their continued dedication and hard work, we created a special, one-time equity program, the Hero Grant, for all eligible employees in July 2020. The Hero Grant was offered and treated as a one-time bonus of around € 1,000 for employees who had been with the company since before March 2020 and passed minimum performance requirements during the last two performance cycles. Further details on the Hero Grant can be found in Section H.1 in the Notes to the Consolidated Financial Statements on **page 128**.

In September 2020 Delivery Hero rolled out an employee stock program, called ESPP (Employee Share Purchase Program). The ESPP allows every employee of Delivery Hero SE, who wishes to do so, to contribute between 1% to 10% (with a maximum contribution of € 1,500) of their gross monthly salary and invest it into Delivery Hero shares. At the end of each quarter, the amount collected will be used at the beginning of the next quarter to invest in Delivery Hero SE shares. For every two shares acquired under the ESPP that are held for two years while employed with Delivery Hero, the participants are entitled to one free additional share.

Further details can be found in Section H.1 in the Notes to the Consolidated Financial Statements on **page 128**.

OUR SHAREHOLDER STRUCTURE

For an up to date overview of our current shareholder structure please refer to the ↗ **Delivery Hero Investor Relations Website**. We also provide an overview of the ↗ **voting rights** pursuant to Sections 33, 34 of the German Securities Trading Act (Wertpapierhandelsgesetz – WpHG) that have been communicated by our shareholders to the extent that they represent 3% or more of the total number of voting rights in Delivery Hero SE.

THE VAST MAJORITY OF ANALYSTS RECOMMENDS BUYING DELIVERY HERO SHARES

Almost 20 analysts from investment banks and brokerage firms regularly publish research on Delivery Hero. The vast majority of analysts who were not restricted rated Delivery Stock with a Buy (or buy-equivalent) recommendation at the end of 2020.

Analyst	Target Price (€)	Rating	Date Published
Kepler	108	Buy	28/12/20
Jefferies	130	Buy	28/12/20
Bank of America	130	Buy	18/12/20
Exane BNP Paribas	106	Neutral	11/12/20
Deutsche Bank	125	Buy	03/12/20
DZ Bank	110	Buy	18/11/20
Credit Suisse	124	Outperform	15/11/20
HSBC	117	Buy	16/11/20
Barclays	117	Overweight	16/11/20
RBC	130	Outperform	13/11/20
Citi	140	Buy	13/11/20
LBBW	72	Sell	28/10/20
Berenberg	105	Buy	29/10/20
Commerzbank	112	Buy	28/07/20
Arete	106	Buy	18/09/20
UBS	110	Buy	03/07/20
Morgan Stanley			Research Restricted
Goldman Sachs			Research Restricted
JP Morgan			Research Restricted

Source: Broker Notes

IR ACTIVITIES IN 2020

Throughout 2020 the Investor Relations (IR) team has been in close contact with our shareholders, sell-side analysts and potential investors. Before the COVID-19 pandemic prohibited holding in-person meetings, we hosted three non-deal roadshows, the last one taking place in February 2020 after the Q4 2019 trading update. For the remainder of the year, all further meetings were held virtually.

In total, the Management and the IR team represented Delivery Hero at 15 conferences throughout the year. In addition, the IR team organized six conference calls to discuss quarterly results or ad-hoc developments, which were broadcasted live online (replays can be found on the IR website under Presentations and Webcasts). Although 2020 was a challenging year, we had a busy schedule – recording hundreds of interactions with buy-side investors throughout the year.

FIRST VIRTUAL AGM

In order to maintain the safety of shareholders throughout the COVID-19 pandemic, Delivery Hero hosted its first virtual Annual General Meeting (AGM) on June 18, 2020. A maximum of 89.6% of share of nominal capital was represented at the virtual meeting. Shareholders approved all 27 items on the agenda with an acceptance rate between 77.8% and 100.0%. Further information and publications can be found in the AGM section of the Delivery Hero Investor Relations website.

COMBINED **MANAGEMENT REPORT**

Use our interactive table of contents.
You will be taken directly to the relevant page.

A. GROUP PROFILE

1. 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 food ordering and other delivery services in around 50 countries in four geographic regions, comprising Europe, the Middle East and North Africa ("MENA"), Asia and South America.

The Company is operating as Delivery Hero SE with its registered office in Berlin, Germany. 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 online food ordering platform are referred to restaurants as well as other vendors and provided with on-demand delivery services. The Delivery Hero internet platforms are aligned with the demands of local customers, who can choose from a wide range of menu options 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. Customer orders are fulfilled either by the own delivery fleet or by the partner restaurants on their own. 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 and advertising. 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.

During 2020 Delivery Hero expanded its quick commerce[1] ("q-commerce") operations globally. The Group offers two separate services: it partners with local vendors from whom it delivers small batches of groceries, electronics, flowers, pharmaceutical products or other household items (agent-model); and operates small warehouses, so-called Dmarts[2], which are strategically located in densely populated areas to deliver small batches of groceries and other convenience products within an hour, sometimes as quickly as 10–15 minutes (principal-model). Orders for both are placed via our own delivery platforms. The Group also kick-started the business model of Kitchens, where DH provides kitchen spaces and expertise, including knowledge about the industrialization of kitchens and virtual restaurant concepts, to third-party providers. To a minor extent and only as a pilot project Delivery Hero operates kitchens itself.

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 revenues from delivery fees and non-commission-based revenues in particular premium placements. Premium placement means that restaurants are ranked at the top among all the listed restaurants in their relevant delivery area displayed in a specific manner. Delivery Hero is also generating growing revenues from orders placed in Dmarts and self-operated kitchens.

Alongside the management of the Group, Delivery Hero SE provides a range of IT, marketing and other services, in particular commercial consultancy services as well as product and technology development. 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.

Delivery Hero's business model is based on the vision of the management team to always deliver an amazing experience, fast and easy to the door of our customers. This starts with an easy and seamless ordering process, convenient payment options and includes the timely delivery of the order as well as the appropriate handling of any complaints during the order and delivery process.

2. Group Structure

The parent company Delivery Hero SE, with its headquarters in Berlin, was founded in 2011 and has since expanded its presence in local markets worldwide with various brands. Delivery Hero comprises 203 companies as of the reporting date (previous year: 133 companies). For further details, refer to Section D.01. of the Consolidated Financial Statements. Delivery Hero SE controls all of its subsidiaries.

3. Segments

Starting in 2020, the new segment "Integrated Verticals" was established in addition to the four geographic segments MENA, Asia, Europe and Americas in which the platform business is reported.

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

- Asia,
- MENA (the Middle East and North Africa),
- Europe,
- Americas and
- Integrated Verticals.

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

Asia

Delivery Hero has a strong presence in South Korea where in 2020 the Group mainly operated under the brand of Yogiyo.

Further Asian markets in which Delivery Hero is present with its foodpanda brand comprise various high-growth markets such as Bangladesh, Cambodia, Hong Kong, Laos, Malaysia, Myanmar, Pakistan, the Philippines, Singapore,

1 Quick commerce or q-commerce is the next generation of e-commerce, bringing small quantities of goods to customers almost instantly whenever they need them.

2 Dmarts: small local warehouses that allow for a fast delivery of on-demand items, previously referred to as dark stores.

Taiwan and Thailand. The businesses are operating either an own delivery model or mixed models, which provide both own delivery and marketplace services.

In addition, the Group started operations in Japan in September 2020.

MENA

In the MENA segment, Delivery Hero operates both marketplace and own delivery services in the markets of Bahrain, Egypt, Jordan, the Kingdom of Saudi Arabia (KSA), Kuwait, Oman, Qatar and the United Arab Emirates (UAE) with the brands Talabat, Carriage and Hungerstation. The former Otlob brand in Egypt was rebranded as Talabat during 2020.

Furthermore, Turkey, one of our most mature markets for online food ordering and delivery is included in the MENA segment, where the Group is represented by its Yemeksepeti brand.

In August 2020, the Group acquired InstaShop, which operates an online marketplace platform for ordering groceries and other goods. InstaShop is present in UAE, Qatar, Bahrain, Egypt and Lebanon. For further details, refer to Section D.02. of the Consolidated Financial Statements.

Europe

In the Europe segment, we offer both a marketplace and own delivery services. We are 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 (Mjam, DameJidlo, donesi, efood, foodora, foodpanda, foody, NetPincér and pauza).

Americas

The Americas segment represents Delivery Hero's operations in Latin American markets, primarily under the PedidosYa brand. The Group is represented in Argentina, Bolivia, Chile, Colombia, Dominican Republic, Panama, Paraguay and Uruguay.

In October 2020, the Group acquired Glovo's operations in Latin America, adding Costa Rica, Ecuador, Guatemala, Honduras and Peru to its footprint. Simultaneously, Delivery Hero started operations in Venezuela.

In May 2020, Delivery Hero closed its operations in Canada, where it operated the foodora brand, and divested Motwer S.A., Uruguay.

Integrated Verticals

The Integrated Verticals segment has been established effective January 1, 2020 in addition to the four geographic platform segments MENA, Asia, Europe and Americas. It comprises Dmarts as well as the kitchen business.

Integrated Verticals represent businesses where Delivery Hero acts as principal. Accordingly, revenue is recognized on the basis of gross merchandise value (GMV) excluding VAT. The Dmart-related business activities consist of operating own warehouses with a selected range of groceries and other convenience products from which goods are delivered within a very short time frame to the customer. To a much lesser extent, kitchens operated by Delivery Hero also contribute to the revenues in this segment.

Delivery Hero operates Dmarts in 37 markets across four continents under various local brands. Virtual kitchens are operated under the local brand in Korea and Singapore and under the Sweetheart Kitchen brand in KSA and Kuwait.

In February 2020, the Group acquired the Honest Food Company GmbH ("Honest Food") as a strategic investment into virtual kitchen concepts. Honest Food operates in Austria, Czech Republic, Finland and Hungary.

4. Management & Supervision

Delivery Hero SE's Management Board consists of two members. The Management Board is responsible for the strategy and management of the Group. Niklas Östberg (CEO) is responsible for the areas Strategy, Operations, Technology, Product, Personnel, Marketing and Public Relations.

Emmanuel Thomassin (CFO) is responsible for the areas Finance, Procurement, Legal, Investor Relations, Internal Audit and Payment Solutions, as well as Governance, Risk and Compliance. Internal Audit reports directly to the Supervisory Board. The Supervisory Board advises and supervises the Management Board and is involved in transactions of fundamental importance to the Company.

5. Management System

The Management Board directs the Group both at segment and group level. The key financial performance indicators monitored are **Total Segment Revenues**[3] and **adjusted EBITDA**[4]. While Total Segment Revenue is indicative of the Group's ability to grow and to provide attractive service offerings to its customers, adjusted EBITDA serves as an indicator of the Group's path to profitability.

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

- The number of **Orders**[5] is a key performance indicator that drives revenue and growth.
- **Gross Merchandise Value**[6] (GMV) is influenced by the number of orders and has a direct impact on revenues. It is one of the key elements controlled by Group management.

3 Total Segment Revenue is defined as revenue before the reduction of vouchers.

4 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 and (iv) 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.

5 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%.

6 Gross Merchandise Value (GMV) is the total value paid by customers (including VAT, delivery fees, service fees and other subsidies). 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.

6. Research and Development

Our vision of always delivering 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, recommendations and search algorithms in order to provide more personalized offers, order tracking and visibility, as well as facilitating discovering 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. We are additionally working towards the further automatization of operations, e.g., enhancing processes in customer care, dynamic pricing, billing and rider onboarding.

The research and development (R&D) activities of Delivery Hero are aiming to provide an amazing experience today and in the future. These challenges include the processing of millions of orders in near realtime, responsible collection of a large amount of data and coping with widely different local requirements across our markets.

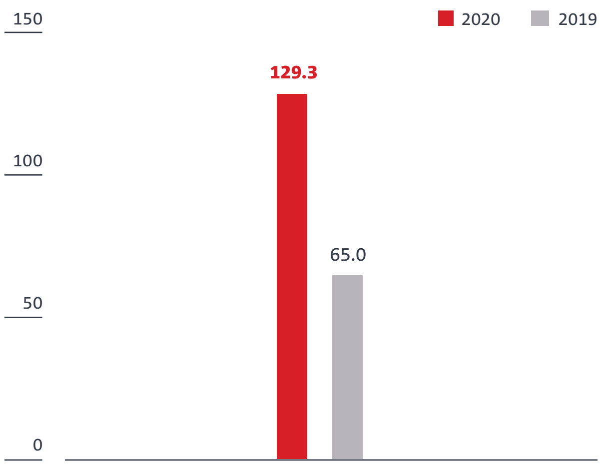
During 2020 we successfully developed and implemented payment services, such as wallet solutions, dynamic pricing and proprietary tech solutions for the q-commerce business, such as an own warehouse management system.

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 innovations by central support functions in:

- Data and analytics
- Logistics, including fleet management and driver/rider scheduling
- Marketing, customer relationship management (CRM) and campaign automation
- Restaurant order transmission, driver tracking and point of sale (POS) integration
- Consumer experience

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

R&D EXPENSES (in EUR million)



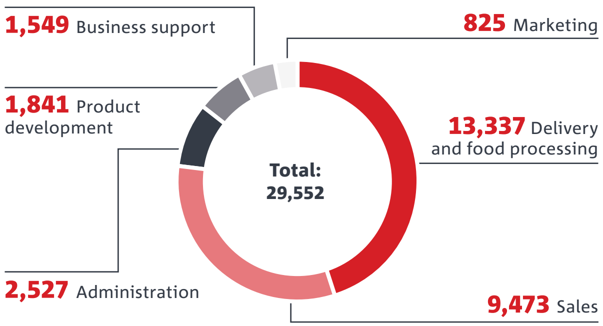
In 2020, R&D expenses of the Group amounted to € 129.3 million (previous year: € 65.0 million). This corresponds to 5.2% (previous year: 5.1%) of revenue. Development costs of € 34.4 million were capitalized (previous year: € 13.0 million), this represents 22.2% (previous year: 19.9%) of total development costs of the year. Amortization of capitalized development costs amounted to € 8.2 million (previous year: € 4.1 million). Third-party R&D services are used only to a minor extent.

At the end of the financial year, 2,167 people (previous year: 1,289 people) were employed in our R&D activities. This represents 6.1% (previous year: 5.2%) of total employees.

7. Employees

The average number of employees within our continued operations increased from 22,515 in 2019 to 29,552 in 2020. This change occurred primarily in the areas of delivery, sales, product development and business administration. As of December 31, 2020, Delivery Hero employed 35,528 staff (previous year: 24,617).

AVERAGE NUMBER OF EMPLOYEES BY AREA 2020



B. ECONOMIC REPORT

1. Market & Industry Environment

The COVID-19 pandemic has taken a substantial toll on societies and economies, leading to a global recession. The International Monetary Fund (IMF) forecasts a global contraction of 3.5% in 2020, revised upward by 0.9 percentage points from the last forecast of October 2020 [7]. This reflects the better-than-expected momentum in the second half of the year. The most negative outcomes, originally predicted by the IMF in their October 2020 World Economic Outlook, have been avoided thanks to coordinated monetary, fiscal, and financial sector policies across the globe [7].

Below we examine the 2020 outlook for our segments based on the World Bank Global Economic Prospect Report [8].

Asia

The economic impact of the pandemic has exhibited significant cross-country differences. Growth in East Asia and Pacific has seen a sharp deceleration to 0.9% in 2020 (compared to 5.8% in 2019). Countries with low infection rates (such as China and Vietnam) have been more economically robust, with GDP growth between 2% and 3%. This has not been the case for two-thirds of the regional economies of East Asia as well as South Asia, which are expected to have contracted by approximately 7 percentage points below their long-term average in 2020. The divergence can be linked to extensive lockdowns, the relative severity of the virus outbreak or the economic reliance on tourism and travel in these regions.

MENA

MENA regional growth severely slowed down in 2020 due to extensive lockdown restrictions and a fall in both oil prices and oil demand. This resulted in an economic contraction of 5.0% in 2020, aggravating the pre-pandemic slowing growth and per capita income losses. The effects of the COVID-19 pandemic have been harsher on oil exporters, with an expected contraction of 5.7% in 2020 (−2.2% for oil importers). This difference is partially caused by the adherence to an agreement made among the OPEC+ members to cut oil production causing a growth constraint for oil exporters.

Europe

It is estimated that in the European region, economic activity has contracted by 4.4% in 2020 due to the various consequences of the COVID-19 pandemic. In the first half of 2020, output fell sharply as a function of declining domestic demand and diminishing regional exports, given the weakened global trade. With the ease of restrictions following the first COVID-19 wave in Europe, industrial production and retail sales quickly picked up. However, the recovery was only temporary, slowing down in the second half of 2020 due to a resurgence of infections.

Americas

The severe effects of the COVID-19 pandemic have been detrimental for the Latin American & Caribbean region, leading to an estimated contraction of GDP by 6.9% in 2020. Measures to contain the pandemic, risk aversion among households and firms as well as spillover effects from declining global GDP led to this contraction. Despite the strict measures applied by countries in Latin America, the spread of COVID-19 in this region has been amongst the worst globally. The region registered an improvement of economic activity in Q3 2020 as COVID-19 restrictions were partially eased, governments continued their fiscal and monetary support, and external demand improved.

Since Q3 2018, the Americas segment revenues and growth rates have been impacted by the Argentinian operation qualifying as a hyperinflationary economy under IAS 29. This assessment has remained applicable for 2020.

In the financial year 2020 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. Some of the important exchange rates against which the Euro appreciated in 2020 (based on Factset annual end of period rates) include the following currencies:

- Argentinian Peso (ARS) +53.1%
- Turkish Lira (TRY) +36.1%
- Kuwaiti Dinar (KWD) +9.3%
- Saudi Arabian Riyal (SAR) +9.0%
- United States Dollar (USD) +9.0%
- South Korean Won (KRW) +2.4%

Sector development

Delivery Hero boasts an extensive geographic footprint with operations across several attractive markets in Asia, MENA, Europe, and Latin America.

2020 was an unprecedented year in many ways. The COVID-19 pandemic had dramatic effects on people's lives and societies. One of the consequences the resulting situation brought about was an accelerated usage of delivery services in many areas. The impact of the pandemic on Delivery Hero was multifold: while in parts of its footprint the underlying already strong structural growth was further emphasized, we also experienced strict curfews in some countries in the MENA segment that had an adverse effect on order numbers. On the side of our business partners, the acquisition of new partners – such as restaurants and shops – was higher than expected.

7 Source: IMF, World Economic Outlook January 2021.

8 Source: World Bank Group, Global Economic Prospects January 2021.

Change in our industry is everywhere. What started as a marketplace connecting restaurants with customers, has evolved significantly over the years. By establishing our own delivery capabilities, Delivery Hero was able to also provide customers to restaurants, which otherwise would not have been able to economically deliver food on their own. We thereby not only increased the quality of our service by offering a wider selection of high quality restaurants to more customers, but also expanded our total addressable market (TAM). By continuously investing in logistics and technology, we are looking for ways to maximize the efficiency of our operations, the utilization of our rider network and the quality of our service offering. 2020 saw a continuation of this focus.

While the global food delivery industry grew faster in 2020 than we had originally expected, the pandemic also induced significant stress to the ecosystem, which ultimately brought us even closer to our partners. We undertook a long list of measures, helping businesses reach customers even when inhouse dining was prohibited. Delivery Hero also supported campaigns to drive traffic to restaurants, waived onboarding fees and optimized the billing cycle to further increase the frequency of payment, to name only three examples of measures undertaken in many markets to support our partners.

2020 was also the year where Delivery Hero further accelerated the investments in the area of quick commerce – particularly via dark stores, called Dmarts, of which a significant number were opened during the year. The concept of quick last-mile delivery services for convenience and grocery items continues to be a key strategic initiative for the business, capitalizing on the extensive investments Delivery Hero has made in logistics and technology for first- and last-mile delivery.

2. Business Performance

a) Performance

Despite an initial negative COVID-19 impact after the outbreak of the global pandemic at the end of the first quarter of 2020, Total Segment Revenue[9] in 2020 increased significantly by 94.8% on a year-on-year basis to € 2,836.2 million (previous year: € 1,455.7 million). This increase is largely 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, targeted investments in customer acquisition and retention as well as the continuous rollout of new vertical concepts. The global pandemic further increased the demand for delivery services throughout all markets, supporting the strong growth of revenues in 2020. The organic growth is supplemented by targeted acquisitions.

In 2020 orders and GMV grew significantly (+95.8% and +66.2%, respectively) compared to 2019, fully meeting the target of a significant year-on-year increase. GMV growth is slightly below order growth due to slightly lower basket sizes in the Asia segment compared to the other segments. Total Segment Revenue (€ 2,836.2 million) exceeded the target of above € 2,400 million that was announced in the Annual Report 2019 and subsequently increased to between € 2,700 million and € 2,800 million.

For 2020, adjusted EBITDA of the Segments was negative € 567.7 million and accordingly below the expectation of a level slightly better compared to the 2019 adjusted EBITDA of the segments of negative € 430.9 million. The development against expectations of the adjusted EBITDA was influenced by investments in Integrated Verticals, to strengthen the market position as well as to leverage new business opportunities such as Delivery Hero's entry into Japan.

Despite negative effects of COVID-19-related business restrictions on the adjusted EBITDA margin in the first months of 2020, the business overall benefitted from the growing demand for delivery services during the global pandemic and the adjusted EBITDA margin[10] improved to minus 20.0% for the full year 2020 after a sequential lifting of COVID-19 measures, slightly outside the expected range of between minus 14% and minus 18% as a percentage of revenues.

b) Acquisitions and Investments

In August 2020 Delivery Hero acquired 100% of the shares of InstaShop Ltd. ("InstaShop") to strengthen its position in MENA. InstaShop is the largest online grocery marketplace business in the MENA region. Further, in October 2020, the Group acquired substantially all of the Latin American business of Glovoapp23, S.L. ("Glovo") through a combined asset and share deal[11]. This transaction encompassed 100% of the shares of Glovoapp SLU, thereby including 100% of shares in Glovo's business in the countries Peru, Ecuador, Guatemala, Colombia, Costa Rica and Honduras. Simultaneously, Delivery Hero, through its local entities, acquired Glovo's assets in Argentina, Panama and the Dominican Republic. With this acquisition Delivery Hero intends to further strengthen its position in Latin America as the transaction complements existing operations in the Americas segment and adds further countries to the map of our services in Latin America.

The Group also acquired 100% of the share capital of the Honest Food Company GmbH, an own operated kitchen business headquartered in Germany with active operations in Austria.

The total consideration for all acquisitions was € 483.5 million.

In 2020, Delivery Hero increased its shareholding in its Glovoapp23, S.L. (at equity), by participating in a funding round and acquiring shares from other minority shareholders for a consideration of € 280.5 million, resulting in a total stake of 36.0% as of December 31, 2020. The Group also invested € 7.0 million in Hungry Group, increasing its previous stake of 24.5% to 44.1% in September 2020.

9 Total Segment Revenue is defined as revenue before the reduction of vouchers.

10 Adjusted EBITDA margin is defined as adjusted EBITDA divided by Total Segment Revenue.

11 The acquisition of Glovo's business in Ecuador was completed on December 23, 2020, following approval by the local authorities.

Hungry Group operates the Danish marketplace food delivery platform Hungry.dk. Additionally, Delivery Hero acquired a minority share of € 13.0 million in Movo Miau Miau International SL and invested into further minority shareholdings with a total amount of € 12.1 million.

On December 13, 2019, Delivery Hero SE entered into agreements to acquire approximately 88% of the shares in the South Korean Woowa Brothers Corp. ("Woowa transaction") and resolved on a capital increase against a contribution in kind under the exclusion of subscription rights. On February 2, 2021, Delivery Hero received the written regulatory approval from the Korea Fair Trade Commission ("KFTC") confirming its conditional regulatory approval of the transaction by imposing structural remedies. The transaction effectively closed March 4, 2021. The total consideration consists of € 1.7 billion in cash and 39.6 million new shares in Delivery Hero valued at a share price of € 103.35 as of closing of the transaction on March 4, 2021, resulting in a total amount of € 5.7 billion. In the context of financing the cash component of the consideration, in January 2020 Delivery Hero placed € 1.75 billion convertible bonds and new shares from a cash capital increase with gross proceeds of € 569.1 million. For further details of this transaction we refer to Section I. of the Consolidated Financial Statements.

c) Divestments and disposal groups held for sale

In December 2020, Delivery Hero accepted the structural remedy that the Korean Fair Trade Commision imposed as a condition for their approval of the Woowa transaction. Accordingly, the Group plans to sell Delivery Hero Korea LLC and its subsidiaries. For more information on the disposal group held for sale refer to Section F.09 of the Consolidated Financial Statements.

On May 11, 2020, Delivery Hero ceased its operations in the Canadian market, in which it was operating the foodora brand.

3. Net Assets, Financial Position and Results of Operations

a) Financial performance of the Group

Consolidated statement of profit or loss and other comprehensive income

The 2020 Group result developed as follows:

			Change	
EUR million	**2020**	2019	EUR million	in %
Revenue	2,471.9	1,237.6	1,234.3	99.7
Cost of sales	–1,977.8	–926.4	–1,051.4	>100
Gross profit	**494.2**	**311.2**	**183.0**	**58.8**
Marketing expenses	–632.4	–495.2	–137.2	27.7
IT expenses	–152.3	–94.8	–57.5	60.6
General administrative expenses	–615.3	–373.5	–241.8	64.7
Other operating income	36.0	19.9	16.1	81.1
Other operating expenses	–4.5	–6.7	2.2	–32.3
Impairment losses on trade receivables and other receivables	–19.7	–8.8	–11.0	> 100
Operating result	**–894.2**	**–648.0**	**–246.2**	**38.0**
Net interest cost	–73.2	–9.4	–63.8	> 100
Other financial result	–334.4	93.7	–428.2	> 100
Share of the profit or loss of associates accounted for using the equity method	–86.7	–99.7	13.0	–13.1
Earnings before income taxes	**–1,388.5**	**–663.4**	**–725.1**	**> 100**
Income taxes	–14.2	–26.5	12.3	–46.4
Net loss from continuing operations	**–1,402.7**	**–689.9**	**–712.9**	**> 100**
Net income from discontinued operations	–	920.2	–920.2	> 100
Net result	**–1,402.7**	**230.2**	**–1,633.1**	**> 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:

			Change	
EUR million	**2020**	2019	EUR million	in %
Adjusted EBITDA of the Segments	**–567.7**	**–430.9**	**–136.8**	**31.8**
Consolidation adjustments	–	–6.3	6.3	> 100
Items excluded from segment performance	–	–22.0	22.0	> 100
Management adjustments	–92.1	–49.0	–43.1	88.0
Expenses for share-based compensation	–86.1	–44.8	–41.3	92.3
Other reconciliation items	2.4	2.3	0.1	4.7
Amortization and depreciation	–150.7	–97.2	–53.5	55.0
Net interest and other financial result	–494.3	–15.5	–478.8	> 100
Earnings before income taxes	**–1,388.5**	**–663.4**	**–725.1**	**> 100**

Development of revenue

The Delivery Hero Group increased revenues in 2020 to € 2,471.9 million (previous year: € 1,237.6 million). The increase was mainly driven by high organic order growth while newly acquired entities contributed 1.0% to revenues in 2020. After an initial deceleration due to COVID-19-related lockdowns, order growth accelerated in most countries beyond pre-COVID-19 levels, positively impacting revenue accordingly. The continuous expansion of the Group's own delivery services, accompanied by an accelerated Dmart rollout, positively affected revenue as well.

As Delivery Hero acts as principal for the sales subsumed in the Integrated Verticals segment it recognizes revenues on a GMV basis in accordance with IFRS 15, whereas sales through our platform business reflected in the regional segments are reflected on a commission basis (percentage of GMV).

Commissions revenues increased to € 1,444.5 million (previous year € 733.0 million), representing 58.4% (previous year: 59.2%) of total revenue and remaining the largest component of revenue, while the share of revenue from delivery fees charged to the customer declined slightly to 23.0% (€ 568.0 million) in 2020 (previous year: 25.3% (€ 313.6 million)). Revenues from Integrated Verticals account for 7.3% (€ 179.4 million) of total revenue (previous year: not reported separately).

TOTAL SEGMENT REVENUE

EUR million	2020 (NEW)	2020 (OLD)	2019
Total Segment Revenue	**2,836.2**	**2,729.8**	**1,455.7**
Reconciliation effects[1]	−0.1	106.2	7.2
Vouchers	−364.1	−364.1	−225.3
Revenue	**2,471.9**	**2,471.9**	**1,237.6**

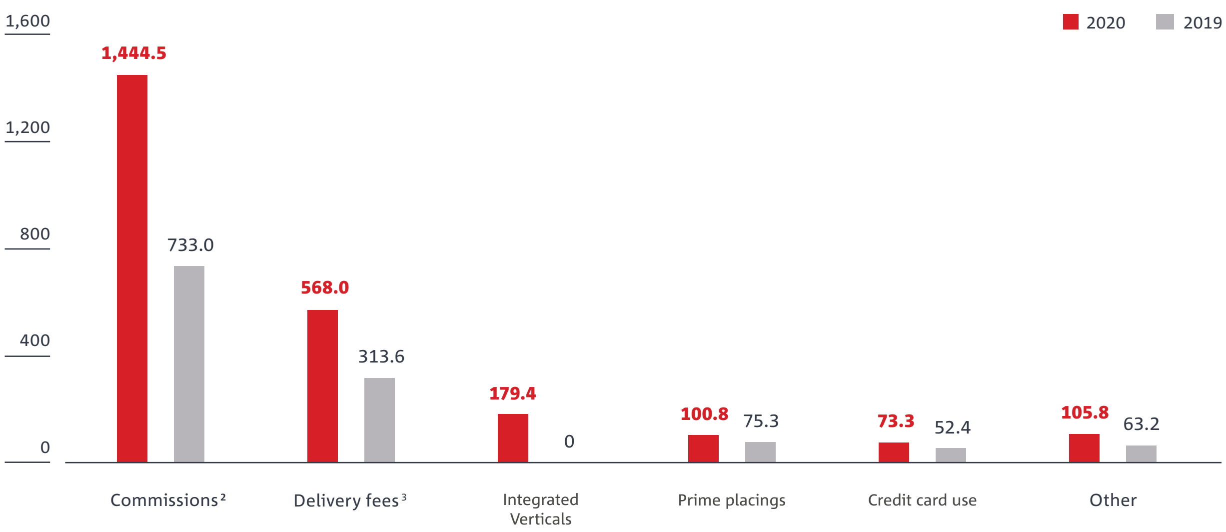
1 For segment reporting purposes (old), revenues from other on-demand items where Delivery Hero acts as principal are presented net of merchandise value (gross profit presentation).

The key financial performance indicator **Total Segment Revenue,** defined as revenue before reduction of vouchers, increased by 94.8% from € 1,455.7 million in 2019 to € 2,836.2 million in 2020.[12] Commission revenue remains the largest component of Total Segment Revenue in 2020 with 64.4% (previous year: 65.8%) and amounts to € 1,825.5 million (previous year: € 958.2 million). Commission revenue from own delivery contributes 70.2% of the total commission revenue (previous year: 58.5%) and increased by 128.7% from € 560.3 million in 2019 to € 1,281.3 million in 2020. The share of revenue from delivery fees charged separately to the customer remained relatively stable at 20.0% (previous year: 21.5%).

Revenue from Integrated Verticals before deductions of marketing vouchers amounted to € 183.6 million of total revenue in 2020 (previous year: not reported separately).

Vouchers continue to be an instrument to attract new and reactivate inactive customers, yet its share of Total Segment Revenue in 2020 declined throughout the reporting period to arrive at an average of 12.8% (previous year: 15.5%).

GROUP REVENUE BY TYPE[1] (in EUR million)



1 Discounts deducted from commission revenue.
2 Less vouchers.
3 Fees charged separately to the orderers for delivery services.

Development of adjusted EBITDA and net result

In 2020, the negative **adjusted EBITDA of the Segments** increased to negative € 567.7 million (previous year: negative € 430.9 million).

The improvement of the negative **adjusted EBITDA margin**[13] to 20.0% (previous year: negative 29.6%) was mainly driven by higher cost efficiency despite the continued expansion of own delivery services in many markets and higher profitability in the MENA segment.

Cost of sales increased (113.5%) year on year to € 1,977.8 million (previous year: € 926.4 million) disproportionately compared to the change of revenues as a result a higher own delivery share (60.6%, previous year: 36.8%), additionally pronounced by the continuous rollout of Dmarts. Integrated Vertical-related cost of sales contributed 7.9% of the total cost of sales. The portion of delivery

12 Taking into account the amended segment structure, Total Segment Revenue increased by 87.5% to € 2,729.8 million in 2020 (old segment structure). For more details on old and new segment structure refer to Section B.03.b.

13 Adjusted EBITDA margin is defined as adjusted EBITDA divided by Total Segment Revenue.

expenses decreased slightly to 78.7% of the total cost of sales (previous year: 83.9%). The delivery expenses comprise own delivery personnel expenses (€ 140.3 million, previous year: € 144.8 million) as well as external riders (€ 1,379.3 million, previous year: € 620.6 million) and other operating delivery expenses (€ 37.1 million, previous year: € 11.6 million).

Gross profit margin in 2020 was 20.0% (previous year: 25.1%). The decline is mainly attributable to higher cost of sales in connection with Dmarts as well as higher own delivery share. Beyond that, lost revenues and their corresponding profit contribution especially from the MENA segment due to the COVID-19-related restrictions in the first half of 2020 and several restaurant support measures (e.g., waiving of onboarding fees) contributed to the lower margin.

Marketing expenses increased by € 137.2 million year on year to € 632.4 million due to higher investments, particularly in Asia. They mainly include expenses for customer acquisition of € 274.2 million (previous year: € 239.3 million) and expenses relating to restaurant acquisition of € 236.1 million (previous year: € 150.4 million). Comparing marketing expenses to GMV, the ratio improved from 6.7% in 2019 to 5.1% in 2020 due to comprehensive marketing campaigns in 2020 as well as COVID-19 related effects in 2020.

IT expenses increased by € 57.5 million to € 152.3 million. They mainly comprise personnel expenses. Most of our IT expenses are attributable to research and development activities (2020: € 129.3 million; previous year: € 65.0 million), predominantly for the refinement of our platforms to enhance the value for our partner restaurants and to further improve the customer experience. Comparing IT expenses to GMV, the ratio was constant at 1.3% in 2019 and 1.2% in 2020.

General administrative expenses amounted to € 615.3 million in 2020 (previous year: € 373.5 million). Expenses for share-based compensation increased to € 86.1 million (previous year: € 44.8 million) and other personnel-related general administrative expenses increased to € 205.5 million in 2020 (previous year: € 128.6 million). This was primarily driven by an increase in administrative headcounts. Consulting expenses increased to € 67.0 million (previous year: € 48.3 million), mainly due to services related to the preparation and execution of M&A transactions. General administrative expenses also include depreciation expenses of € 43.0 million for right-of-use assets (previous year: € 27.0 million) and € 50.4 million of other depreciation and amortization expenses (previous year: € 33.0 million). Lease expenses for short term and low value leases increased to € 8.7 million in 2020 (previous year: € 6.6 million). Tax expenses included increased to € 33.0 million (previous year: € 6.8 million).

Other operating income of € 36.0 million (previous year: € 19.9 million) includes a gain from the partial release of the contingent consideration liability in connection with the acqusition of Zomato UAE in 2019 of € 9.8 million as well as income of € 8.7 million in connection with Covid-19-related government grants received. Gains from the sale of rider equipment contributed € 8.9 million to other operating income.

Other operating expenses amounted to € 4.5 million in 2020 (previous year: € 6.7 million) and include primarily losses on the disposal of fixed assets of € 2.4 million (previous year: € 0.6 million), goodwill impairment of € 0.0 million (previous year: € 2.0 million) and losses from the wind ups and liquidations of subsidiaries in 2020 of € 1.6 million (previous year: € 2.0 million).

The **impairment losses on trade receivables and other assets** increased to € 19.7 million (previous year: € 8.8 million), partly due to an overall increase of receivables toward third parties.

Net interest cost increased to negative € 73.2 million (previous year: negative € 9.4 million), mainly due to the finance costs of negative € 54.1 million associated with the issuance of four tranches of convertible bonds with a nominal value of € 3.3 billion, which were placed in January and July 2020 (refer to Section F.14. of selected Notes to the Consolidated Financial Statements for further detail).

The decrease of the **other financial result** from € 93.7 million in 2019 to negative € 334.4 million in 2020 was mainly driven by higher foreign currency translation losses of € 161.2 million (previous year: loss of € 4.8 million) as well as valuation losses of € 144.5 million from fair value adjustments of the financial instruments at fair value through profit and loss (previous year: gain of € 59.6 million). Fair value losses were primarily driven by measurement effects of the derivatives in connection with the Convertible Bonds II (negative € 192.9 million), while the higher currency translation losses resulted from the Group's exchange rate exposure with regard to intercompany loan obligations denominated in foreign currencies and intercompany receivables and payables.

The increase in **current income tax expenses** from € 31.4 million in 2019 to € 56.9 million in 2020 was mainly driven by rising withholding taxes resulting from payments to Delivery Hero SE. The increase in income from deferred taxes (2020: € 42.7 million; 2019: € 4.9 million) is mainly a result of the recognition of deferred tax assets of € 40.3 million on temporary differences – and the corresponding income from a change in deferred taxes – as based on the recognition of deferred tax liabilities on temporary differences, mainly associated with convertible bonds.

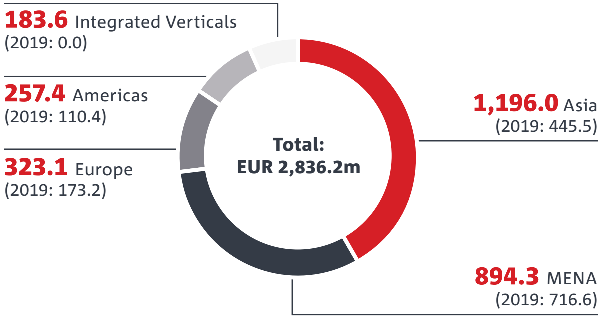
b) Business development by segment

Starting in 2020, the new segment “Integrated Verticals” was established in addition to the four geographic segments Asia, MENA, Europe and Americas, in which the platform business is reported. In accordance with IFRS 8, segment revenue and adjusted EBITDA of the segments are subsequently presented in the old and new segment structure for the current period. The segment revenue of the Integrated Verticals segment is included based on the revenue recognized from orders where the Group acts as a principal, whereas revenue recognized in the geografic segments is included based on orders where the Group acts as an agent (i.e., delivery of food, flowers, groceries, etc.). Intersegment revenue, which mainly results from services charged by the platform entities where the products of the respective Integrated Verticals are listed, are eliminated as intersegment consolidation adjustments. In 2019 and 2020 (old), revenues from integrated vertical operations were included in the regional segments on a commission basis.

Except as otherwise stated, the following discussion of the segment performance is based on a comparison of 2020, based on the new segment structure, with 2019 (old structure).

The performance of our segments is summarized based on the main key financial performance indicators for managing the Group at the segment level – Total Segment Revenues and adjusted EBITDA of the Segments.

SEGMENT REVENUE 2020 (NEW; in EUR million)



REVENUE

EUR million	2020 (New)	2020 (Old)	2019
Asia	1,196.0	1,211.8	455.5
MENA	894.3	931.1	716.6
Europe	323.1	327.2	173.2
Americas	257.4	259.7	110.4
Integrated Verticals	183.6	–	–
Intersegment consolidation adjustments	–18.2	–	–
Total Segment Revenue	**2,836.2**	**2,729.8**	**1,455.7**
Reconciliation effects[1]	–0.1	106.2	7.2
Vouchers	–364.1	–364.1	–225.3
Revenue	**2,471.9**	**2,471.9**	**1,237.6**

1 For segment reporting purposes (old) revenues from other on-demand items where Delivery Hero acts as principal are presented net of merchandise value (gross profit presentation).

ADJUSTED EBITDA

EUR million	2020 (New)	2020 (Old)	2019
Asia	–456.1	–471.2	–312.2
MENA	98.6	57.9	43.3
Europe	–2.2	–8.1	–19.0
Americas	–143.1	–146.3	–143.0
Integrated verticals	–64.9	–	–
Adjusted EBITDA of the segments	**–567.7**	**–567.7**	**–430.9**
Consolidation adjustments	–	–	–6.3
Items excluded from segment performance	–	–	–22.0
Management adjustments	–92.1	–92.1	–49.0
Expenses for share-based compensation	–86.1	–86.1	–44.8
Other reconciliation items	2.4	2.4	2.3
Amortization and depreciation	–150.7	–150.7	–97.2
Net interest and other financial result	–494.3	–494.3	–15.5
Earnings before income taxes	**–1,388.5**	**–1,388.5**	**–663.4**

Management adjustments include (i) expenses for services related to corporate transactions and financing rounds of € 59.7 million (previous year: € 34.8 million), thereof € 29.8 million expenses were recognized for earn-out liabilities in connection with acquisitions of current and previous years (previous year: € 13.3 million) and € 5.9 million in connection with the placement of convertible bonds (previous year: € 0.0 million), and (ii) expenses for reorganization measures of € 26.4 million (previous year: € 14.3 million), mainly with respect to the integration of the Carriage business into Talabat in MENA (€ 9.4 million), and legal consulting (€ 10.7 million).

Other reconciliation effects include mainly non-operating income and expenses. In 2020, this item in particular related to the release of a liability for a contingent consideration of € 9.0 million regarding the acquisition of the Zomato business in 2019 and the release of a provision of € 1.6 million in the context of the settlement of warranty claims for the foodpanda acquisition in 2016. In addition, this item includes other reconciliation effects, including expenses for non-income taxes of € 13.3 million (previous year: € 4.3 million), of which € 4.2 million relate to prior-period taxes for operations divested in 2018.

In 2019 items excluded from segment performance of € 22.0 million relate to expenses incurred during 2019 that relate to operations that were divested in 2018.

NUMBER OF ORDERS

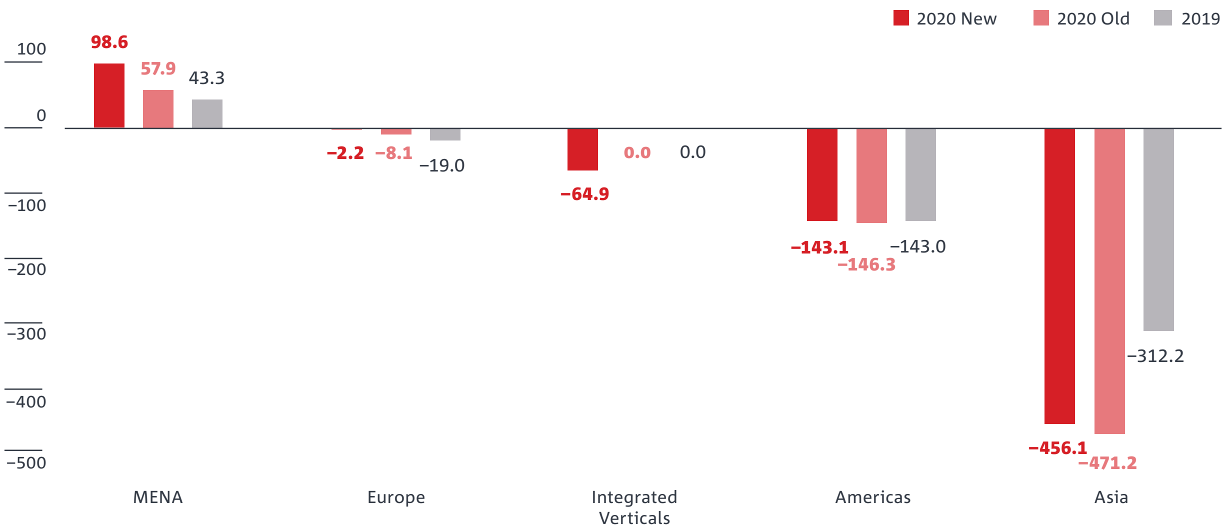
			Change	
Million	**2020**	2019	million	in %
Asia	667.7	227.0	440.7	> 100
MENA	386.3	298.6	87.7	29.4
Europe	128.7	85.0	43.7	51.4
Americas	121.3	55.4	65.9	> 100
Total	**1,304.1**	**666.0**	**638.1**	**95.8**
Thereof Integrated Verticals[1]	24.3	–	24.3	–

GMV

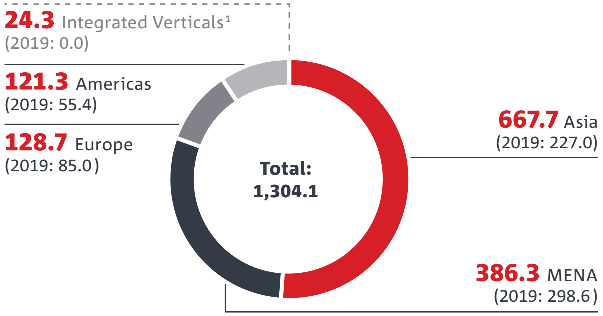
			Change	
EUR million	**2020**	2019	million	in %
Asia	5,211.3	2,357.5	2,853.8	> 100
MENA	4,335.6	3,476.8	858.8	24.7
Europe	1,737.5	1,047.5	690.0	65.9
Americas	1,076.6	553.6	523.0	94.5
Total	**12,360.9**	**7,435.4**	**4,925.5**	**66.2**
Thereof integrated Verticals[1]	196.8	–	196.8	–

1 Orders and GMV are presented in both regional segments and Integrated Verticals, subsequently consolidated at group level.

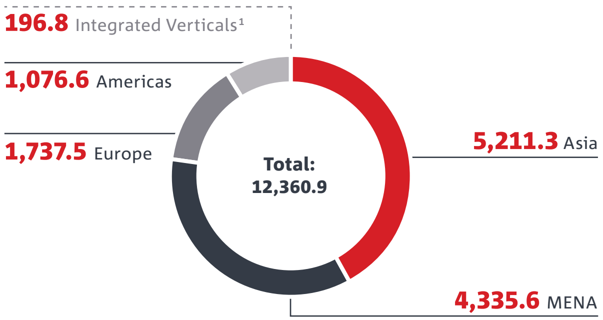
ADJUSTED EBITDA BY SEGMENT (in EUR million)



ORDERS BY SEGMENT 2020 (in million)



GMV BY SEGMENT 2020 (in EUR million)



1 Orders and GMV are accounted for in the respective platform segments and shown in the Integrated Verticals segment for illustrative purposes only.

Asia

During 2020, the Asia segment showed very strong growth, with an increase in segment revenue by 162.6% to € 1,196.0 million (previous year: € 455.5 million). Orders grew even stronger by 194.1% to 667.7 million (previous year: 227.0 million), however at a lower average basket size. The positive revenue and order development was driven by overall organic growth which was the result of investments in many of the Asian countries in past years to unlock larger parts of the market. As the COVID-19 pandemic caused relatively fewer infections in many of the Asian markets, the direct negative impact on our business was also limited in the Asia segment.

The adjusted EBITDA increased to negative € 456.1 million (previous year: negative € 312.2 million) mainly as a consequence of higher marketing and increased delivery costs. However, the adjusted EBITDA margin improved significantly to negative 38.1% (previous year: negative 68.5%) based on the over proportionate revenue growth compared to the cost increase as a result of greater overall efficiency measures undertaken.

MENA

The MENA segment faced the most stringent restrictions and lockdowns during the pandemic and was therefore hit hardest during the year 2020 in its operative performance. The restrictions, in particular in Kuwait, Saudi Arabia and Turkey, impacted the generation of orders especially during the second and partly the third quarter. Despite these restrictions, segment revenues in MENA increased by 24.8% to € 894.3 million (previous year: € 716.6 million) and orders grew by 29.4% to 386.3 million (previous year: 298.6 million).[14] Revenues from own delivery services, including separately charged delivery fees, increased by 26.9% from € 476.1 million in 2019 to € 604.2 million in 2020. The acquisition of Instashop on August 14, 2020 further contributed to the segment performance from thereon with € 9.0 million in 2020 (refer to Section D.02. of the Consolidated Financial Statements for more information). The appreciation of the euro against key currencies in the region, such as the Turkish lira, the Kuwaiti dinar and the Saudi riyal softened the increase in segment revenue.

The negative impact on gross profit that resulted from lower order numbers due to COVID-19 restrictions particularly in the second quarter of 2020 was partly compensated for by cost-saving measures such as marketing reductions. Despite the pandemic impacts, the adjusted EBITDA of the MENA segment increased by 127.6% to € 98.6 million based on the new segment structure in 2020, compared to € 43.3 million in 2019 (old structure).[15] The adjusted EBITDA margin significantly improved to 11.0% in 2020 (previous year: 6.0%).

Europe

Revenues of the Europe segment increased by 86.5% to € 323.1 million and the number of orders grew by 51.4% to 128.7 million. The positive revenue development was mainly driven by revenues from own delivery services and non-commision revenue. Revenues from own delivery services, including separately charged delivery fees, increased by 157.4% to € 160.9 million in 2020. The non-commission revenue contributed with an increase of € 20.8 million to the segment performance. The strong growth was driven by marketing campaigns to boost and maintain market share and higher demand for food delivery services, which was also driven by restaurant restrictions in the context of COVID-19.

The adjusted EBITDA improved from negative € 19.0 to negative € 2.2 million, resulting in an adjusted EBITDA margin of negative 0.7% (previous year: negative 10.9%). The improvement of the negative adjusted EBITDA is the result of higher revenue growth compared to the cost increase across the segment. Particularly the high growth of the own delivery services contributed to the higher revenues.

Americas

In 2020, revenues in the Americas segment increased by 133.1% to € 257.4 million (previous year: € 110.4 million) and the number of orders grew by 119.1% to 121.3 million (previous year: 55.4 million). The growth in revenue was positively affected by the continuous rollout of own delivery services, organic growth that was positively impacted

14 On the basis of the old segment presentation, segment revenues in MENA increased by 29.9% from € 716.6 million in 2019 to € 931.1 million in 2020.

15 On the basis of the old segment presentation, the adjusted EBITDA also increased to positive € 57.9 million in 2020 but was impacted by the expansion of Dmarts and corresponding start-up costs.

by COVID-19 and on the back of past investments in the regions. The acquisition of Glovo's Latin American business on October 1, 2020 supplemented the revenue growth with € 12.8 million in 2020 (refer to Section D.02. of the Consolidated Financial Statements for more information). On the other hand, revenue was adversely affected by compensating effects of inflation and the appreciation of the euro, in particular in relation to the Argentinian peso.

Adjusted EBITDA remained stable at negative € 143.1 million in 2020 (previous year: negative € 143.0 million). Consequentially the negative adjusted EBITDA margin improved significantly to negative 55.7% in 2020 (previous year: negative 129.5%) on the back of overall efficiency improvements, particularly in our own delivery business.

Integrated Verticals

Integrated Verticals represent businesses where Delivery Hero acts as principal in the sale of on-demand items. Accordingly, revenue is recognized on the basis of gross merchandise value (GMV). The business activities mostly consist of operating own warehouses ("Dmarts") from which goods are delivered within a very short time frame to the customer. To a much lesser extent, kitchens operated by Delivery Hero also contribute to the revenues in this segment. Despite COVID-19 related restrictions in 2020, operations in the Integrated Verticals segment were continuously extended, resulting in revenues of € 183.6 million, generated by 24.3 million orders,[16] mainly from Dmarts of which we operated 491 stores at the end of 2020 (December 31, 2019: 54 stores). The adjusted EBITDA amounted to negative € 64.9 million, resulting in an adjusted EBITDA margin of negative 35.3% reflecting investments for the global expansion of the segment.

c) Financial position

Delivery Hero centrally manages the liquidity requirements for Delivery Hero SE and its consolidated subsidiaries. The primary goal of the Group's financial management is the timely provision of liquidity to the subsidiaries, meeting payment obligations in due course and efficiently consigning excess funds to banks. Financial management is based on a twelve months' cash forecast for the Group and a monthly liquidity plan for the operating entities of the Group. The cash inflow from the disposal of assets, financing transactions 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 all times.

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

EUR million	**2020**	2019
Cash and cash equivalents as of January 1[1]	699.4	439.8
Cash flow from operating activities	–530.0	–364.8
Cash flow from investing activities	–905.2	627.3
Cash flow from financing activities	3,764.4	–0.1
Effect of exchange rate movements on cash and cash equivalents	–51.5	–2.8
Net change in cash and cash equivalents	2,329.3	262.4
Cash and cash equivalents as of December 31[1]	**2,977.1**	**699.4**

1 Cash included in a disposal group classified as held for sale on December 31, 2020: € 54.9 million (December 31, 2019: nil).

In 2020 **cash flow from operating activities** was negative at € 530.0 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 financing activities.

Cash flow from investing activities in 2020 amounted to negative € 905.2 million. This was mainly characterized by the net cash outflows of € 399.9 million related to the acquisitions of InstaShop in the MENA region, Glovo's Latin American business and Honest Food in Germany. Further, cash outflows related to equity accounted investees amounted to € 289.2 million for additional investments in Glovo and Hungry.dk and other minority investments. During the year 2020, cash outflows for investments in intangible assets amounted to € 39.1 million (previous year: € 25.9 million) and property plant and equipment amounted to € 169.0 million (previous year: € 69.2 million). The significant increase in property, plants and equipment was mainly driven by asset acquisitions for Dmarts and kitchens in line with our rapid expansion. Further, the significant growth in the platform business also contributed to the corresponding additions in assets. The cash flow from investing activities in 2019 mainly reflected the cash inflows 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 Just Eat 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 Just Eat Takeaway.com. Cash outflows in 2019 of € 133.2 million (net of cash) related to the acquisitions of Zomato UAE – including a minority investment in Zomato Holding, additional investment in Glovo and other minority investment.

Cash flow from financing activities in 2020 mainly include cash inflows of € 3,234.9 million (previous year: nil) resulting from proceeds from the placement of convertible bonds in January and July 2020 as well as cash inflows of € 569.1 million related to capital increases from authorized capital in connection with the Woowa transaction and cash inflows of € 18.9 million (previous year: € 27.6 million) resulting from capital increases in connection with the exercise of equity-settled stock options. Cash outflows of € 44.8 million (previous year: € 28.2 million) are attributable to lease repayments. In 2019, the cash flow from financing activities included the inflow from the bridge financing for the acquisition of the Zomato business and corresponding

16 Orders and GMV are presented in both platform segments and Integrated Verticals, subsequently consolidated at Group level.

repayment with proceeds from the divestment of 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, 2020**	in %	Dec. 31, 2019	in %	Change
Non-current assets	2,435.4	42.2	1,723.0	64.5	712.3
Current assets	3,339.0	57.8	949.7	35.5	2,389.3
Total assets	**5,774.3**	**100.0**	**2,672.8**	**100.0**	**3,101.6**

EUR million	**Dec. 31, 2020**	in %	Dec. 31, 2019	in %	Change
Equity	1,168.5	20.2	1,869.5	69.9	–701.0
Non-current liabilities	3,607.0	62.5	185.4	6.9	3,421.6
Current liabilities	998.9	17.3	617.9	23.1	381.0
Total liabilities and equity	**5,774.3**	**100.0**	**2,672.8**	**100.0**	**3,101.6**

The Group's total assets as of December 31, 2020 increased by 116.1% compared to the previous year.

Between December 31, 2019 and 2020 the Group's balance sheet structure shifted towards a higher share of current assets, corresponding with a higher share of non-current liabilities. This change reflects particularly the increased level of cash and cash equivalents raised by the issuance of several convertible bonds in January and July 2020. These financing measures were initiated in connection with the execution of the Woowa transaction on March 4, 2021.

Non-current assets form 42.2% of the balance sheet as of December 31, 2020 (previous year: 64.5%). They mainly comprise intangible assets of € 1,377.3 million (previous year: € 1,046.7 million), thereof goodwill € 1,106.3 million (previous year: € 766.6 million), trademarks € 119.5 million (previous year: € 161.3 million) and customer bases € 91.3 million (previous year: € 81.9 million). Intangible assets increased by € 330.6 million mainly due to additions in goodwill in connection with the acquisition of InstaShop and Glovo's Latin American business in 2020. Investments account for 16.2% (€ 391.5 million) of the non-current assets and mainly relate to shares in Just Eat Takeaway.com.

Investments accounted for using the equity method increased by 245.1% to € 295.4 million in 2020 (previous year: € 85.6 million). The increase was partly offset by currency effects in connection with the appreciation of the euro in relation to some currencies like the Turkish lira and Argentinian peso.

The increase in current assets in 2020 is mainly due to an increase of € 2,222.8 million in cash and cash equivalents. Furthermore, the organic growth of the Group in 2020 led to slightly higher trade and other receivables, which increased by 6.8% to € 138.2 million. The further roll-out of Dmarts leaded to a steady increase of inventories by 328.7% to € 36.1 million (previous year: € 8.4 million). Assets included in a disposal group classified as held for sale in connection with the prospective divestment of the Korean business as a part of the Woowa transaction led to a further increase of current assets of € 132.6 million.

In 2020, the Group's equity decreased by 37.5% due to the net loss of € 1,402.7 million. Capital increases from authorized capital in connection with the exercise of equity-settled stock options raised equity by € 579.2 million. Further services received under equity-settled share-based payment arrangements increased equity by € 76.6 millon. Contrarily, currency translation losses reflected in other comprehensive income reduced equity by € 52.1 million in 2020.

As of the reporting date, non-current liabilities increased significantly by 1,845.6% compared to the previous year. The increase was primarily driven by the convertible bonds given out during the course of 2020 (€ 2,949.5 million) and the derivative financial instruments recognized in connection with Convertible Bonds II (December 31, 2020: € 388.9 million). For further details, refer to Section F.14. of the Consolidated Financial Statements. Further, non-current liabilities as of December 31, 2020 include long-term lease liabilities of € 126.4 million as well as earn-out liabilities and deferred compensation from acquisitions of € 79.2 million, primarily from the InstaShop and Zomato UAE transactions.

The increase of current liabilities resulted mainly from the Group's organic growth during the reporting period, leading to higher trade payables of € 96.6 million (previous year: € 63.4 million) and restaurant liabilities of € 249.2 million (previous year: € 214.7 million). Liabilities included in a disposal group classified as held for sale in connection with the prospective divestment of the Korean business as a part of the Woowa transaction led to a further increase of current liabilities of € 117.0 million.

e) Overall assessment

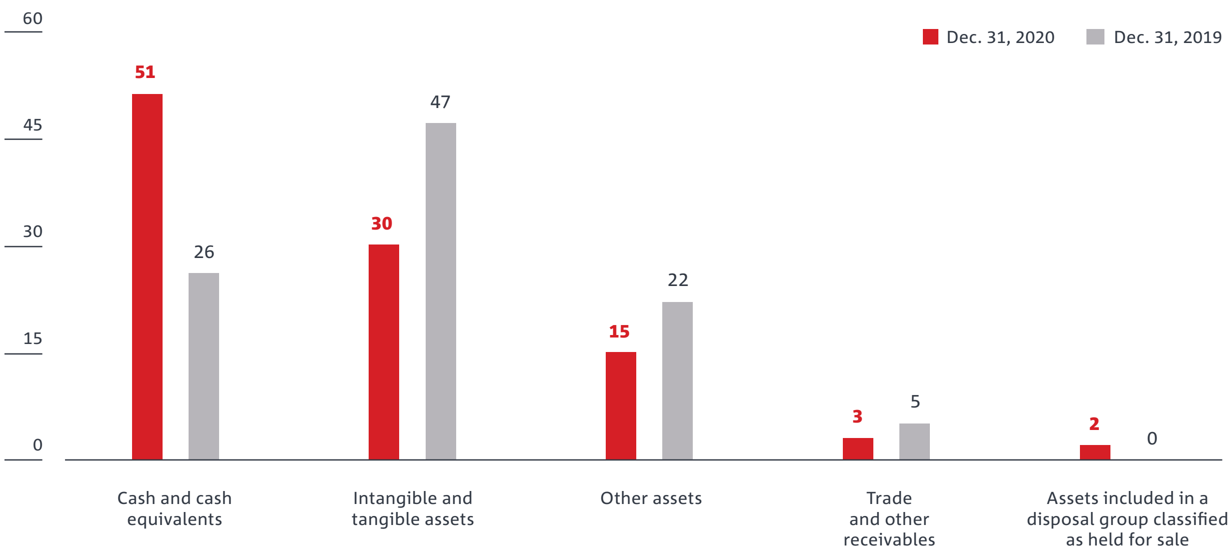
Despite the global COVID-19 pandemic that took a toll on societies and economies in 2020, the Management Board assesses the financial position, financial performance and earnings situation of Delivery Hero as positive. Delivery Hero's operative business, including its extended q-commerce footprint, has proven a resilient performance during the year. In 2020 Total Segment Revenue of € 2,836.2 million exceeded expectations. Despite the positive impact on accelerated order growth and Total Segment Revenue, adjusted EBITDA of the Segments was negative € 567.7 million, which is below the expectation of adjusted EBITDA being slightly better compared to the prior period (2019: negative € 430.9 million). However, we believe that the significant revenue growths and the enhanced service offering, especially with the continuous roll-out of Dmarts, outweighs the higher than expected costs.

4. Subsequent Events

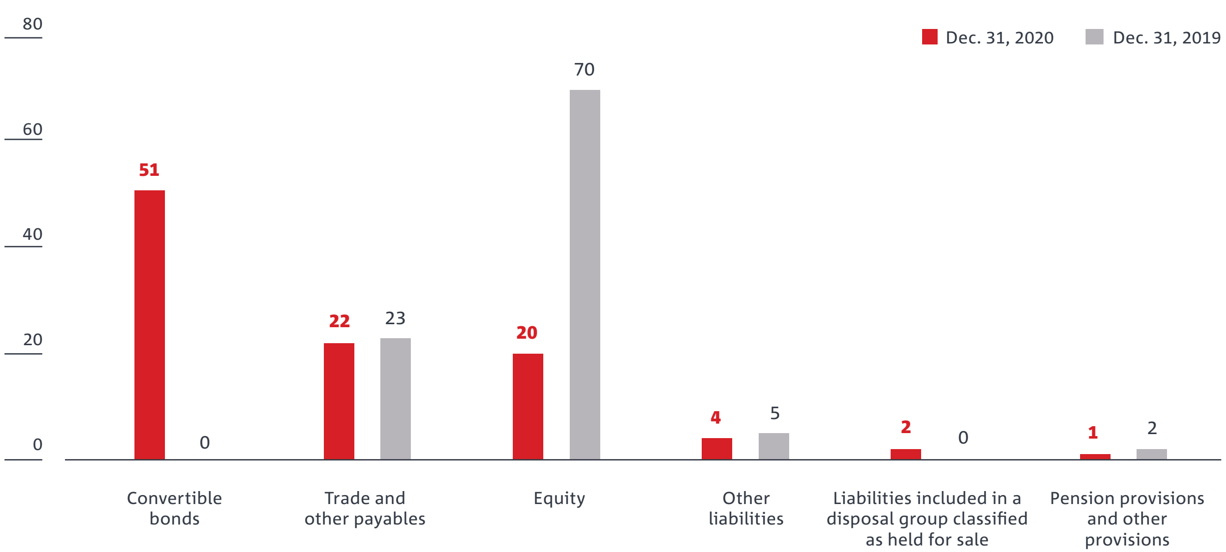
In January 2021 Delivery Hero carried out a capital increase, raising gross proceeds of approximately € 1.2 billion. In March 2021 Delivery Hero closed the Woowa transaction and further strengthened its engagement with Glovoapp23 S.L. by investing approximately additional € 229.0 million in the company, leading to an increased stake of 37.4% on a fully diluted basis.

For further details on subsequent events, refer to Section I. of the consolidated financial statements.

STRUCTURE OF STATEMENT OF FINANCIAL POSITION (in % of total assets)



STRUCTURE OF STATEMENT OF FINANCIAL POSITION (in % of liabilities and equity)



C. RISK AND OPPORTUNITY REPORT

1. 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 failure to act, 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:

- The 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 to assess present and future risks, with regards to costs and benefits, 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.

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 (€ 12.4 million).
- Materiality limits/escalation criteria for ad-hoc reporting: The materiality limits/escalation criterion for ad-hoc reporting, corresponding to a medium financial impact, is defined as follows: Group revenue x 2.5% (> € 61.8 million).

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

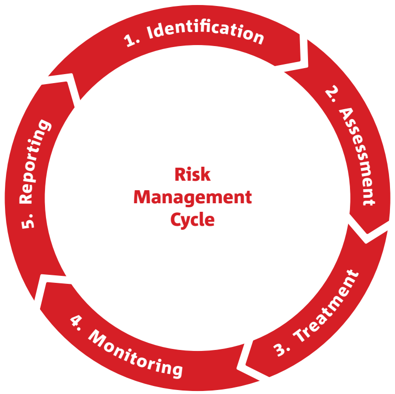
2. Group-wide Risk Management System ("RMS")

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 of 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.

RISK MANAGEMENT CYCLE



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. The risk identification also comprehends the identification of potential interactions between risks, based on qualitative factors. The interaction of risks could lead to the identification of new risks.

b) Risk assessment

After the risk identification, the risk owners, supported by central and/or local risk managers, assess their individual risks based on the evaluation criteria described below. These criteria are applicable to all subsidiaries of Delivery Hero to ensure that all risks are assessed uniformly in order to ensure comparability.

Risks are assessed with respect to two dimensions:

- **Impact** is the extent to which the risk, if materialized, 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 are characterized as high (or critical) and require immediate action from management with high priority or need to be monitored closely. Risks in the amber area are categorized as medium (or moderate) risks, which require mid-term action and/or regular monitoring. Risks in the green area are characterized as low (or minor) and are not excluded from action but have a lower priority.

To assess the potential impact of a risk, different categories 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/significant damage to reputation/large financial losses

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

In cases where the same risk is associated to two or more different impact categories, and these categories score differently, we always use the highest impact score in the impact assessment.

RISK MATRIX AND FINANCIAL IMPACT SCALE OF DELIVERY HERO

Impact \ Likelihood	(1–20%)	(>20–40%)	(>40–60%)	(>60–80%)	(> 80%)
Critical (>€247.2 million)	Medium	Medium	High	High	High
High (€123.6–247.2 million)	Medium	Medium	Medium	High	High
Medium (€61.8–123.6 million)	Low	Medium	Medium	Medium	High
Low (€12.4–61.8 million)	Low	Low	Medium	Medium	Medium
Insignificant (<€12.4 million)	Low	Low	Low	Medium	Medium

GROSS VERSUS NET RISK

In the first step, we evaluate a risk without considering the effect of the risk treatment strategy and the risk mitigation measures (the gross or inherent 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 net or residual risk).

Acceptable residual risk refers to scenarios where a risk treatment has been implemented (target).

The image below presents the differences between gross, net and target risk.

DIFFERENCES BETWEEN GROSS AND NET RISK

Identified risks

↓

Inherent risk (=gross)
Risks that exist without consideration of controls or other management activities

↓

Risk treatment/mitigation measures:

1. Responsibilties
2. Processes, policies, ICS
3. Training/communication
4. Monitoring/improvement
5. Insurance

Actual → **Plan**

↓

Residual risk (=net)
Risks that exist with consideration of controls or other management activities

Acceptable residual risk (=target)

c) Risk treatment

The treatment of risks encompasses actions or strategies to manage identified and assessed risks. One of the 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 based on a cost-benefit analysis

d) Risk monitoring

Risk monitoring refers to the continuous follow-up of identified, assessed and treated risks with the respective risk owner and/or central/local risk manager with the purpose of evaluating the latest likelihoods and impacts as well as monitoring and re-evaluating the defined actions and the progress of implementation. Continuous risk monitoring is a collective responsibility between the central risk management, local risk management, as well as with the respective risk owners. Continued risk monitoring is carried out.

e) Risk reporting

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

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

3. 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 of its execution. 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 and reporting manual provides detailed accounting instructions on 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.

4. Internal Audit System

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve Delivery Hero's operations. It is a function separate and distinct from management, the Governance, Risk & Compliance (GRC) department and the external auditors. The function helps the Delivery Hero Group to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving governance, risk management, control and compliance processes.

Internal Audit provides reasonable assurance to the Management Board, the Audit Committee and the Supervisory Board that the Group's risk management and internal control systems are adequate and effective, as designed and implemented by the management. This is accomplished via risk-based audits performed throughout the Group. Internal Audit is continuing to grow its central team in Berlin, and its hubs in Singapore, Dubai and Montevideo. With the local expertise on board, it can serve management with more timely and relevant results. Internal Audit supports strong corporate governance in accordance with the International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors (IIA) and the standards of the German Institute of Internal Auditors (Deutsches Institut für Interne Revision (DIIR)). It maintains a quality assurance and improvement program that covers all internal audit activities and continuously monitors its effectiveness.

In 2020, Internal Audit performed audits that included, but were not limited to, Delivery Hero's risk management system (RMS) and internal controls system (ICS) in accordance with the Institut der Wirtschaftsprüfer (IDW) Prüfungsstandards.

Internal Audit 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, risk-based audit plan, significant findings of completed audits and any outstanding issues relating to the implementation of management action plans. Reporting also includes significant risk exposures, control deficiencies, governance issues, and other matters of importance to senior management and the Audit Committee of the Supervisory Board.

5. Risk Report as of December 31, 2020

In 2020, the Delivery Hero Group´s risk and opportunity profile changed compared to the profile as described in the risk and opportunity report of the annual report 2019. The main additions to the risk portfolio refer to the pandemics situation (COVID-19), uncertainty of the approval from authorities regarding, for example, specific laws and regulations with a direct impact on our operations, the integration of new entities, external financing and its implications on the liquidity risk, uncertainty regarding the successful outcome of the new verticals and transfer pricing.

Individual risks are generally assessed considering 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 are 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 growing internet penetration and the use of smartphones worldwide. The industry continues to be highly competitive. It is, however, to be noted that in many markets consolidation has advanced and various competitors have fully closed or reduced their operations. In various countries Delivery Hero is subject to pressure from other existing competitors, own delivery models, large food chains and brands, as well as new well-funded market entrants. Our success is dependend on our ability to maintain a strong position in our markets. If we are unable to protect our strong 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., ride-hailing or travel booking) 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 customer loyalty by creating an amazing customer experience.

The growth and success of our industry depends on the continued growth of e-commerce and quick commerce as marketplaces, the corresponding channel shift from offline to online and mobile devices, the development of new technologies and customers’ acceptance of online aggregator platforms, all of which may not develop as experienced in the past.

In addition, Delivery Hero continued to roll out complementary service offerings (e.g. expanding the products offered via Dmarts, engaging with shops offering a wide range a products) in selected cities and countries to enhance the frequency of orders on its platforms during 2020. The risk of increasing competitive pressure is considered high.

Delivery Hero is making significant investments in its delivery service, in particular in the form of riders and delivery related technology and capabilities, which may not be able to recoup throught the commissions charged to our restaurants and delivery fees charged to our customers. We intend to further expand the scope and development of our own delivery service, but there can be no assurance that this intended expansion and development will be a success.

Furthermore, in 2020, Delivery Hero continued to acquire and integrate new companies, which exposes the Group to risks that can adversely affect its assets and liabilities, financial position, and results. The post-merger integration plays an important role in the success of the operation, and might be affected by the loss of key personnel, negative changes in the course of ongoing business processes and adverse changes in the relationship with customers and employees. Consequentially, integration processes may require more time and resources than expected. Furthermore, the integration of acquired businesses and the adoption of our Group wide-policies and Internal Control Systems may require more resources than expected and effect the entities’ operations adversely. An acquisition may also prove to be less beneficial than initially anticipated.

Non-compliance with the closing conditions that are usually associated with such transactions, could lead to litigation between the parties, with others and/or claims against Delivery Hero.

Our markets and, in particular, the emerging markets and developing economies in which we operate, may not be as attractive as we currently believe and may not develop as we anticipate.

We may not have adequately identified, assessed, or avoided potential transactional risks. Furthermore, there can be no assurance that all required regulatory approvals, such as antitrust clearances, were obtained in connection with all acquisitions. Any failure by us to identify, correctly assess or avoid the problems, liabilities or other shortcomings or challenges of an acquired company or technology, including issues related to intellectual property, data protection, regulatory compliance, accounting practices, employee or customer issues or insufficient contract management, including violations of contractual agreements or disputes concerning the content of oral contracts, which we conclude with our partner restaurants in some jurisdictions, could harm our business or our reputation, and we could incur extraordinary or unexpected legal, regulatory, contractual, labor or other costs as a consequence of business additions and we may not be able to achieve the cost savings, synergies or other benefits we hoped to achieve from such business additions. The risk is considered high.

Technological changes and disruptive technologies may affect our current business model negatively, if we are not able to continuously realize technological improvements. 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 to applicable laws may require Delivery Hero to flexibly react to changes to its business processes (refer to compliance risks for more detail). 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 occuring is considered high.

Natural disasters and catastrophes, such as hurricanes, earthquakes, tornadoes or blizzards as well as chemical, nuclear or other industrial accidents or the outbreak of another widespread health epidemic or pandemic or other adverse public health developments that impact either several markets in which we operate or single countries in which we generate a significant amount of our revenue or profit, such as South Korea, Kuwait and Saudi Arabia, or where our partner restaurants, kitchens, Dmarts, suppliers, riders and customers are located, can impact our industry in such regions. Such events can make it difficult for our partners to fully staff their restaurants, kitchens and Dmarts and for us to employ or engage riders to deliver food, groceries and pharmaceuticals to our customers. Particularly severe cases may even cause a temporary inability to obtain supplies, cause temporary or permanent closures of our partners and other suppliers or prohibit the delivery of food and supplies to our customers, any of which could materially disrupt our business and operations and materially adversely affect our financial performance.

The impact of the COVID-19 pandemic on our business and financial results is highly uncertain and cannot be predicted, including the scope and duration of the pandemic and actions taken by governmental authorities in response to the pandemic, and may be negative. In 2020, our business has, to a limited extent, given the overall positive development, been negatively affected by the outbreak of the infectious coronavirus disease caused by a novel strain of coronavirus (SARS-CoV-2) ("COVID-19"). COVID-19 may continue to impact our industry and markets or may disrupt our operations, our partner restaurants, kitchens, Dmarts, suppliers, riders and customers in ways that could have an adverse effect on our business, results of operations and financial condition. The impact of the COVID-19 pandemic on the industry and the markets in which we operate as well as on our business, financial condition and the results of operations will depend largely on future developments, including the duration and spread of the outbreak globally and the related impact on consumer confidence and spending, all of which are highly uncertain and cannot be predicted with certainty at this time. If the countries in which we operate experience a severe recession this will reduce consumer confidence and spending power and materially adversely affect our business and prospects. We assess this risk as medium.

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 and the subsequent assessment by the World Health Organization (WHO) in March 2020 that COVID-19 can be characterized as a pandemic 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 factors, including the duration and intensity of the outbreak, and the effectiveness of public health measures and supportive macroeconomic measures. Considering our diversification in several markets that are differently exposed to the coronavirus outbreak and corresponding pandemic control measures, we currently assess this 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 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 business continuity risks. We rely on complex IT and telecommunication systems in order to enable our customers to conveniently access our platforms and enhance their ordering experience. We also use such technology for processing orders, managing delivery operations and invoicing. IT and telecommunication systems provided by third parties, such as SAP and Salesforce, may be difficult to integrate with other tools due to their complexity, resulting in high data inconsistency and incompatibility.

Delivery Hero is also dependent on third parties and our success depends upon our relationships with them. These companies provide various services relevant to our business, such as software, marketing, payment processing and data host services. For example, we rely on third-party payment processors and encryption and from third-party licensed authentication technology that is designed to effectively secure transmission of personal information provided by our customers. We also rely on third-party data center hosts and network carriers to provide a reliable network backbone with the speed, data capacity, security and hardware necessary for reliable internet access and services.

As an internet-based company, we are strongly dependent on the functionality, security and stability of our websites and online order platforms. In 2019 and 2020, we have experienced multiple major service disruptions, which led to the loss of orders, and in the future, we may experience further service disruptions, outages, or other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of users accessing our platform simultaneously, and denial of service, fraud or security attacks. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Online food delivery is preferred mainly because of its convenience; therefore, 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 of reflecting 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 of and constant efforts to improve 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 have been 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 to be medium.

Concerning the expansion of Delivery Hero's Dmarts operation, we are strongly dependent on good inventory management procedures and system, that allow us to fulfill the needs of our customers, while optimizing the stock. Inaccurate forecast, unreliable suppliers, theft of goods, inventory damage and loss, could increase inventory costs and, indirectly, negatively affect the customer experience. Therefore, to mitigate this risk, we maintain a strong control of the inventory stock using the appropriate systems and procedures. This risk is considered medium.

Due to the complexity of the broad variety of payment methods used by our customers, we face the risk of operational failures in our checkout process, which could adversely affect our conversion rate (i.e., the percentage of people visiting our websites who actually place an order) and customer satisfaction, since we may be unable to provide automated online payment processes in some of our markets and for certain restaurants due to a lack of sophisticated local payment systems. We consider this risk to be low.

In order to manage all identified and newly arising business challenges with their inherent risks properly, access to a rich talent pool is needed. Future growth will continue to pose various challenges to us, such as finding and/or retaining suitable personnel, including qualified IT personnel, implementing an enhanced control framework to support operations and establishing sufficiently robust compliance procedures and recruiting appropriately skilled compliance personnel. We depend on talented personnel to grow and operate our business and we may not be able to retain, attract new or replace such qualified personnel. The growth of the online food delivery market and increasing online penetration affects our need for new riders for our own delivery service. If we are unable to find a sufficient number of riders for our delivery service, our delivery operations will be negatively affected. We consider this risk to be medium.

c) Compliance risks

Government regulations and legal uncertainties may place administrative and financial burdens on our business.

Delivery Hero compliance risks arise mainly from potential violations or non-compliance with laws, rules, regulations, agreements, or industry or ethical standards and can lead mainly to fines and/or legal and reputational damage.

We may be subject to litigation proceedings in connection with M&A transactions and other corporate measures which could harm our business and the results of operations. We face potential liability, expenses for legal claims and harm to our business resulting from litigation proceedings in connection with the acquisition and divestment of operations, including potential claims related to business combination, integration squeeze-out or other corporate measures by third-party shareholders of Group companies as well as other adverse legal consequences due to claims of regulatory authorities. Regardless of the outcome of arbitrations, litigations or administrative proceedings, whether potential or actual, they can be costly and may also damage our reputation and have a material adverse impact on our ability to compete for business. This risk is considered medium.

As the internet continues to revolutionize commercial relationships on a global scale, the use of the internet and mobile devices in everyday life is becoming more prevalent and the business of food delivery is getting more and more attention from local governments and media. New laws and regulations relating to the internet, the e-commerce, quick commerce and food sectors may be enacted and current laws might be changed. 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, antitrust, employment contracts, online payment services, pricing, corruption prevention, tax, commission rates charged to our partner restaurants, content, copyrights, trademarks and the origin, distribution and quality of goods, foods and services. Furthermore, the successful launch of several vertical businesses like Dmarts, grocery shops and kitchens throughout 2019 and 2020 exposed Delivery Hero to additional regulations in all the countries where these new verticals operate.

Delivery Hero is, in many countries of its Europe segment, subject to the EU Payment Services Directive II 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 (PSD II) prevents European companies without a banking or payment services license from collecting and holding payments resulting from online transactions on behalf of others (e.g., restaurants in Delivery Hero's business model). In 2020, other countries, such as Singapore, adopted similar regulations. 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 was conducted under consideration of external advice. The Group has initiated steps for license application in selected jurisdictions. The risk posed by payment service regulations is considered to be high. In addition, with respect to payment transactions that cross a certain threshold or result in the issuance of e-money, "know your customer" ("KYC") requirements may apply, forcing us to comply with certain additional formal requirements. Such KYC compliance requirements may adversely affect the onboarding of new restaurant partners and consequentially the growth of our business and/or may slow down payment processes and significantly increase our cost of compliance. We consider this risk to be medium.

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. As a result of 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 put forward an interpretation of the legislative language that deviates from our understanding. Due to a lack of guidance that is not conducive to reducting 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 could exist in 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 of October 1, 2019. Alternatively, a potential risk could 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 in 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. Non-compliance with applicable regulations can result in fines and other sanctions. The risk is considered to be medium.

Restaurants and grocery retailers in Europe are obliged to comply with food safety and hygiene regulations and food labeling regulations, and are subject to official controls from the competent local authorities. Furthermore, compliance with the food safety law of each jurisdiction where our entities operate is needed. Our restaurant partners have the legal and contractual obligation to comply with the applicable food safety and hygiene regulations. Compliance with food labeling regulations by our partner restaurants requires 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 and vendors. In order to support our partner restaurants, we have initiated several process improvements and conducted training courses for our restaurant care agents. Our Dmarts and kitchens are not only subject to food labeling regulations in each country of operation, but also to hygiene and safety requirements. Food safety refers to the proper handling, preparation, storage and transportation of food in order to protect people from foodborne illnesses. To achieve this, we need to adhere to several global and local food safety and hygiene requirements to ensure the delivery of safe and clean products to our customers. Each country has specific requirements for the areas where foodstuffs are prepared, treated and stored, that have to be taken into consideration.

Isolated or widespread food safety incidents, such as food-borne diseases, outbreaks or food fraud and food tampering cases, occur within the food sector and our business is not immune and may be exposed occasionally to such incidents at present or in the future. Such incidents, whether actual or perceived, could adversely affect our business, brands and reputation and potentially impact our revenues and results.

Delivery Hero has centrally engaged a dedicated Food Safety and Quality management team to direct and control the organization with regards to food safety and to strengthen its food safety management systems. DH controlled entities and affiliated companies are responsible for the implementation of food safety in all the marketplaces they operate in. Food safety and food compliance risks are inherent to our service offering and are therefore rated as high.

Given that DH SE and/or the Group may be considered to have or gain a strong position in most of the countries where we are present in, there is an increased risk that actions we take may be scrutinised under antitrust and competition laws. Furthermore, in a number of countries, antitrust laws and authorities are relatively new and there is a lot of uncertainty as to how these laws are interpreted and enforced by the local authorities. In addition, antitrust laws require self-assessment of behaviour, which is never without risk. Currently, as local authorities might view us as having a strong market position we are subject to antitrust and competition laws and related investigations in some of our current markets and may be found in violation of applicable antitrust and competition laws. Taking into account the aforementioned factors, the overall antitrust risk exposure may be considered as high. However, the Group is continuously promoting an antitrust and competition law compliance culture within the Group as well putting internal controls in place with the aim to prevent future antitrust and competition law infringements, and consulting external counsel where relevant.

Conducting business in currently around 50 countries requires us to comply with numerous and complex legal and regulatory requirements including international sanctions laws, which makes compliance more costly and challenging. These risks will increase, as we further expand our business into new jurisdictions.

Various members of the international community, in particular the United States and the European Union and its member states, have imposed or may impose economic sanctions and other restrictive measures on certain countries in which we operate or may operate in the future, such as El-Salvador, Iraq, Nicaragua and Venezuela, which we are currently expanding our operations to, as well as on certain individuals or entities. Any person, including any Group company, with a U.S. or EU nexus is prohibited from dealing with sanctioned countries, individuals or entities, or entities owned or controlled by any sanctioned person. In order to exclude dealings with specific “blacklisted” individuals or entities relating to the countries affected by such international sanctions and to mitigate risks for our Group companies as well as our Group’s Management Board members, Supervisory Board members, managing directors and employees and any other third party our Group companies may be dealing with in the course of their businesses, which and who could become subject to monetary penalties, reputational damages or even criminal sanctions, we are currently putting in place compliance programs aiming at the mitigation of such risks. The risk is considered to be medium.

The online food industry is fast-paced, which forced us to grow quickly in the past. There is no assur-ance that our organizational set up, internal control systems and compliance procedures were ade-quate at all times. We may not in all countries and at all times have or have had adequate tax compliance structures in place or may have focused on using structures to avoid the incurrence of additional tax burdens. Our Group companies may not yet have appropriate taxation methods or an optimal tax structure.

Our business is subject to the general tax environment in the jurisdictions in which we operate and to possible future changes in the tax regimes of the respective jurisdictions, which may change to our detriment. Additionally, corporate restructurings in the past and in the future could lead to additional tax payments, and we may be required to pay additional taxes following tax audits, fines or penalties. In addition, we are regularly subject to tax audits, which can result in a reduction of the tax loss carryforward, or the payment of additional taxes. Any additional taxes and provisions could have a material adverse effect on our assets, financial condition, cash flows and results of operations.

Against the background of an increasing focus on global transfer pricing systems applied within multinational groups (e.g. the Base Erosion and Profit Shifting “BEPS” Initiative of the OECD) and the increasing size and complexity of the business of the Delivery Hero Group, the Group’s transfer pricing model was developing over time and was adjusted effective as of January 1, 2019.

From an OECD perspective and in light of the arm’s length principle, the remuneration for intercompany services and assets provided has to accurately reflect the functions performed, assets used, and risks assumed by the transaction parties. Both the old model and the new model meet the OECD requirements at the supranational and the national level. However, against the background of the abovementioned changes, the new model is considered to be more sustainable, whereas if the old model had been continued in the light of the business forecasts, it was expected to have led to results that would have required corrections from a transfer pricing perspective.

Due to the in-house transfer pricing capacity as well as the close alignment with external transfer pricing advisors, all intergroup transactions that are subject to transfer pricing regulations are under regular review and assessment. Uncertain tax positions are recognized for uncertain tax treatments, if DH assesses the probability of acceptance of the uncertain tax treatment by the tax authorities as less than 50%.

However, as per nature, Delivery Hero SE and its subsidiaries are subject to regular tax audits in several jurisdictions. Since tax audits are of a retrospective nature and transfer prices are becoming core subject matter, transfer pricing within the Delivery Hero group will become the subject of discussion. In case of deviating assessments of our transfer pricing system by tax authorities, Delivery Hero SE faces the risk of additional tax payments that were not previously recognized as uncertain tax positions or for which the probability of unacceptance of the uncertain tax treatment by the tax authorities was assessed to be remote. Delivery Hero considers this risk to be medium.

We do business in certain countries where corruption, extortion and money laundering are considered to be widespread, and we are exposed to the risk of violation of anti-corruption and anti-money laundering laws and regulations. Anti-corruption laws and regulations in force in many countries generally prohibit companies from making direct or indirect payments to civil servants, public officials or members of governments for the purpose of entering into or maintaining business relationships. We conduct business in, and may expand our business to, certain countries where corruption and extortion are considered to be widespread, and we may be required to obtain approvals from or comply with certain formalities or other obligations of public officials. As a result, we are exposed to the risk that employees, agents or authorized persons of ours could make payments or grant hidden benefits in violation of anti-corruption laws and regulations, despite of our clear guidance, especially in response to demands or attempts at extortion. This risk is considered to be medium.

The risk of conflicts with rider personnel has increased since the working conditions in the food industry, particularly in the food delivery branch, have come to the attention of labor unions, increasing the potential for labor-related disputes. However, riders are considered by Delivery Hero as a key stakeholder for the success of its operations; therefore we have focused on improving the rider experience through several initiatives, such as the Global Rider Program.

Another risk related to our riders fleet relates to the employment status, either as freelancers or employees. Due to possible changes to labor law, regulations or case law in the markets where we operate, it is possible that the current employment model will suffer changes, exposing us to additional financial burdens, employment-related litigation and governmental sanctions. To mitigate this risk, we closely monitor the legal developments in the countries where we operate. Due to uncertainty, the risk is considered medium.

d) Financial risks

As an internationally operating group we are exposed to various financial risks. These 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. Accordingly, such risks are monitored within our risk management system and managed by the Group's treasury function. Financial risk management addresses the risks by selecting appropriate means, including limiting external financing to fixed interest arrangements 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 enforcing of a higher share of online payments to reduce the default risk.

Derivative transactions are only used in exceptional cases and mostly as part of another overall transaction such as e.g. derivatives embedded in financing transactions.

LIQUIDITY RISK

Liquidity risk is the potential inability to meet the Group's financial obligations due to a 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's creditworthiness being downgraded. The exposure to liquidity risk is closely monitored at the 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 secured revolving credit facility of € 125 million further secures the funding of operations of the Group. The liquidity risk is assessed as medium.

During 2020 Delivery Hero placed convertible bonds with a total principal amount of € 3.25 billion. The increased level of convertible debt could increase the Group's vulnerability to general adverse economic and industry conditions and limit its ability to fund future working capital requirements and capital expenditures or to engage in future acquisitions. It could also limit DH's flexibility in planning for or reacting to changes in the business and the markets by impairing the ability to obtain additional financing in the future or by placing us at a competetive disadvantage.

In connection with the closing of the Woowa transaction on March 4, 2021, a cash consideration of € 1.7 billion upon closing became payable (refer to Section I. Subsequent Events of the Consolidated Financial Statements).

FINANCIAL MARKET RISK

Financial market risks arise from changes in the fair value of future cash flows from financial instruments due to changes in market prices and mainly comprise currency risks and fair value risks.

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

Since our operations are conducted in many different currencies, we are exposed to risks of 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 can further be 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.16b of the Consolidated Financial Statements). In 2020 Delivery Hero started operations in Venezuela. Venezuela's economy is also considered a hyperinflationary economy under IAS 29. However, the functional currency of Delivery Hero's operations in Venezuela is the US dollar.

Foreign currency devaluations are closely monitored and the associated financial risks are continuously assessed. For material foreign currency positions financial instruments to mitigate the risk are evaluated by the Group treasury department and entered into if assessed to be economically reasonable. For the currency risk arising from the USD-nominated cash consideration in connection with the Woowa transaction refer to Section H.02. of the Consolidated Financial Statements for details on the deal-contingent option. Currency risks are considered medium.

The effects on profit or loss that would result if the foreign currencies have appreciated or depreciated by 10% as of the reporting date are presented in Section H.02. of the Consolidated Financial Statements.

The Group is exposed to fair value risks as a result of its engagement in listed and non-listed entities and other financial instruments recognized at fair value through profit or loss. The fair values of these financial instruments are monitored closely in order to derive further actions if deemed necessary. Fair value risks are considered medium.

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 active accounts receivable management, the Group mitigates the default risk by aiming for a higher online payment share. In addition, any loss of cash through bank failures or other factors may negatively affect our operations. Overall, the default risk is classified as low risk considering the high degree of diversification.

6. Opportunity Report

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

Macroeconomic development

In theory every person in our markets that has access to the internet is a potential customer. We believe that growth opportunities in our markets will continue to increase through 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 younger consumers who heavily rely on smartphones for everyday transactions, appreciates overall convenience, and represents the growing on-demand culture. COVID-19 has further accelerated this changing behavior, helping local restaurants and shops despite restrictions to continue their business via our platforms, thereby increasing the number of orders worldwide.

Other market developments

In 2020 Delivery Hero maintained a strong growth trajectory in terms of orders, revenue and gross merchandise value. We expect this trend to continue in the upcoming years. This will be driven by both, our food delivery business, where we expect investments into the quality and the scope of our offering to support strong organic growth, and by our q-commerce offering which we expect to further increase order frequency and customer loyalty. Our investment in the roll-out of our Dmart business will continue in 2021.

As more consumers generate more orders, the marketplace becomes more attractive to restaurants, and being listed in the marketplace becomes an operational advantage 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. Examples of this strategy are the acquisitions of Glovo's Latin American business and Instashop, and the launch of delivery operations in Japan.

Logistics

Investments in logistics technology are a cornerstone of our success. Product improvements in e.g. demand forecasting, fleet management and route optimization not only allow us to further reduce our cost per order, they help reduce delivery times, thereby increasing customer satisfaction and loyalty.

It is the quality of our logistics infrastructure that allowed us to expand our offering beyond food into the delivery of grocery and convenience goods via our Dmarts business. Without extensive investments in our own delivery capabilities, a successful operation of last-mile delivery would not be possible. Consequentially, we see our existing delivery infrastructure as a competitive advantage that allow us to capture and satisfy consumers increasing demand for convenience. On this basis we believe we are in an exceptional position for the coming years to reach a broader customer base with an extended offering of on-demand items.

Personalization and customer experience

Our efforts in hyper personalization of services and recommendation of menu options are enhancing the end-customer experience. Based on data collection and analysis, we aim to identify users' meal and grocery preferences before they decide themselves. Such aspects of convenience will positively affect customer retention and provide further growth potential in the future.

Tailored customer services and detailed customer awareness may enable us to generate complementary revenues from marketing services as well as the cross-listing of other services and products fitted to customer preferences.

Technology

The Group is continuing 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 short 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

1. Macroeconomic and Industry Outlook

While the economic outlook for 2021 is brighter than for 2020, the recovery is still projected to be subdued. Global real GDP growth is estimated to come in at 4% in 2021 which is more than 5% below the pre-pandemic projections for the year [17]. Material risks in the containment of the pandemic or other adverse events potentially derailing the economic recovery also prevail. These include, but are not limited to, the financial stress triggered by high debt levels paired with weak growth [18].

In 2021, GDP growth in **Asia** is expected to differ significantly between East Asia and South Asia as certain countries are expected to respond better to the challenges invoked by the COVID-19 pandemic than others [17]. East Asia and South Asia are expected to grow by 7.4% and 3.3% in 2021, respectively [17]. In **MENA**, growth for 2021 is estimated to be a modest 2.1%, supported by the expectation that in the short term lockdown restrictions will continue to be eased, global oil demand will rise and governments throughout the regions will offer policy support [17]. For **Europe**, the World Bank is expecting 2021 GDP growth to come in at 3.3% [17]. The European outlook remains highly uncertain as the potential growth could be weakened if it takes longer than expected to bring the pandemic under control in the region. Additionally, worsening of external financing conditions or a rise of geopolitical tensions represent risks in the region [17]. Finally, in the **Americas**, a modest economic recovery to 3.7% growth is projected for 2021 as the World Bank expects to see the vaccinations progressing, restrictions easing, oil and metal prices rising and improving external conditions supporting the recovery in the region [17].

17 Source: World Bank Group, Global Economic Prospects January 2021.
18 Source: IMF, World Economic Outlook January 2021.

The successful development of effective vaccines against COVID-19 has created hope for a more positive growth outlook since the outbreak of the pandemic. However, significant challenges remain as governments have to find the right balance between imposing restrictive measures to contain the pandemic and stimulating economic activity while at the same time ensuring a speedy execution of their vaccination campaigns [19]. According to the World Economic Bank, the effectiveness of these policies are major variables in its future scenarios, the outcome of which varies between a strong economic recovery in their upside scenario and a further financial crisis in the severe downside scenario [19].

Delivery Hero remains upbeat about the growth prospects of the delivery industry as 2020 accelerated the demand for these services. 2020 saw customer behavior and expectations evolve at an unprecedented rate due to a global pandemic. At Delivery Hero, we believe that these trends are here to stay, and will continue to drive the further adoption of our services by more and more consumers. Long-term structural trends that we expect to continue to support industry growth include changing customer behaviors, improving last mile logistics and increasing urbanization.

More specifically, for 2021 we see these five major trends for the delivery industry:

- **Convenience:** With changing lifestyles globally, convenience has probably become the first and most sought after aspect of any delivery experience. Our customers expect to get whatever they need, whenever they need it, locally and fast – and this does not stop with food.
- **Quick Commerce:** The next generation of e-commerce. Delivering products to customers instantly and in small batches, whenever and wherever they need them.
- **Rider Safety:** It goes without saying that our rider partners are an important part of our eco-system. We are always looking for new ways to support the riders, who make it possible for us to continue delivering an amazing experience to all our customers. The health and safety of riders remains a priority.
- **Sustainability:** We are committed to sustainability, both when it comes to our environmental footprint and our social impact (more details on our activities and ambitions in this area can be found in the non-financial report, cf. page 35)
- **Hyperlocalization:** We constantly leverage and combine global and local strengths to create products that are close to our customers and best meet their needs.

2. Company Expectations

In 2020, on a total segment level we achieved an order, GMV and revenue growth of 95.8%, 66.2% and 94.8%, respectively. Total Segment Revenue stood at € 2,836.2 million in 2020 and at the upper end of the guided range.

For 2021, we expect another significant increase in Total Segment Revenues to above € 6.1 billion. This growth should be driven by a significant increase in orders and GMV compared to 2020. For GMV we anticipate to reach a level of at least € 31.0 billion. Both a further strong organic development but also the consolidation of the Woowa group effective March 4, 2021, will contribute to the further significant growth.

We are expecting further improvements in efficiency in the 2021 business year and a further improvement of the adjusted EBITDA to GMV margin for the Group.

Despite the strong growth and the anticipated investments into new verticals, the further expansion in our markets – most notably Japan and Vietnam – and into the delivery capabilities especially in the Woowa operations in South Korea, the adjusted EBITDA of Delivery Hero is expected to be slightly better than the 2020 adjusted EBITDA of the Segments of negative € 567.7 million.

Due to the fact that we are operating in a relatively young and still rapidly evolving industry, as well as the significant acquisition of the Woowa group in March 2021 and the associated investments in these activities, any forecast on the earnings trend is subject to considerable uncertainty.

The assumptions on the economic development of the market and the industry are based on assessments that we consider realistic in line with currently available information. However, these estimates are subject to uncertainty and bring with them the unavoidable risk that the forecasts will 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.

19 Source: World Bank Group, Global Economic Prospects January 2021.

E. 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").

1. 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 internet platforms under various brand names, where users of the online food ordering platform are referred to restaurants as well as other vendors and provided with on-demand delivery services. During 2020, the subsidiaries extended the service offerings by expansion of the quick commerce [20] operations and the launch of the business model of Kitchens [21]. The operating activities of the Company 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.

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.

20 Quick commerce or q-commerce is the next generation of e-commerce, bringing small quantities of goods to customers almost instantly whenever they need them.

21 Within the business model "Kitchens" kitchen spaces and expertise, including knowledge about the industrialization of kitchens and virtual restaurant concepts, is provided to third-party providers.

2. Net Assets, Financial Position and Result of Operations of the Company

a) Result of operations

The result of operations of Delivery Hero SE are shown in the summarized income statement below:

EUR million	**2020**	2019	Change EUR million	Change in %
Revenue	146.7	91.5	55.2	60.4
Increase or decrease in finished and unfinished products and services	0.3	−0.6	0.9	> 100
Other own work capitalized	17.5	3.8	13.7	> 100
Other operating income	114.3	874.6	−760.3	−86.9
Material expenses	−13.6	−7.8	−5.8	74.9
Personnel expenses	−225.3	−132.7	−92.6	69.7
Depreciation, amortization and impairments	−640.3	−160.3	−480.0	> 100
Other operating expenses	−517.0	−304.5	−212.5	69.8
Net interest result	3.9	38.4	−34.5	−89.9
Income from investments	38.4	57.2	−56.8	−99.3
Earnings before taxes (EBT)	**−1,113.1**	**459.7**	**−1,572.8**	**> 100**
Taxes	37.1	−13.2	50.3	> 100
Net profit/loss	**−1,076.0**	**446.5**	**−1,522.4**	**> 100**

The increase in revenue in 2020 was mainly attributable to higher services recharged to Group subsidiaries.

In 2020 personnel expenses of € 17.5 million (previous year: € 3.8 million) have been capitalized for the development of new intangible assets.

Other operating income of the reporting period comprise € 63.5 million recharged costs incurred on behalf of Group subsidiaries (previous year: € 40.1 million) and € 30.1 million(previous year: € 6.0 million) of realized and unrealized foreign currency gains. The other operating income of the previous year was significantly impacted by the disposal gain of € 797.0 million that arose from completion of the sale of the German subsidiaries Delivery Hero Germany GmbH and Foodora GmbH to JustEat Takeaway.com.

The increase of material expenses of € 5.8 million compared to the previous year resulted mainly from restaurant merchandise and equipment, which was purchased as part of shared service center functions for Group subsidiaries.

Personnel expenses rose by € 92.6 million in 2020 compared to the previous year. This is primarily attributable to an increase in the number of staff and increased share-based compensation expenses (2020: € 83.8 million; previous year: € 47.7 million).

Depreciation, amortization and impairments are split as follows:

EUR million	**2020**	2019
Intangible assets	8.7	4.8
Property, plant and equipment	4.5	2.6
Shares in affiliated companies	402.4	67.7
Loans to affiliated companies	167.2	80
Equity investments	12.1	1.5
Trade receivables	26.7	0.7
thereof against affiliated companies	23.8	0.1
Other assets (deal contingent option)	18.7	3.0
Total	**640.3**	**160.3**

In 2020, the impairment of shares in and loans to affiliated companies and receivables from affiliated companies related to entities in South America (€ 394.9 million; previous year: € 84.6 million), Europe (€ 62.9 million; previous year: € 20.3 million), Asia (€ 22.5 million; previous year: € 27.8 million) and the Middle East region (€ 105.9 million; previous year: € 15.1 million). Further impairments of € 7.3 million were related to the shares and loans to the Canadian entitiy in the context of its cease of operations.

Other operating expenses increased by € 212.5 million to € 517.0 million, mainly due to expenses for impending losses of € 166.0 million (previous year: € 41.5 million) resulting from the valuation of derivatives in connection with hedging transactions for shares in JustEat Takeaway.com ("collar transactions"). In addition, losses of € 147.2 million (previous year: € 7.9 million) from foreign currency translation are included, mainly resulting from the translation of US dollar balances. Furthermore, higher expenses for IT and licenses of € 38.5 million (previous year: € 23.2 million), expenses for servers of € 29.8 million (previous year: € 12.0 million), and bank fees of € 17.2 million (previous year: € 0.3 million) that mainly comprise transaction costs in connection with the placement of the convertible bonds contributed to the increase in other operating expenses. In the previous year other operating expenses included a merger loss of € 131.8 million.

Net interest includes interest income, mainly from loans to subsidiaries, of € 67.8 million, and interest expense of € 64.0 million, mainly comprising interest expenses on the convertible bonds and negative interests paid on short term investments.

The taxes totaling an income of € 37.1 million (previous year: expense of € 13.2 million) resulted mainly from the recognition of deferred tax assets on loss carryforwards in profit or loss in the reporting year due to the recognition of deferred tax liabilities on temporary differences arising from the disagio recognized in connection with the convertible bonds directly in equity (see also comments on deferred taxes).

Expenses totaling € 19.7 million (previous year: € 10.2 million) incurred mainly with respect to withholding taxes from trading and rendering services to affiliated companies and current taxes and taxes for tax audit risks in foreign jurisdictions in which Delivery Hero SE is subject to tax as a shareholder.

The change in the annual result for 2020 compared to the previous year resulted mainly from the disposal gain from the sale of the German subsidiaries included in the previous year as well as higher depreciation in the financial year.

The net loss in 2020 includes research and development expenses of € 91.7 million (previous year: € 31.1 million). Furthermore, development costs of € 17.5 million (previous year: € 3.8 million) were capitalized in 2020.

b) Financial position

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

EUR million	2020	2019
Cash and cash equivalents at the beginning of the financial year	252.2	111.4
Cash flows from operating activities	−599.8	−130.8
Cash flows from investing activities	−1,734.4	37.7
Cash flows from financing activities	3,825.1	232.8
Net change in cash and cash equivalents	**1,490.9**	**139.7**
Effect of movements in exchange rates on cash and cash equivalents	−41.8	1.1
Cash and cash equivalents at the end of the financial year	**1,701.3**	**252.2**

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

The cash flow from investing activities mainly includes cash outflows for the acquisition of shares in other companies, capital increases in subsidiaries and payments for long-term loans to subsidiaries totaling € 1,720.0 million. Cash inflows of € 20.1 million resulted from repayments of loans granted to subsidiaries. In the prior period the positive cash flows from investing activities were mainly impacted by the the sale of of the German subsidiaries.

The positive cash flows from financing activities mainly includes cash inflows of € 3,235.0 million from proceeds from the placement of convertible bonds in January and July 2020. Further cash inflows of € 589.2 million are related to capital increases from the authorized capital in Januar 2020 and to the exercise of equity-settled stock options.

c) Net assets

Net assets are illustrated by the following condensed balance sheet:

	Dec. 31, 2020		Dec. 31, 2019		Change
	EUR million	**Share (%)**	EUR million	Share (%)	(%)
ASSETS					
Non-current assets	5,173.6	66.0	3,005.4	87.4	72.1
Current assets	2,360.3	30.1	421.1	12.3	> 100
Prepaid expenses	301.0	3.8	10.3	0.3	> 100
Total assets	**7,834.9**		**3,436.8**		**> 100**
LIABILITIES					
Equity	2,923.8	37.3	3,074.3	89.5	–4.9
Provisions	143.1	1.8	139.5	4.1	2.6
Liabilities	4,728.3	60.3	222.0	6.5	> 100
Deferred income	0.9	0.0	1.0	0.0	–12.3
Deferred tax liabilities	38.7	0.5	0.0	0.0	n/a
Total equity and liabilities	**7,834.8**		**3,436.8**		**> 100**

The total assets of Delivery Hero SE increased by 128.0% in 2020. This increase results primarily from higher liabilities as a result of the placement of convertible bonds during the year. The funds received were used by the company for financing of its affiliates and by building up cash and cash equivalents.

Non-current assets as at December 31, 2020 mainly comprised shares in affiliated companies (€ 1,946.8 million; previous year: € 1,479.0 million), investments (€ 575.4 million; previous year: € 269.3 million), loans to affiliated companies (€ 1,246.3 million; previous year: € 766.9 million), and securities (€ 1,356.9 million; previous year: € 464.3 million).

Current assets as at December 31, 2020 consisted primarily of cash and cash equivalents of € 1,701.3 million (previous year: € 252.1 million) and receivables and other assets of € 653.9 million (previous year: € 164.2 million).

Prepaid expenses included the unamortized discount amounts from the bonds issued in the financial year amounting to € 284.9 million (previous year: nil).

Equity changed to € 2,923.8 million as of December 31, 2020 (previous year: € 3,074.2 million) as a result of the recognition of the implicit conversion premiums from the convertible bonds placed in the financial year in the capital reserves, as well as capital increases and additions to capital reserves from further vesting under the share-based payment programs. The equity ratio amounts to 37.3% (previous year: 89.5%) and has thus decreased significantly compared to the previous year, mainly due to the debt financing from the convertible bonds issued.

Provisions as of December 31, 2020 mainly comprised provisions for outstanding invoices (€ 44.9 million; previous year: € 28.6 million) and provisions for share-based payments (€ 13.6 million; previous year: € 10.5 million), personnel provisions (€ 4.9 million; previous year: € 3.7 million) and a provision for impending losses of € 5.5 million (previous year: € 41.5 million) for the valuation of derivatives. The provisions include an obligation to pay the option premium of the deal contingent option to hedge the USD purchase price liability in connection with the planned Woowa acquisition in South Korea (€ 47.0 million; previous year: € 44.8 million).

The liabilities as of December 31, 2020 (€ 4,728.3 million; previous year: € 222.0 million) mainly related to repayment obligations (including accrued interest) arising from the convertible bonds issued (€ 3,263.1 million; previous year: nil) and liabilities from loans granted as part of the collar transactions (€ 1,377.9 million; previous year: € 208.0 million).

d) Overall assessment

Overall, the management assesses the Company's net assets, financial position and results of operations as positive. The additional liquidity raised creates the basis for further investing activities and further growth of the Company's subsidiaries.

The result in 2020 was significantly influenced by impairments on financial assets, mainly driven by intragroup restructuring and as well as permanent impairments due to anticipations of lower margins in connection with the focus on the Own-Delivery segment. Further, the development of the US dollar-EUR exchange rate and related valuation effects on the deal contingent option and short term investments nominated in US dollars that are held in anticipation of the purchase price payment from the Woowa transaction in US dollars, as well as valuation effects on loans issued in foreign currencies and valuation effects from the Collar-IV-transaction impacted the result.

The acquisition of Woowa in March 2021 is subject to the condition imposed by the Korean Antitrust Commission ("KFTC") in South Korea to divest the 100% South Korean subsidiary Delivery Hero Korea LLC. It is expected that the sale will be completed within fiscal year 2021 generating a disposal gain that will have a significant impact on the 2021 net result as key financial performance indicator. In this respect, the Company expects that the net result for 2021 will be significantly higher than the net result for 2020.

Berlin, April 23, 2021

Delivery Hero SE

The Management Board

Niklas Östberg
Managing Director

Emmanuel Thomassin
Managing Director

F. OTHER DISCLOSURES

1. 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** – Takeover-related disclosures and explanatory notes by the Management Board of the 2020 annual report are incorporated by reference into this Combined management report.

2. 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** – Compensation report of the 2020 annual report is incorporated by reference into this Combined management report.

3. Corporate Governance

The Management Board and the Supervisory Board of Delivery Hero SE have issued the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) (based on the German Corporate Governance Code in the version dated February 7, 2017, as well as the version dated December 16, 2019, published in the Federal Gazette on March 20, 2020), which was published on the website of Delivery Hero SE in December 2020 **(↗ https://ir.deliveryhero.com/declaration-of-compliance).**

The **Group Corporate Governance Statement** according to Section 289f and Section 315d of the German Commercial Code (HGB) is included in the section Corporate Governance of the 2020 Annual Report.

4. Non-Financial Report

The combined separate non-financial report of Delivery Hero SE and the Group prepared in accordance with Sections 315b and c and 289b to e of the German Commercial Code (HGB) has been assured with limited assurance by KPMG AG Wirtschaftsprüfungsgesellschaft. It is included in the annual report 2020 in the section separate non-financial report and published on the website of Delivery Hero SE **(↗ https://ir.deliveryhero.com/NFS).**

5. Treasury Shares

For information on 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 2020 financial statements of Delivery Hero SE, Section III. Notes to the individual balance sheet items – Equity, are published on the website of Delivery Hero SE **(↗ https://ir.deliveryhero.com/reports).**

CONSOLIDATED **FINANCIAL STATEMENT**

Use our interactive table of contents.
You will be taken directly to the relevant page.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as of December 31, 2020

ASSETS

EUR million	Note	**Dec. 31, 2020**	Dec. 31, 2019
NON-CURRENT ASSETS			
Intangible assets	F.01.	1,377.3	1,046.7
Property, plant and equipment	F.02.	342.7	193.4
Other financial assets	F.03.	419.8	395.2
Other assets	F.05.	0.1	1.8
Deferred tax assets	F.06.	0.1	0.4
Investments accounted for using the equity method	D.03.c)	295.4	85.6
		2,435.4	**1,723.0**
CURRENT ASSETS			
Inventories	F.07.	36.1	8.4
Trade and other receivables	F.04.	138.2	129.4
Other financial assets	F.03.	23.1	41.8
Other assets	F.05.	79.5	65.6
Income tax receivables	F.16.	7.3	5.0
Cash and cash equivalents	F.08.	2,922.2	699.4
Assets of disposal group classified as held for sale	F.09.	132.6	–
		3,339.0	**949.7**
Total assets		**5,774.3**	**2,672.7**

EQUITY AND LIABILITIES

EUR million	Note	**Dec. 31, 2020**	Dec. 31, 2019
EQUITY			
Share capital/subscribed capital	F.10.a) and b)	199.4	188.8
Capital reserves	F.10.c)	3,485.4	2,745.6
Retained earnings and other reserves	F.10.d)	−2,520.0	−1,062.8
Treasury shares	F.10.e)	−0.1	−0.1
Equity attributable to shareholders of the parent company		1,164.7	1,871.5
Non-controlling interests		3.7	−2.0
		1,168.5	**1,869.5**
NON-CURRENT LIABILITIES			
Pension provisions	F.11.	0.4	5.7
Other provisions	F.12.	12.1	6.9
Trade and other payables	F.13.	598.5	132.6
Convertible bonds	F.14.	2,949.5	–
Other liabilities	F.15.	20.0	4.1
Deferred tax liabilities	F.06.	26.4	36.1
		3,607.0	**185.4**
CURRENT LIABILITIES			
Other provisions	F.12.	65.1	47.2
Trade and other payables	F.13.	655.8	472.9
Other liabilities	F.15.	124.8	77.4
Income tax liabilities	F.16.	36.3	20.4
Liabilities of disposal group classified as held for sale	F.09.	117.0	–
		998.9	**617.9**
Total equity and liabilities		**5,774.3**	**2,672.7**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period from January 1 to December 31, 2020

EUR million	Note	2020	2019
CONTINUING OPERATIONS			
Revenue	G.01.	2,471.9	1,237.6
Cost of sales	G.02.	–1,977.8	–926.4
Gross profit		**494.2**	**311.2**
Marketing expenses	G.03.	–632.4	–495.2
IT expenses	G.04.	–152.3	–94.8
General administrative expenses	G.05.	–615.3	–373.5
Other operating income	G.06.	36.0	19.9
Other operating expenses	G.07.	–4.5	–6.7
Impairment losses on trade receivables and other receivables	G.07.	–19.7	–8.8
Operating result		**–894.2**	**–648.0**
Net interest result	G.08.	–73.2	–9.4
Other financial result	G.09.	–334.4	93.7
Share of profit or loss of associates accounted for using the equity method	D.03.e)	–86.7	–99.7
Earnings before income taxes		**–1,388.5**	**–663.4**
Income taxes	G.10.	–14.2	–26.5
Net loss for the period from continuing operations		**–1,402.7**	**–689.9**
Net income for the period from discontinued operations		–	920.2
Net result		**–1,402.7**	**230.2**

EUR million	Note	2020	2019
OTHER COMPREHENSIVE INCOME (NET)			
Items not reclassified to profit or loss:			
Remeasurement of net liability (asset) arising on defined benefit pension plans	F.10.d)	–2.5	–1.3
Items reclassified to profit or loss in the future:			
Effect of movements in exchange rates	F.10.d)	–48.2	–27.4
Other comprehensive income		**–50.8**	**–28.7**
Total comprehensive income for the period		**–1,453.5**	**201.5**
Net result for the period attributable to:			
Shareholders of the parent		–1,404.6	231.4
Non-controlling interests		1.9	–1.1
Total comprehensive income attributable to:			
Shareholders of the parent		–1,459.2	202.7
Non-controlling interests		5.8	–1.1
Diluted and basic earnings per share from continuing operations in EUR		–7.00	–3.62
Diluted and basic earnings per share from continued and discontinued operations in EUR		–7.00	1.22

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to December 31, 2020

	Attributable to the owners of the parent								
			Retained earnings and other reserves						
EUR million	Subscribed capital	Capital reserves	Retained earnings	Currency translation reserve	Revaluation for pension committments	Treasury shares	**Total**	Minority interests	**Total equity**
NOTE	F.10.a) and b)	F.10.c)	F.10.d)	F.10.d)	F.10.d)	F.10.e)			
Balance as of January 1, 2020	**188.8**	**2,745.6**	**–749.0**	**–311.6**	**–2.2**	**–0.1**	**1,871.5**	**–2.0**	**1,869.5**
Net result	–	–	–1,404.6	–	–	–	–1,404.6	1.9	–1,402.7
Other comprehensive income	–	–	–	–52.1	–2.5	–	–54.7	3.9	–50.8
Total comprehensive income	**–**	**–**	**–1,404.6**	**–52.1**	**–2.5**	**–**	**–1,459.2**	**5.8**	**–1,453.5**
Transactions with owners-payment received and change in non-controlling interests									
Capital increases	10.6	579.2	–	–	–	–	589.8	–	589.8
Equity-settled share-based payments	–	76.6	–	–	–	–	76.6	–	76.6
Equity-compound instrument	–	84.0	–	–	–	–	84.0	–	84.0
Other changes to equity[1]	–	–	2.1	–	–	–	2.1	–	2.1
Transactions with owners	**10.6**	**739.9**	**2.1**	**–**	**–**	**–**	**752.5**	**–**	**752.5**
Balance as of December 31, 2020	**199.4**	**3,485.4**	**–2,151.5**	**–363.8**	**–4.8**	**–0.1**	**1,164.7**	**3.7**	**1,168.5**

1 Includes results from hyperinflationary economies of € 2.4 million.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the period from January 1 to December 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 for pension committments	Treasury shares	**Total**	Minority interests	**Total equity**
NOTE	F.10.a) and b)	F.10.c)	F.10.d)	F.10.d)	F.10.d)	F.10.e)			
Balance as of January 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-payment 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 in control	–	–	–	–	–	–	–	–	–
Other changes	–	–	−8.8	–	–	–	−8.8	1.4	−7.4
Transactions with owners	**2.8**	**57.4**	**−8.8**	**–**	**–**	**–**	**51.4**	**1.4**	**52.8**
Balance as of December 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.

CONSOLIDATED STATEMENT OF CASH FLOWS

for the period from January 1 to December 31, 2020

EUR million	Note	**2020**	2019
1. Cash flows from operating activities			
Net result		−1,402.7	230.2
Income taxes		14.2	29.9
Income tax paid		−25.6	−15.3
Amortization, depreciation and write-downs	F.01./F.02.	148.4	99.6
Write downs of financial assets		1.0	0.8
Increase (+)/decrease (−) in provisions	F.12.	32.6	44.2
Non-cash expenses from share-based payments	G.05.	86.1	44.8
Other non-cash expenses (+) and income (−)		171.0	79.0
Gain (−)/loss (+) on disposals of non-current assets		1.9	−20.4
Gain on deconsolidation		−1.7	−938.6
Increase in inventories, trade receivables and other assets		−100.0	−54.3
Increase in trade and other payables		295.1	189.4
Interest and similar income (−)/expense (+)	G.08./G.09.	249.7	−54.1
Cash flows from operating activities		**−530.0**	**−364.8**
2. Cash flows from investing activities			
Proceeds (+)/Payments (−) from the disposal of property, plant and equipment		−0.3	1.6
Payments for investments in property, plant and equipment	F.02.	−169.0	−69.2
Proceeds from disposal of intangible assets		1.1	2.1
Payments for investments in intangible assets	F.01.	−39.1	−25.9
Proceeds (+)/payments (−) for investments in other financial assets		−9.5	381.8
Net payments for loans to third parties		−1.2	−0.5
Net payments for acquisitions	D.02.	−399.9	−133.2
Net proceeds (+)/net payments (−) from the sale of subidiaries or discontinued operations		−0.6	487.5
Payments for the acquisition of equity investments	F.08.	−289.2	−24.5
Interest received		2.4	7.3
Dividends received		0.1	0.2
Cash flows from investing activities		**−905.2**	**627.3**
3. Cash flows from financing activities			
Proceeds from capital contributions	F.10.	589.8	27.6
Proceeds from loans and borrowings	F.14.	3,234.9	175.0
Repayments of loans and borrowings		−45.3	−202.6
Interest paid		−15.0	−0.2
Cash flows from financing activities		**3,764.4**	**−0.1**
4. Cash and cash equivalents at the end of the period			
Net change in cash and cash equivalents		2,329.3	262.3
Effect of exchange rate movements on cash and cash equivalents		−51.5	−2.8
Cash and cash equivalents at the beginning of the period	F.08.	699.4	439.8
Cash and cash equivalents at the end of the period[1]		**2,977.2**	**699.4**

1 Cash of € 54.9 million included in a disposal group classified as held for sale as of December 31, 2020.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. GENERAL INFORMATION

1. Company information

The Delivery Hero Group (also: DH, DH Group, Delivery Hero or Group) offers online food ordering and delivery services in nearly 50 countries in four geographical areas, comprising Asia, America, Europe and MENA.

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 23, 2021.

2. 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.

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.

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.16.

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.

1. 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 are 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.11 contains a detailed overview of all the subsidiaries.

b) Associates

Associates are entities over 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 be clearly demonstrated. As of the reporting date, the Group had six (previous year: five) associates included at equity in the consolidated financial statements. They are listed in the list of shareholdings in Section H.11.

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

2. 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 other comprehensive income (OCI) in the consolidated financial statements.

For the purpose 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.

3. Recognition of revenue

DH Group generates revenue mainly from online marketplace services, delivery fees, non-commission-based revenue, in particular premium placements and other advertising services, and payment fees. Delivery Hero also generates growing revenues from orders placed in Dmarts and self-operated kitchens.

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 also act as principal.

For the sale and delivery of a variety of grocery items through our delivery-only stores ("Dmarts"), Delivery Hero acts as 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.

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 to the partners over time.

The consideration for the online marketplace services with and without delivery primarily comprises 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 2 and 90 days. Any vouchers 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.

4. 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	**2020**	2019
Operating and office equipment	2–15	2–15
Leasehold improvements	2–20	2–20

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.

5. Intangible assets and goodwill

Intangible assets acquired separately are recognized at cost. 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	**2020**	2019
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 based on historical restaurant churn rates.

Impairment of intangible assets

Intangible assets are tested for impairment as part of a cash generating unit (CGU) or a group of CGUs where applicable. A CGU 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, performed on November 30, 2020.

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.

6. Leases

a) Leases as a lessee

In its role as a lessee, the Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises 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 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 cost 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, judgment is applied to assess the exercise of the respective option.

b) Leases as a lessor

The Group also acts as an intermediate lessor and accounts for its interest in the head lease and the sub-lease separately. At lease inception the Group determines whether each sub-lease is a finance lease or an operating lease.

To classify each sub-lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the sub-lease is for the major part of the economic life of the asset. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset.

The Group recognizes lease payments received under operating leases as part of 'revenue'.

c) COVID-19-related rent concessions

The Group has applied COVID-19-related Rent Concessions – Amendment to IFRS 16. The Group applies the practical expedient allowing it not assess whether eligible rent concessions that are a direct consequence of the COVID-19 pandemic are lease modifications. The Group applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Group chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Group assesses whether there is a lease modification.

7. 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 Dmarts, 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.

8. 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 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 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 and/or 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.

9. 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 and derivative financial instruments. 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.

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 that are overdue for more than 180 days (previous year: 120 days), or specifically impaired (e.g., insolvency of a 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 and the derivative financial instrument in connection with the Convertible Bond II. 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. Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds denominated in euro that can be converted to ordinary shares at the option of the holder, when the number of shares is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

11. 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 to 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.

12. 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 at 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.

13. 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 uses 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.

14. 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.

15. Government grants

The Group has received government grants related to income and revenue. Grants that compensate the Group for expenses incurred are deducted in reporting the related expenditures on a systematic basis in the periods in which the expenses are recognized, unless the conditions for receiving the grant are met after the related expenses have been recognized. In this case, the grant is recognized when it becomes receivable. Grants related to revenue are recognized separately as other income.

16. Judgment and use of estimates

The application of accounting policies and the preparation of the consolidated financial statements requires management to make decisions that involve judgment and estimates. This is particularly applicable to 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 (e.g. restaurants). Accordingly DH Group deducts vouchers and discounts granted to orderers, equally to a consideration payable to the customer, from revenue.

Goodwill allocation

A business combination is a transaction in which an acquirer obtains control of one or more businesses. Within the scope of the first-time consolidation of such a business, all acquired assets and liabilities are recognized in the statement of financial position at fair value at the acquisition date. A debit difference between the acquisition cost and proportionate fair value of identifiable assets, liabilities and contingent liabilities is shown as goodwill. A credit difference is recorded in the income statement.

Determining an appropriate method for 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 or in which voting rights are not substantive, other qualitative factors are considered in order to assess whether DH Group controls the entity.

Determination of lease term and implicit interest rate

Lease contracts entered into by entities occasionally include extension options. DH Group applies judgment on whether exertion of extension options is reasonably certain. The Group also applies judgement in determining the interest rate implicit in the lease.

Classification of share-based payments as equity-settled

DH Group classifies its stock option program, which 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.

Evaluation of closely related criterion

DH Group applies judgement in determining whether derivatives embedded in hybrid contracts are closely related to the host contract, considering both the nature of the host contract and the nature of the underlying of the derivative.

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

As of December 31, 2020, the probability of completing the planned transaction with Woowa and the timing of closing are significant unobservable input parameters 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 is 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	36.10%	53.80%

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.12.).

Recognition of 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 WACC, 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 the 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.).

IFRIC 23 – Uncertainty over Income Tax Treatments

IFRIC 23 clarifies how to apply the recognition and measurement requirements in IAS 12 when there is uncertainty over income tax treatments. Recognition and measurement require the use of assumptions, for instance whether an entity should consider uncertain treatments separately or together with other uncertainties, whether a probable or expected value should be used for the uncertainty and whether changes have occurred since the prior period. The risk of detection is insignificant with respect to accounting for uncertain items of the statement of financial position. Items are accounted for under the assumption that the taxation authorities will examine the treatment in question and that all relevant information is available to them.

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

Further information on the assumptions and estimates made is 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

Several new standards and interpretations became effective during 2020 with no material effect on the Group's consolidated financial statements.

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, 2021. 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; including Amendments to IFRS 17	January 1, 2023[1]	No significant effect expected
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39 and IFRS 7)	January 1, 2021[1]	No significant effect expected
Amendments to IFRS 4 Insurance Contracts	January 1, 2021	No significant effect expected
Amendments to IFRS 3 Business Combinations	January 1, 2022[1]	No significant effect expected
Amendments to IAS 16 Property, Plant and Equipment	January 1, 2022[1]	No significant effect expected
Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets	January 1, 2022[1]	No significant effect expected
Amendments to Annual Improvements 2018–2020	January 1, 2022[1]	No significant effect expected
Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	January 1, 2023[1]	No significant effect expected

1 Not yet endorsed by the European Union.

D. SCOPE OF CONSOLIDATION

1. Changes in the Group

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

NUMBER OF CONSOLIDATED SUBSIDIARIES

	2020	2019
January 1	**133**	**125**
Additions	78	25
Disposals (including mergers and liquidations)	8	17
December 31	**203**	**133**

The additions to the consolidation scope in 2020 predominantly results from the launch and expansion of the new verticals. Further, the acquisitions of InstaShop, Glovo's Latin American business and Honest Food groups in the Middle East, LatAm and Europe regions respectively (refer to Section D.02) has also contributed to the additional entities in the scope of consolidation.

Disposals in 2020 comprise liquidations and mergers following group-internal restructuring measures.

The number of equity-accounted companies increased to six as of December 31, 2020. The changes in numbers during 2020 and 2019 is presented below:

NUMBER OF CONSOLIDATED SUBSIDIARIES

	2020	2019
January 1	**5**	**5**
Additions	1	2
Divestiture/consolidation	–	2
December 31	**6**	**5**

During the reporting period, Delivery Hero Group acquired 17.2% stake in WhyQ Pte Ltd., an online food delivery platform dedicated to Street Food segment in Singapore. The investment is accounted for at-equity considering the ability to exercise significant influence through voting rights in combination with representation on the board of directors.

2. Acquisitions

During the year 2020, Delivery Hero Group acquired the marketplace grocery business InstaShop Limited, BVI ("InstaShop"), the food delivery business of Glovoapp LatAm SLU, Spain ("Glovo LatAm") which owns 100% of Glovo's LatAm business and Honest Food Company GmbH ("Honest Food"), an own operated kitchen business headquartered in Germany, with active operations in Austria.

a) InstaShop

As of August 14, 2020, the Group has acquired 100% of InstaShop Limited, British Virgin Island, the parent company of InstaShop Group InstaShop is the largest online e-grocery marketplace business in the MENA region. Apart from groceries, InstaShop has also partnered with pharmacies, pet shops, flower shops, butcheries, bakeries and other stores that supply products for daily needs. The group excercises control over InstaShop, which enables it to further strengthen its position in MENA.

The present value of total consideration for this acquisition was € 295.2 million. It includes a contingent consideration of € 63.6 million, which is dependent on future business performance.

The total consideration for the transaction was allocated between the recognized assets and the assumed liabilities as follows based on provisional accounting in accordance with IFRS 3.45.

EUR million	Fair values at date of acquisition
Intangible assets	40.1
Property, plant and equipment	0.4
Trade and other receivables	2.4
Other assets	0.2
Cash and cash equivalents	4.8
Provisions and liabilities	–0.6
Trade payables	–1.9
Net assets	**45.4**
Consideration transferred	**295.2**
Goodwill	**249.8**

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 € 2.4 million were acquired and are assessed as being fully recoverable.

Since their first inclusion, the acquired entities have contributed € 9.0 million towards the Group's revenues and a net loss of € 0.8 million.

If the acquisitions had been consolidated as of January 1, 2020 the entities would have contributed € 23.9 million to revenue and a net loss of € 2.2 million.

b) Glovo LatAm

As of October 1, 2020, the Group substantially acquired all of the Latin American business of Glovoapp23, S.L. ("Glovo") through a combined asset and share deal[1]. Delivery Hero acquired 100% of the shares of Glovoapp SLU, thereby owning 100% in Glovo's business in the countries Peru, Ecuador, Guatemala, Colombia, Costa Rica and Honduras. Simultaniously, Delivery Hero, through its local entities, acquired Glovo's assets in Argentina, Panama and the Dominican Republic.

Glovo is an on-demand delivery platform that allows its customers to buy, collect and get products delivered within their cities.

With this acquisition Delivery Hero intends to further strengthen its position in LatAm as the transaction complements existing operations in the Americas segment and adds further countries to the map of our services in Latin America.

Glovo is an associated company of the Group and as such the transaction qualifies as a related party transaction. Please refer to chapter H.09. of the Consolidated Financial Statements for further details. Further, warranties and certain indemnities related to the acquisition of the Glovo business in LatAm were received during the acquisition.

The present value of total consideration for acquisition was € 169.5 million. In addition, a contingent consideration of € 12.5 million becomes payable in cash upon a successful migration to Delivery Hero entities.

EUR million	Fair values at date of acquisition
Property, plant and equipment	2.3
Trade and other receivables	2.2
Other assets	2.0
Cash and cash equivalents	9.2
Provisions and liabilities	–0.5
Trade payables	–13.8
Net assets	**1.4**
Consideration transferred	**169.5**
Goodwill	**168.1**

No intangible assets were acquired as part of the acquistion. 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 € 2.2 million were acquired and are assessed as being fully recoverable.

Since their first inclusion, the acquired entities have contributed € 12.8 million towards the Group's revenues and a net loss of € 6.0 million.

If the acquisitions had been consolidated as of January 1, 2020 the entities would have contributed € 71.2 million to revenue and a net loss of € 40.4 million.

c) Honest Food

On February 28, 2020, DH Group acquired 100% of the share capital of Honest Food Company GmbH, Germany through its fully owned subsidiary Delivery Hero Kitchens GmbH. The acquired shares represents all of the voting rights. The fair

1 The acquisition of Glovo's business in Ecuador was completed on December 23, 2020, following approval by the local regulatory authorities.

value of the total purchase price consideration is € 18.8 million, which includes a deferred consideration with a fair value of € 4.6 million. The acquired net assets amount to € 5.9 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 total consideration for Honest Food 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	0.6
Property, plant and equipment	0.3
Trade and other receivables	0.3
Other assets	0.5
Cash and cash equivalents	5.5
Provisions and liabilities	–0.2
Trade payables	–0.9
Deferred tax liabilities	–0.2
Net assets	**5.9**
Consideration transferred	**18.8**
Goodwill	**12.9**

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 € 0.3 million were acquired and are assessed as being fully recoverable.

Since their first inclusion, the acquired entities have contributed € 3.8 million towards the Group's revenues and a net loss of € 4.7 million.

If the acquisitions had been consolidated as of January 1, 2020 the entities would have contributed € 4.6 million to revenue and a net loss of € 5.7 million.

In connection with these business combinations described above, no significant transaction costs were incurred.

d) Completion of transaction with Woowa Brothers Corp., South Korea ("Woowa") in March 2021

On December 13, 2019, Delivery Hero entered into an agreement with Woowa to acquire approximately 88% of the shares in Woowa and resolved on a capital increase against a contribution in kind under the exclusion of subscription rights. On February 2, 2021 Delivery Hero received the written regulatory approval from the Korea Fair Trade Commission confirming its conditional regulatory approval of the transaction by imposing structural remedies (refer to Section F.09. Disposal group held for sale). The transaction effectively closed March 4, 2021. The total consideration consists of € 1.7 billion in cash and 39.6 million new shares in Delivery Hero valued at a share price of € 103.35 as of closing of the transaction on March 4, 2021, resulting in a total amount of € 5.7 billion.

In the context of financing the cash component of the consideration, in January 2020 Delivery Hero placed € 1.75 billion convertible bonds and new shares from a cash capital increase with gross proceeds of € 569.1 million. For further details of this transaction we refer to I. Subsequent events.

e) Acquisitions in the previous year

As of February 28, 2019, the Group acquired Zomato's food delivery business in the United Arab Emirates via an asset purchase agreement. 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	3.8
Net assets	**3.8**
Consideration transferred	**187.4**
Goodwill	**183.6**

During the year 2019, the Group also acquired the food delivery businesses of 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"). The provisional accounting for the acquisitions 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	5.2
Property, plant and equipment	0.5
Trade and other receivables	0.1
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**

3. Disclosures on participations pursuant to IFRS 12

a) Subsidiaries

On December 31, 2020 DH Group had 203 fully consolidated subsidiaries.

Refer to Section H.11 for a complete list of the Group's subsidiaries.

b) Non-controlling interest (NCI)

As of December 31, 2020, the Group had material NCI (37.0%), in its Hungerstation subsidiary (Kingdom of Saudi Arabia (KSA)) (previous year: 37.0% NCI). During the year 2020 the Group increased its shareholding in Sweetheart Kitchens, Dubai, following an additional investment, thereby increasing its share to 70.6% on a fully diluted basis and leaving a material NCI of 29.4% (previous year: 40.0% NCI).

The following tables provide summarized financial information before intragroup elimination for Hungerstation:

SUMMARIZED STATEMENT OF FINANCIAL POSITION OF HUNGERSTATION

EUR million	Dec. 31, 2020	Dec. 31, 2019
Current		
Assets	117.5	45.3
Liabilities	101.4	55.3
Current net assets/(net debt)	16.2	−10.0
Non-current		
Assets	116.0	127.7
Liabilities	4.6	3.6
Non-current net assets/ (net debt)	111.4	124.1
Total net assets/(net debt)	**127.6**	**114.1**

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME OF HUNGERSTATION

EUR million	Dec. 31, 2020	Dec. 31, 2019
Revenue	287.9	242.7
Earnings before income taxes	27.9	5.7
Income taxes	−5.6	1.2
Earnings after taxes	22.3	6.9
Other comprehensive income	−0.7	1.7
Total comprehensive income	**21.6**	**8.6**
Comprehensive income attributable to non-controlling interests	8.0	3.2

SUMMARIZED STATEMENT OF CASH FLOWS OF HUNGERSTATION

EUR million	2020	2019
Net cash flows from operating activities	84.1	36.4
Net cash flows from investing activities	−1.7	−1.2
Net cash flows from financing activities	−3.8	1.5
Net change in cash and cash equivalents	78.6	36.7
Cash and cash equivalents at the beginning of the period	39.3	2.8
Effect of exchange rate movements in cash and cash equivalents	−8.9	−0.2
Cash and cash equivalents at the end of the period	**109.0**	**39.3**

Accumulated non-controlling interests of Hungerstation amounted to € 10.1 million as of December 31, 2020 (December 31, 2019: € 2.1 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	Dec. 31, 2020	Dec. 31, 2019
Current		
Assets	6.6	12.9
Liabilities	10.5	9.5
Current net debt/(net debt)	−3.9	3.4
Non-current		
Assets	11.4	7.7
Liabilities	0.5	15.8
Non-current net assets/ (net debt)	10.9	−8.1
Total net assets/(net debt)	**7.0**	**−4.7**

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME OF SWEETHEART KITCHEN, DUBAI

EUR million	2020	2019
Revenue	3.2	0.4
Earnings before income taxes	−12.9	4.9
Income taxes	–	–
Earnings after taxes	−12.9	4.9
Other comprehensive income	0.2	–
Total comprehensive income	**−12.7**	**4.9**
Comprehensive loss attributable to non-controlling interests	−4.5	−3.5

SUMMARIZED STATEMENT OF CASH FLOWS OF SWEETHEART KITCHEN, DUBAI

EUR million	2020	2019
Net cash flows from operating activities	−10.4	−11.9
Net cash flows from investing activities	−5.5	−3.3
Net cash flows from financing activities	9.0	25.9
Net change in cash and cash equivalents	−6.9	10.7
Cash and cash equivalents at the beginning of the period	10.6	–
Effect of exchange rate movements in cash and cash equivalents	−0.1	−0.1
Cash and cash equivalents at the end of the period	**3.6**	**10.6**

Accumulated non-controlling interests of Sweetheart Kitchen, Dubai, amounted to negative € 8.0 million as of December 31, 2020 (previous year: negative € 3.5 million).

c) Associated companies

As of December 31, 2020, DH Group has interests in six associates, of which two are material (2019: 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 (USD 163.9 million) for a minority stake of 19.5% in Rappi, a Delaware, U.S.-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 the result of financing rounds in September 2019 and December 2020, Delivery Hero's share in Rappi was diluted to 12.5% as of December 31, 2020.

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 FINANCIAL INFORMATION FOR RAPPI

EUR million	2020	2019
Percentage ownership interest	**12.5%**	**14.0%**
Non-current assets	409.9	397.5
Current assets	482.0	518.7
Non-current liabilities	−7.2	−7.5
Current liabilities	−164.1	−95.9
Net assets (100%)	720.6	812.8
Group's share of net assets (12.5%)	90.1	113.5
Carrying amount of interest in associate	90.1	113.5
Revenue (100%)	316.6	162.4
Profit from continuing operations (100%)	−303.9	−419.0
Other comprehensive income (100%)	−0.7	−1.0
Total comprehensive income (100%)	−304.6	−420.0
Group's share of total comprehensive income (12.5%)[1]	−40.3	−73.1
Thereof recognized in the DH Group[2]	−34.1	−73.1

1 During the year 2020, DH Groups share in Rappi fluctuated due to additional funding rounds. The reported share of 12.5% is as at year end. The weighted average share for the entire year was 13.2% (previous year: reported share of 14.0% at year end and weighted average share for the entire year was 17.4%).

2 During the year 2020, only € 34.1 million was recognized in the DH Group since the investment value was fully written off.

2. Glovo

In year 2018, DH Group started investing 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 extensively across Europe and Latin America.

During the year 2020, Delivery Hero further increased its shareholding in Glovo by participating in a funding round and acquiring shares from other minority shareholders for a consideration of € 280.5 million, resulting in a total stake of 36.0% as of December 31, 2020 (December 31, 2019: 12.7%).

The Group has determined that it exercises, as the investee's largest shareholder significant influence due to voting rights and 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 FINANCIAL INFORMATION FOR GLOVO

EUR million	2020	2019
Percentage ownership interest	**36.0%**	**12.7%**
Non-current assets	616.4	296.5
Current assets	361.1	115.0
Non-current liabilities	–135.6	–178.5
Current liabilities	–140.2	–126.1
Net assets (100%)	701.7	106.9
Group's share of net assets (36.0%)	252.6	15.0
Profit elimination from upstream sales	–66.0	–
Carrying amount of interest in associate	186.7	15.0
Revenue (100%)	404.2	216.6
Profit from continuing operations (100%)	–45.6	–188.9
Other comprehensive income (100%)	–	–
Total comprehensive income (100%)	–45.6	–188.9
Total comprehensive income (36.0%) [1,2]	14.8	–188.9
Profit elimination from upstream sales	–66.0	–
Group's share of total comprehensive income (36.0%) [1]	–51.2	–26.5

1 During the year 2020, DH Group's share in Glovo fluctuated due to the participation in funding rounds as well as the acquisition of shares from other shareholders. The reported share of 36.0% is as at year end. The weighted average share for the entire year was 22.4%. (previous year: reported share of 12.7% at year end and weighted average share for the entire year was 14.0%).

2 The Group's share of Q4 2020 profits exceeeded its share of Q1 to Q3 2020 losses, resulting in an attributable income of € 14.8 million.

Individually immaterial associates

The table below includes aggregate financial information of individually immaterial associates:

EUR million	2020	2019
Carrying amount of interests	19.7	6.3
Share of profit/loss attributable to DH Group	–0.5	0.3
Other comprehensive income	–	–

E. OPERATING SEGMENTS

1. 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.

Until December 31, 2019, the Group's business activity was segmented according to geographical attributes. Due to the increasing importance of complementary on-demand service offerings (new verticals), in particular Dmarts and the business model of Kitchens, the segment "Integrated Verticals" is presented separately effective January 1, 2020 alongside the geographic segments (new segment structure).

There is separate internal reporting to the Management Board for the Asia, MENA, Europe and Americas regions and the global Integrated Verticals operations. Turkey is assigned to the MENA segment and Canada to the Americas segment.

The geographic segments comprise the Group's food ordering and delivery services with varying configurations of platform-based marketplace offers and delivery services depending on the respective markets. The regional range of services is affected by demand, infrastructure, demographic circumstances and the competitive situation. Revenues of the geografical segments comprise particularly commission revenues (net basis of gross merchandise value incl. VAT) and individually charged delivery fees. Integrated Verticals capture orders where Delivery Hero acts as a principal (Dmarts and self-operated kitchens). The segment revenue in the Integrated Verticals segment is included based on the revenue recognized from these orders as a principal (gross merchandise value excl. VAT). In 2019, revenue from such integrated vertical operations was included in the regional segments on a commission basis.

The profitability of the operating segments is measured on the basis of adjusted EBITDA. 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 and (iv) 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. Adjusted EBITDA excludes depreciation from right-of-use assets under IFRS 16.

The German businesses disposed of in April 2019 and classified as discontinued operations throughout 2019 are excluded from the Europe segment performance. Delivery Hero's Korean businesses with its major brand Yogiyo are held for sale as of December 31, 2020, but did not qualify as discontinued operation and are therefore included in the 2020 and 2019 segment performance.

For comparative reasons the 2020 segments are additionally stated corresponding to the presentation in the consolidated financial statements 2019 (old segment structure) in accordance with IFRS 8 requirements.

The prior-period information is not restated in the new segment structure.

2. Segment information and reconciliation of segment information

a) Segment 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 the following exceptions:

- 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.
- Intercompany commission fees charged to the Integrated Vertical operations for the listing services on the platforms as well as recharges of logistics services from other DH entities are included in the segment revenue of the respective geographic segment. The intersegment revenue is consolidated to derive the Total Segment Revenue.
- For 2019, revenues from the sale of other on-demand items where Delivery Hero acts as principal (primarily Dmart sales) were presented net of merchandise value for segment reporting purposes whereas presented on gross basis in the consolidated group revenue in accordance with IFRS 15.

Revenues are split across the segments as follows:

REVENUE

EUR million	**2020 (new)**	2020 (old)	2019
Asia	1,196.0	1,211.8	455.5
MENA	894.3	931.1	716.6
Europe	323.1	327.2	173.2
Americas	257.4	259.7	110.4
Integrated Verticals	183.6	–	–
Intersegment consolidation adjustments	–18.2	–	–
Total Segment Revenue	**2,836.2**	**2,729.8**	**1,455.7**
Reconciliation effects[1]	–0.1	106.2	7.2
Vouchers	–364.1	–364.1	–225.3
Revenue	**2,471.9**	**2,471.9**	**1,237.6**

1 For segment reporting purposes (old) revenues from other on-demand items where Delivery Hero acts as principal are presented net of merchandise value (gross profit presentation).

b) Adjusted EBITDA

ADJUSTED EBITDA

EUR million	**2020 (new)**	2020 (old)	2019
Asia	–456.1	–471.2	–312.2
MENA	98.6	57.9	43.3
Europe	–2.2	–8.1	–19.0
Americas	–143.1	–146.3	–143.0
Integrated Verticals	–64.9	–	–
Adjusted EBITDA of the Segments	**–567.7**	**–567.7**	**–430.9**
Consolidation adjustments	–	–	–6.3
Items excluded from segment performance	–	–	–22.0
Management adjustments	–92.1	92.1	–49.0
Expenses for share-based compensation	–86.1	–86.1	–44.8
Other reconciliation items	2.4	2.4	2.3
Amortization and depreciation	–150.7	–150.7	–97.2
Net interest and other financial result	–494.3	–494.3	–15.5
Earnings before income taxes	**–1,388.5**	**–1,388.5**	**–663.4**

Management adjustments include (i) expenses for services related to corporate transactions and financing rounds of € 59.7 million (previous year: € 34.8 million), thereof € 29.8 million expenses were recognized for earn-out liabilities in connection with acquisitions of current and previous years (previous year: € 13.3 million), € 5.9 million in connection with the placement of convertible bonds (previous year: € 0.0 million) as well as other M&A related expenses, and (ii) expenses for reorganization measures of € 26.4 million (previous year: € 14.3 million), mainly with respect to the integration of the Carriage business into Talabat in MENA (€ 9.4 million), and legal consulting (€ 10.7 million).

Other reconciliation effects include mainly non-operating income and expenses. In 2020, this item includes gains related to previous transactions, in particular, the release of a liability for a contingent consideration of € 9.0 million regarding the acquisition of the Zomato business in 2019 and the release of a provision of € 1.6 million in the context of the settlement of warranty claims for the foodpanda acquisition in 2016. In addition, this item includes, other reconciliation effects, including expenses for non-income taxes of € 13.3 million (previous year: € 4.3 million), of which € 4.2 million relate to prior-period taxes for operations, which were divested in 2018.

In 2019 items excluded from segment performance of € 22.0 million relate to expenses for operations that were divested in 2018.

3. Information about geographical areas

The tables below show the revenue and non-current assets for material countries in the Group[2]. The geographical allocation of the revenue and assets is based on the domicile of each subsidiary.

a) Revenue

EUR million	2020	2019
Saudi Arabia	299.2	260.4
Taiwan	273.8	76.1
Korea	205.3	94.8
Other countries	1,693.3	806.2
Subtotal continuing operations	**2,471.7**	**1,237.6**
Germany	0.2	26.1
Total	**2,471.9**	**1,263.7**

b) Non-current assets

EUR million	2020	2019
United Arab Emirates	487.8	221.5
Germany	387.6	140.3
Turkey	197.9	248.8
Other countries	942.2	716.9
Total	**2,015.5**	**1,327.5**

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

1. Intangible assets

a) Reconciliation of carrying amount

Intangible assets increased by € 330.6 million in the current year. This change is primarily due to goodwill additions of € 440.8 million and other intangible assets identified (€ 42.7 million) mainly in the course of the acquisition of InstaShop and the Latin America business of Glovo (refer to Section D.02.). In addition, internally generated intangible assets of € 34.4 million were capitalized mainly comprising own developed IT software. Additions were offset by negative FX effects of € 156.0 million, amortization of € 39.5 million and other effects of positive € 8.2 million.

Goodwill is not subject to amortization.

The useful life of both, trademarks and customer and supplier relationships, identified as part of the acquisitions, is between three and ten years and three and 25 years, respectively. The actual remaining useful life of the other trademarks extends 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 general administrative expenses, except for the amortization of trademarks, which is reflected in marketing expenses.

2 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, 2020	**781.6**	**8.7**	**217.3**	**40.4**	**23.0**	**132.2**	**1,203.3**
Additions through business combinations	440.8	0.0	3.9	5.9	–	32.8	483.5
Disposals due to deconsolidation	−0.4	0.0	0.0	−3.7	–	–	−4.2
Additions	–	2.4	0.1	1.7	34.4	0.6	39.1
Reclassification to assets held for sale	−11.7	0.0	−0.2	−2.1	−1.0	−0.9	−15.9
Disposals	–	0.0	–	−1.3	−0.3	0.0	−1.7
Translation differences	−89.5	−2.3	−46.7	−1.5	−3.0	−13.0	−156.0
As of Dec. 31, 2020	**1,120.8**	**8.7**	**174.4**	**39.4**	**53.2**	**151.7**	**1,548.2**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES							
As of Jan. 1, 2020	**−15.1**	**−4.1**	**−56.0**	**−20.4**	**−10.7**	**−50.4**	**−156.6**
Additions through business combinations	–	–	0.0	–	–	–	0.0
Disposals due to deconsolidation	0.4	0.0	0.0	3.7	–	–	4.2
Amortization	–	−1.7	−9.6	−5.5	−8.2	−14.5	−39.5
Impairment losses	−0.2	0.0	0.0	0.0	–	−1.0	−1.2
Reclassification to assets held for sale	–	–	0.2	1.7	0.3	0.5	2.6
Disposals	–	0.0	–	0.9	0.0	0.0	0.9
Translation differences	0.3	0.9	10.6	0.9	0.9	5.0	18.6
As of Dec. 31, 2020	**−14.5**	**−4.8**	**−54.9**	**−18.6**	**−17.8**	**−60.4**	**−171.0**
Carrying amount as of Dec. 31, 2020	**1,106.3**	**3.9**	**119.5**	**20.8**	**35.5**	**91.3**	**1,377.3**
Carrying amount as of Jan. 1, 2020	**766.6**	**4.6**	**161.3**	**20.1**	**12.3**	**81.9**	**1,046.6**

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	–	–	–0.7	–0.2	–	–10.6
Additions	–	4.8	–	2.6	12.9	5.6	25.9
Reclassifications	–	–7.1	–0.1	6.8	0.8	–0.4	–
Disposals	–	–	–	–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	–	–	–	–	–	–	–
Disposals due to deconsolidation	9.6	0.0	–	0.7	–	–	10.4
Amortization	0.0	–1.0	–15.3	–9.0	–4.1	–12.1	–41.5
Impairment losses	–1.9	–0.1	–	–	–	–2.1	–4.1
Reclassifications	–	1.9	–	–2.1	–0.3	0.6	–
Disposals	–	–	–	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	**766.5**	**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**

b) Breakdown of goodwill

As of December 31, 2020 and 2019, the goodwill, net of impairment losses is allocated as follows:

EUR million	2020	2019
Talabat Group	303.0	250.7
InstaShop Group	246.2	–
LatAm Group	172.8	15.9
Hungerstation Group	105.6	115.1
Subtotal	**827.6**	**381.7**
Goodwill of other CGUs	278.7	384.9
Total	**1,106.3**	**766.6**

Goodwill of the Talabat Group has increased as of December 31, 2020 compared to the previous year, driven by foreign currency translation movements. Goodwill of the InstaShop Group arises from the acquisition of the business in 2020. The goodwill of the LatAm Group has increased as of December 31, 2020 compared to the previous year as a result of the acquisition of the Latin America business of Glovo (refer to Section D.02.).

In the course of the 2020 annual impairment test, the recoverable amount of all CGUs exceeded their carrying amount and no goodwill impairment losses were recognized. In 2019, the impairment losses of € 2.0 million were recorded in other operating expenses.

The fair value less costs of disposal of the CGUs (categorized as level 3 in 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 2020:

CGU

%	Talabat Group	Instashop Group	LatAm Group	Hunger-station Group	Other goodwill
Revenue growth p.a. in planning period (CAGR)	29.7	65.1	36.6	10.2	40.7
Average EBITDA margin in planning period	12.8	47.1	−6.4	16.1	−4.9
Terminal value revenue growth	1.0	0.8	5.4	0.8	3.7
EBITDA margin after end of planning period	25.0	50.0	15.0	20.0	23.3
Average discount rate in planning period/WACC	10.4	10.5	19.4	9.3	14.4
Age of company [years]	13	5	7	9	7

The following table shows the key planning assumptions in 2019:

CGU

%	Talabat Group	Instashop Group	LatAm Group	Hunger-station Group	Other goodwill
Revenue growth p.a. in planning period (CAGR)	31.2	n/a	49.3	9.5	32.2
Average EBITDA margin in planning period	17.2	n/a	−22.6	15.1	1.8
Terminal value revenue growth	0.7	n/a	4.5	−0,2	1.0
EBITDA margin after end of planning period	25.0	n/a	15.0	15.0	23.6
Average discount rate in planning period/WACC	10.2	n/a	15.2	8.3	10.8
Age of company [years]	8	n/a	9	5	10

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 budget and adjusts it in an iterative process together with central management. The business plan is prepared by the 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 of the cohort models include the customer retention/reorder rate, customer activity rate, average order size and commission rates.

The equity component of 2020 WACC is based on a uniform risk-free base rate of −0.10% for the euro area (previous year: 0.10%) and a CGU-specific risk premium between 7.7% and 21.7% (previous year: 8.1% to 18.5%). 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 total 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: 1.00) is used across all CGUs. Tax rates of between 0% and 35% are applied dependent on the CGU/country. In line with the 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 2020, 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.

2. 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, 2020	**137.6**	**117.2**	**5.4**	**260.2**
Additions through business combinations	0.9	2.6	–	3.5
Disposals due to deconsolidation	−0.5	−0.8	0.0	−1.3
Additions	147.5	132.1	25.6	305.2
Reclassifications	9.1	4.9	−14.0	0.0
Reclassification to assets held for sale	−27.7	−12.8	−1.2	−41.7
Disposals	−4.2	−13.3	−2.1	−19.6
Translation differences	−18.3	−15.2	−1.2	−34.6
As of Dec. 31, 2020	**244.4**	**214.6**	**12.6**	**471.7**
ACCUMULATED DEPRECIATION				
As of Jan. 1, 2020	**−23.6**	**−43.2**	**–**	**−66.8**
Additions through business combinations	−0.1	−0.3	–	−0.4
Disposals due to deconsolidation	0.5	1.0	–	1.5
Depreciation	−46.5	−60.4	0.0	−106.9
Impairment losses	0.0	0.0	–	0.0
Reclassification to assets held for sale	16.1	9.6	–	25.6
Disposals	2.8	6.4	–	9.2
Translation differences	3.5	5.3	0.0	8.7
As of Dec. 31, 2020	**−47.3**	**−81.6**	**0.0**	**−129.0**
Carrying amount as of Dec. 31, 2020	**197.1**	**133.0**	**12.6**	**342.7**
Carrying amount as of Jan. 1, 2020	**114.0**	**74.0**	**5.4**	**193.4**

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**	**0.0**	**–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**	**0.0**	**–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**

The significant increase of property, plant and equipment is mainly attributable to buildings classified as right-of-use assets, which led to additions of € 118.3 million in buildings and leasehold improvements as of December 31, 2020.

Operating and office equipment increased primarily as a result of acquisitions and increased business activities, including the rollout of new verticals. Overall, further investments in property, plant and equipment of Dmarts and virtual kitchens were made during the reporting period.

3. Other financial assets

Other financial assets are composed as follows:

EUR million	Dec. 31, 2020	Dec. 31, 2019
Investments	391.5	379.1
Derivative financial instruments	41.7	52.1
Loans granted	0.1	0.6
Miscellaneous	9.6	5.0
Total	**442.9**	**437.0**
thereof non-current	419.8	395.2
thereof current	23.1	41.8

As of December 31, 2020, investments comprise 2.9 million shares (previous year: 3.3 million shares) in Just Eat Takeaway.com N.V. ("Just Eat Takeaway.com") that the Group received as part of the consideration for the divestement of the German operations in 2019. The shares are accounted for at fair value through profit and loss in accordance with IFRS 9. As of December 31, 2020, the shares are measured at their fair value of € 92.40 per share (in total € 266.1 million; previous year: € 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, a holding company of the Ola group and a minority stake in Movo Miau Miau Internacional SL, Spain. These investments are recognized at their fair value of € 105.7 million (previous year: € 95.6 million).

As of April 4, 2019, Delivery Hero had entered into a first share purchase and multi-year agreement with respect to 3.2 million shares in Just Eat Takeaway.com ("Collar I transaction"). Similar to the other Collar transactions, the shares were transferred into the custody account and sold by

Morgan Stanley on the day of the transaction. Cash proceeds from such transactions 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.

On February 12, 2020, Delivery Hero entered into a forward share purchase agreement with respect to 8.4 million shares in Just Eat Takeaway.com and a multi-year agreement with respect to 8.8 million shares in Just Eat Takeaway.com to restore its exposure following the dilution that had been caused by the merger of Takeaway.com and Just Eat plc. ("Collar II transaction").

Under the Collar II transaction, Delivery Hero purchased 8.4 million additional Just Eat Takeaway.com shares on May 11, 2020. These shares as well as further 0.4 million shares already held by Delivery Hero were transferred into a custody account and subsequently utilized by Morgan Stanley. Delivery Hero was entitled to cash proceeds of € 841.0 million that were netted off as per the agreement against the purchase price liability from the share purchase of € 825.7 million. The net cash proceeds received from the transaction amounted to € 15.3 million. As part of the transaction, Delivery Hero entered into a collar with respect to the 8.8 million Just Eat Takeaway.com shares consisting of a combination of short call and long put positions. This limits the downside risk of fair value changes of the shares while allowing Delivery Hero to participate in part of any further share price appreciation. Following the requirements of IFRS 9, the shares that are utilized by Morgan Stanley and that are subject to the agreement were derecognized. Delivery Hero has the right to repurchase the shares through repayment of the cash proceeds of € 841.0 million. The derivatives represent a continuing involvement in the derecognized shares and expire in tranches between June 2022 and October 2023.

On June 16, 2020, Delivery Hero entered into another share purchase and multi-year agreement with respect to 0.8 million shares in Just Eat Takeaway.com ("Collar III transaction") to restore its exposure after another capital increase by Just Eat Takeaway.com. Delivery Hero purchased 0.8 million Just Eat Takeaway.com shares. Similar to the Collar II transaction, the shares were transferred into the custody account and subsequently utilized by Morgan Stanley. Delivery Hero was entitled to cash proceeds of € 67.7 million that were netted off as per the agreement against the purchase price liability from the share purchase of € 69.8 million. The net cash effect from the transaction amounted to € 2.4 million paid. The agreement further comprises a combination of several short call and long put positions on 0.8 million Just Eat Takeaway.com shares. Delivery Hero has the right to repurchase these shares through repayment of the cash proceeds of € 67.7 million. The underlying shares were derecognized in accordance with IFRS 9 requirements. The derivatives represent a continuing involvement in the derecognized shares and expire in tranches in June 2024.

On October 16, 2020, Delivery Hero entered into another agreement with Morgan Stanley that combined and amended Collar I and Collar II ("Collar IV"). The modifications mainly comprise a prolongation of the expiration terms of the derivatives within the transaction and an amendment of the strike prices for the short call and long put positions. Under Collar IV the derivatives expire in tranches between April and November 2023. The cash payment necessary to reacquire the 12.0 million underlying shares under Delivery Hero's right to repurchase these shares was increased to € 1,310.2 million. The contract modification was considered substantial. Accordingly, the financial instruments associated with Collar I and Collar II were derecognized and the financial instruments from Collar IV were recognized as new financial instruments at fair value through profit or loss. This resulted in an overall loss arising from the derecognition of € 23.7 million.

As of December 31, 2020, net financial assets of € 18.6 million (previous year: € 10.3 million) have been recognized as derivatives identified within the Collar transactions. They are included in other non-current financial assets and represent the maximum exposure to loss at the reporting date. The derivatives are classified as financial instruments measured at fair value through profit or loss.

Current other financial assets as of December 31, 2020 comprised derivative financial instruments and included the deal-contingent option of € 23.1 million (previous year: € 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).

4. Trade and other receivables

The following table gives an overview of trade and other receivables:

EUR million	Dec. 31, 2020	Dec. 31, 2019
Receivables from payment service provider	63.5	67.4
Trade receivables	37.4	26.5
Receivables from riders[1]	12.0	–
Purchase price receivable	–	4.2
Miscellaneous	25.2	31.3
Total	**138.2**	**129.3**

1 Only reported separately from January 1, 2020, onwards.

The increase in trade and other receivables is mainly due to the organic growth of the Group in 2020. Miscellaneous receivables include € 12.0 million short-term investments with a maturity >3 months and € 6.4 million of given deposits in 2020.

5. Other assets

Other assets are composed as follows:

EUR million	Dec. 31, 2020	Dec. 31, 2019
Advance payments/ prepaid expenses	48.7	23.5
Value-added-tax receivables	19.6	23.1
Miscellaneous other assets	11.3	20.8
Total	**79.6**	**67.4**
thereof non-current	79.5	65.6
thereof current	0.1	1.8

Prepaid expenses include € 1.5 million fees for the issuance of equity instruments in connection with the Woowa transaction executed in March 2021.

6. Deferred income taxes

Deferred tax assets and liabilities as of December 31, 2020 and 2019 are as follows:

	Dec. 31, 2020		Dec. 31, 2019	
EUR million	Assets	Liabilities	Assets	Liabilities
Deferred taxes	76.3	102.6	30.8	66.5
Offsetting	−76.2	−76.2	−30.4	−30.4
Total	**0.1**	**26.4**	**0.4**	**36.1**

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 as a result of an increasing number of lease contracts in accordance with IFRS 16. Deferred tax assets on lease liabilities amount to € 35.1 million, deferred tax liabilities resulting from the recognition of right-of-use assets amount to € 37.5 million. Further, the accounting for the convertible bond tranches, the 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, 2020	Dec. 31, 2019
Deferred tax assets	0.1	0.4
Deferred tax liabilities	26.4	36.1
Net deferred taxes recognized	**26.3**	**35.7**
Year-on-year change	**−9.4**	**−6.1**
thereof recognized in profit or loss	−42.7	−4.9
thereof recognized in OCI [1]	33.2	−2.1
thereof (de-)recognized upon acquisitions/ divestments	0.1	0.9

1 Includes translation differences of € 7.2 million (previous year: € 2.2 million) and expenses from the recognition of deferred tax liabilities on the convertible bond tranches of € 40.3 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 € 40.3 million (previous year: € 13.0 million). Further, no deferred tax assets are recorded for trade tax loss carryforwards of € 450.7 million (previous year: € 57.0 million) and for corporation tax loss carryforwards of € 1,634.3 million (previous year: € 860.2 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, 2020	Dec. 31, 2019
Total corporation tax loss carryforwards	**1,634.3**	**860.2**
EXPIRATION		
Within 5 years	426.4	151.3
After 5 years	491.4	305.9
Eligible to be carried forward indefinitely	716.5	403.0

Corporate tax loss carryforwards in connection with § 15 (4) EStG amount to € 202.0 million.

Deferred tax assets and liabilities result from the following balance sheet items:

	Dec. 31, 2020			
EUR million	Deferred tax assets	Deferred tax liabilities	Change during the year	thereof recognized in profit or loss
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	0.1	39.0	4.7	–3.3
Property, plant and equipment	0.9	39.4	–16.8	–13.9
Other financial assets	12.0	–	11.8	11.1
Trade and other receivables	0.1	–	0.1	0.1
Other assets	0.1	–	–0.4	–0.4
CURRENT ASSETS				
Inventories	0.6	–	0.6	0.4
Trade and other receivables	1.2	2.4	–1.4	–0.1
Other assets	0.4	0.3	0.1	0.1
EQUITY AND LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities	–	0.1	0.1	–
Pension provisions	–	–	–0.6	–0.6
Other provisions	0.8	–	0.3	0.2
Trade and other payables	43.2	0.1	27.3	65.7
Other liabilities	–	0.3	–0.4	–0.3
CURRENT LIABILITIES				
Other provisions	0.4	–	–0.7	–0.7
Trade and other payables	11.5	20.9	–12.6	–12.7
Other liabilities	1.1	–	0.1	–
Total temporary differences	**72.5**	**102.6**	**12.2**	**45.6**
Tax loss carryforwards	**3.8**		**–2.8**	**–2.9**
Total	**76.3**	**102.6**	**9.4**	**42.7**
Offsetting	**–76.2**	**–76.2**		
Total after offsetting	**0.1**	**26.4**		

	Dec. 31, 2019			
EUR million	Deferred tax assets	Deferred tax liabilities	Change during the year	thereof recognized in profit or loss
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	–	43.6	5.3	3.5
Property, plant and equipment	0.2	21.9	–21.1	–21.5
Other financial assets	0.2	–	0.3	0.2
Trade and other receivables	0.0	–	0.1	0.1
Other assets	0.5	–	0.5	0.6
CURRENT ASSETS				
Inventories	–	–	–0.5	–0.2
Trade and other receivables	0.5	0.3	0.2	0.4
EQUITY AND LIABILITIES				
NON-CURRENT LIABILITIES				
Financial liabilities	–	0.2	–0.2	–0.2
Pension provisions	0.6	–	0.5	0.3
Other provisions	0.5	–	0.2	–0.1
Trade and other payables	15.8	–	15.2	14.5
Other liabilities	0.1	–	–	–
CURRENT LIABILITIES				
Other provisions	1.1	–	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**		**0.9**	**1.4**
Total	**30.8**	**66.5**	**6.1**	**4.9**
Offsetting	**–30.4**	**–30.4**		
Total after offsetting	**0.4**	**36.1**		

No deferred tax liabilities on temporary differences relating to interests in subsidiaries of € 6.3 million (previous year: € 5.8 million) were recognized, as the parent is able to control the timing of the reversal of the temporary difference and it is not probable that the temporary differences will be reversed in the foreseeable future.

7. Inventories

EUR million	**Dec. 31, 2020**	Dec. 31, 2019
Dmart inventories	24.8	2.1
Rider equipment	9.3	3.4
Miscellaneous	2.0	2.9
Total	**36.1**	**8.4**

Inventories of the Group consist mainly of Dmart inventories and rider equipment. Miscellaneous comprises packages, bags and other items that are provided to restaurants as well as kitchen inventory. The increased level of inventories in 2020 is mainly attributable to the accelerated rollout of Dmarts and the corresponding inventory.

The amount of inventories recognized as an expense during the period amounts to € 134.8 million (previous year: € 16.9 million).

In addition, inventories were reduced by € 6.2 million (previous year: nil) as a result of the write-down to net realisable value. This write-down was recognized as an expense during 2020. The write-downs and any reversals are included in 'cost of sales'.

8. Cash and cash equivalents

Cash and cash equivalents are composed as follows:

EUR million	**Dec. 31, 2020**	Dec. 31, 2019
Cash at banks	2,920.5	697.2
Cash on hand	1.7	2.2
Total	**2,922.2**	**699.4**

The increase in cash and cash equivalents as of December 31, 2020 is the result of net inflows from financing activities (€ 3,764.4 million), in particular the proceeds in connection with the issuance of convertible bonds and a capital increase through authorized capital against cash contribution. Contrarily, continuing investments in the growth of the Group, resulted in a negative operating cash flow (negative € 530.0 million). Further, siginificant acquisitions and increased investments in associates resulted in an investing cash outflow of (negative € 905.2 million).

Significant cash flows in 2020 are summarized below:

Cash inflows

- Cash inflow of € 3,234.9 million from proceeds received from the issue of convertible bonds in January and July 2020 (refer to Section F.14).
- Cash inflow of € 588.0 million from the capital increase through authorized capital against cash contribution in January 2020 (refer to Section F.10) and capital increases in connection with the exercise of equity-settled stock options.

Cash outflows

- Payments for the acquisitions of InstaShop, Glovo's Latin American business and Honest Food amounted to € 399.9 million (net of cash). Further, additional investments in Glovo, Hungry.dk and other minority investments resulted in a net cash outflow of € 289.2 million.
- Payments for investments in property, plant and equipment (€ 169.0 million) and intangible assets (€ 39.1 million) resulted in a cash outflow.

Refer to the consolidated statement of cash flows for a detailed presentation of the 2020 cash flows.

Cash and cash equivalents were not subject to any significant restrictions as of the reporting date. Cash at banks in the amount of € 2,152.2 million are held in bank accounts in Germany.

9. Disposal group held for sale

In December 2020, Delivery Hero accepted the structural remedy that the Korean antitrust authorities have imposed as a condition for their approval of the Woowa transaction. As such the management of the Group committed to a plan to sell Delivery Hero Korea LLC ("DHK"). Accordingly, DHK is presented as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected within 2021. DHK is part of the Asia segment and is included in the 2020 and 2019 segment performance.

As of December 31, 2020, the disposal group is stated at its carrying amount and comprised the following assets and liabilities.

EUR million	Dec. 31, 2020
Intangible assets	13.3
Property, plant and equipment	16.1
Other financial assets	12.8
Trade and other receivables	34.0
Other assets	1.6
Cash and cash equivalents	54.9
Assets included in a disposal group classified as held for sale	**132.6**
Pension provisions	6.9
Other provisions	5.4
Trade and other payables	81.3
Other liabilities	19.4
Income tax liabilities	4.0
Liabilities of a disposal group classified as held for sale	**117.0**

OCI includes € 4.0 million cumulative expenses for the remeasurement of the net liability from defined benefit plans relating to the disposal group.

10. Equity

a) Subscribed capital

Between January 1, 2020 and December 31, 2020, the number of shares increased from 188,775,039 to 199,382,465 in the course of eleven capital increases.

The nominal value is € 1.00 per share. The subscribed capital of Delivery Hero SE as of December 31, 2020 was fully paid-up.

The change in subscribe capital is summarized as follows:

EUR million	2020
Subscribed capital on January 1	188,775,039
thereof treasury shares	78,230
Issuances for non-cash contribution	0
Issuances for cash contribution	10,607,426
Registered capital on December 31	**199,382,465**
thereof treasury shares	78,230

During the year 2020, the increase in subscribed capital related to capital increases against cash contribution through exercise of its authorized capital as well as increase in connection with the exercise of equity-settled stock options (€ 1.9 million).

b) Authorized and conditional capital

The authorized and conditional capital of Delivery Hero SE as of December 31, 2020 consists of 184,124,441 shares (previous year: 154,727,337 shares).

c) Capital reserves

DH's capital reserves increased by € 739.9 million in the reporting year, which is attributable to the following circumstances:

- € 560.8 million contributions of premiums resulting from a capital increase against cash contribution through exercise of its authorized capital. Further, € 18.4 million increase from issuing new registered shares in the course of exercise of equity settled options
- € 76.6 million increase due to the vesting of the equity-settled share-based payment awards
- Further, capital reserves include the equity component of convertible bonds. In connection with the placement of two tranches of convertible bonds on January 15, 2020 (refer Section F.14), the conversion rights that were classified as equity instruments in accordance with IAS 32 were recognised directly in equity. They amount to € 124.3 million for both tranches after deduction of issuance costs allocated to the equity component of € 0.7 million. Adversely, deferred tax liabilities of € 40.3 million on the liability component of convertible bond tranches were charged to equity components in accordance with IAS 12

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)**
2020					
Effect from foreign currency translation differences	–52.1	–	–52.1	3.9	–48.2
Remeasurement of net liability from defined benefit plans	–	–2.5	–2.5	–	–2.5
Total	**–52.1**	**–2.5**	**–54.6**	**3.9**	**–50.8**
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**

The effect of movement in exchange rates in 2020 and 2019 is mainly 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, 2020 at 78,230 shares.

11. Pension provisions

In accordance with statutory requirements the DH Group maintains defined benefit plans among others 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:

%	**2020**	2019
Actuarial interest rate	1.85–3.95	1.66–2.70
Salary trend	1.59–9.00	3.02–15.90
Mortality – males	0.02	0.02–0.03
Mortality – females	0.01	0.01–0.02

Sensitivities of the present value of the defined benefit obligations (DBO) are presented below:

EUR million	**2020**	2019
DBO on the basis of the current discount rate assumption	0.4	4.1
DBO given an increase in the discount rate of 1 percentage point	0.4	3.9
DBO given a decrease in the discount rate of 1 percentage point	0.3	4.2
DBO on the basis of the current salary trend assumption	0.4	4.1
DBO given an increase in the salary trend of 1 percentage point	0.5	4.2
DBO given a decrease in the salary trend of 1 percentage point	0.3	3.9

The present value of the defined benefit obligation changed as follows:

EUR million	2020	2019
DBO on January 1	4.1	2.7
Reclassifications	−6.8	0.0
Service cost	4.8	1.6
Pension benefits	−1.6	−1.1
Interest expense	0.0	0.0
Actuarial losses	0.0	0.9
Currency translation	−0.1	−0.0
DBO on December 31	**0.4**	**4.1**

The reclassifications relate to the pension provision of the South Korean subsidiaries Delivery Hero Korea LLC. ("Yogiyo") and Fly & Company Ltd.

The DH Group has no qualifying plan assets recognized in the consolidated statement of financial position as of December 31, 2020 and 2019.

Contributions of € 0.1 million are expected to the pension plans for the 2021 financial year.

12. 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 ten 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 which is classified as a cash-settled share-based compensation program.

Other provisions increased mainly due to an antitrust investigation against DH Group in connection with a previous M&A transaction. This also includes provisions for potential obligations with regard to the social security status of riders as well as several smaller legal disputes.

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 January 1, 2020	**2.6**	**12.1**	**10.6**	**28.9**	**54.2**
Acquired through business combinations	–	–	–	0.9	0.9
Addition	1.7	20.5	8.4	17.3	47.9
Utilized	−0.1	−8.3	−5.5	−2.4	−16.3
Reclassification[1]	−1.1	−4.3	–	0.2	−5.3
Reversed	0.0	−1.1	0.0	−1.6	−2.7
Exchange rate differences	0.0	−0.8	0.0	−0.4	−1.3
Disposals due to deconsolidation	–	0.0	–	−0.2	−0.3
As of December 31, 2020	**3.0**	**17.9**	**13.6**	**42.7**	**77.2**
Non-current	2.9	6.4	–	2.8	12.1
Current	0.1	11.5	13.6	39.9	65.1

1 Relates to the reclassification of the South Korean businesses to liabilities of disposal group classified as held for sale.

13. Trade and other payables

Trade and other payables are composed as follows:

EUR million	Dec. 31, 2020	Dec. 31, 2019
CURRENT FINANCIAL LIABILITIES		
Liabilities to restaurants	249.2	214.7
Trade payables	96.6	63.4
Liabilities for outstanding invoices	121.6	71.3
Liabilities to riders [1]	29.4	–
Purchase price liabilities and earn-outs	23.2	43.9
Lease liabilities	55.5	29.7
Convertible loan (short-term portion)	13.1	–
Security deposits received	4.5	2.6
Wallet liabilities	5.6	2.4
Miscellaneous	56.4	44.8
Total current financial liabilities	**655.2**	**472.9**
NON-CURRENT FINANCIAL LIABILITIES		
Purchase price liabilities and earn-outs	79.2	36.4
Lease liabilities	126.4	89.7
Security deposits received	1.2	0.7
Derivative financial instruments	388.9	–
Miscellaneous	2.8	5.9
Total non-current liabilities	**598.5**	**132.6**

1 Only reported separately from January 1, 2020 onwards.

The purchase price liabilities and earn-outs mainly include obligations from the acquisitions of Instashop, Zomato and Hungrig Group (refer to Section D.02. Acquisitions for further details).

In 2020, miscellaneous current financial liabilities include € 44.6 million relating to the deal-contingent USD/EUR option premium (previous year: € 44.8 million) payable upon closing of the Woowa transaction (refer to Section H.02. Financial Instruments for further details) as well as a € 9.0 million fee in relation to the Woowa transaction.

In connection with the Convertible Bonds II, Delivery Hero recognized a derivative financial instrument, which is included in the non-current financial liabilities (refer to Section F.14. Convertible Bonds for further details).

14. Convertible bonds

Placement on January 15, 2020 – Convertible Bonds I

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 I"). The Convertible Bonds I are initially convertible into approximately 17.9 million new or existing ordinary no-par value registered shares of Delivery Hero.

The Convertible Bonds I were 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 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 I have been placed solely to institutional investors in certain jurisdictions via private placement. Shareholders' subscription rights were excluded. The Convertible Bonds I are trading on the non-regulated open market segment (Freiverkehr) of the Frankfurt Stock Exchange.

Delivery Hero is entitled to redeem the Convertible Bonds I 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 I remains outstanding.

The bondholder holds a conditional put right if an investor gains indirect or direct voting rights of 30% or more ("change of control"). If such a change of control occurs, the bondholder has the right to declare those bonds that have not yet been converted or redeemed to be due. In that case, the bonds are redeemed at their principal amount plus interest accrued.

According to IAS 32 "Financial Instruments: Presentation," the conversion right within the Convertible Bonds I constitute an equity instrument, which is included in equity in the amount of € 44.3 million (Tranche A) and € 80.0 million (Tranche B) after deduction of the issuance cost. The liability component is classified as a financial liability at amortized cost. It amounted to € 826.1 million (Tranche A) and € 790.4 million (Tranche B) after deduction of issuance cost upon initial recognition. The difference to the nominal amount of € 48.9 million (Tranche A) and € 84.6 million (Tranche B) is accrued as interest expense of the financial liability over the respective term of the tranches using the "effective interest method." The early redemption features of Delivery Hero and the put right of the bondholders constitute embedded derivatives that are, however, not separated from the host contracts in accordance with IFRS 9, as they are evaluated to be closely related. The values of these embedded derivatives are interdependent.

Placement on July 8, 2020 – Convertible Bonds II

On July 8, 2020, Delivery Hero placed two tranches ("Tranche A" and "Tranche B") of senior, unsecured convertible bonds maturing in July 2025 (Tranche A) and January 2028 (Tranche B) in a principal amount of € 750 million (Tranche A) and € 750 million (Tranche B), divided into 15,000 bonds in a nominal amount of € 100,000 each (the "Convertible Bonds II"). The Convertible Bonds II are initially convertible into approximately 10.2 million new or existing ordinary no-par value registered shares of Delivery Hero.

The Convertible Bonds II were issued at 100% of their nominal value with a semiannually payable coupon of 0.875% p.a. (Tranche A) and 1.500% p.a. (Tranche B). The initial conversion price amounts to € 143.925 (Tranche A) and € 148.975 (Tranche B), representing a conversion premium of 42.5% (Tranche A) and 47.5% (Tranche B) above the reference price of € 101.00 (placement price of the concurrent offering of existing shares). The Convertible Bonds II have been placed solely to institutional investors in certain jurisdictions via a private placement. Shareholders' subscription rights were excluded.

Delivery Hero is entitled to redeem the Convertible Bonds II at any time (i) on or after August 5, 2023 (Tranche A) and February 5, 2026 (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 II remains outstanding.

Delivery Hero holds a contingent cash settlement option. If a takeover bid occured prior to the regular start of the conversion period and the bid was accepted, DH has the option to settle any conversions that occured based on that event either in settlement shares or alternatively in cash. The option expired on February 12, 2021.

The bondholder holds a conditional put right if an investor gains indirect or direct voting rights of 30% or more ("change of control"). If such a change of control occurs, the bondholder has the right to declare those bonds that have not yet been converted or redeemed to be due. In that case, the bonds are redeemed at their principal amount plus interest accrued. The conversion right within the Convertible Bonds II is not classified as equity until the contingent cash settlement option expires. It constitutes an embedded derivative.

The liability component is classified as a financial liability at amortized cost. It amounted to € 659.1 million (Tranche A) and € 638.4 million (Tranche B) after deduction of issuance cost upon initial recognition. The difference to the nominal amount of € 90.9 million (Tranche A) and € 111.6 million (Tranche B) is accrued as interest expense of the financial liability over the respective term of the tranches using the "effective interest method." Taking into account the contingent cash settlement option of Delivery Hero, the conversion right within the Convertible Bond II does not constitute an equity instrument and is therefore, together with the early redemption features and the put right of the bondholders accounted for as one single compound derivative based on their interdependence. The single compound embedded derivative is bifurcated from the host contract according to IFRS 9 and accounted for at fair value through profit and loss. Upon initial recognition the fair value of the derivative amounted to € 196.0 million.

In total Delivery Hero received gross proceeds of € 3.25 billion from the Convertible Bonds I and II. 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., for general corporate purposes and to take advantage of attractive investment opportunities that may arise.

As of December 31, 2020, the financial liability amounted to € 2,949.4 million (Convertible Bond I: € 837.3 million (Tranche A) and € 800.9 million (Tranche B); Convertible Bond II: € 666.8 million (Tranche A) and € 644.4 million (Tranche B)). The short-term liability for accrued interest of both Convertible Bonds amounted to € 18.7 million as of December 31, 2020, and is included in current trade and other payables. The compound derivative recognized in connection with the Convertible Bond II is included in non-current trade and other payables and amounted to € 388.9 million as of December 31, 2020.

15. Other liabilities

Other liabilities are composed as follows:

EUR million	**Dec. 31, 2020**	Dec. 31, 2019
NON-CURRENT OTHER LIABILITIES		
Other long-term employee benefits	18.1	4.0
Miscellaneous	1.9	0.1
Total non-current other liabilities	**20.0**	**4.1**
CURRENT OTHER LIABILITIES		
Taxes and charges	52.8	22.2
Liabilities to employees	37.7	25.8
Deferred income	6.0	4.5
Social security liabilities	12.6	7.2
Other long-term employee benefits (current portion)	5.7	8.4
Miscellaneous	10.1	9.3
Total current other liabilities	**124.8**	**77.4**

Other long-term employee benefit liabilities (non-current and current portion) arose during acquisitions in 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 € 14.7 million (previous year: € 11.9 million) and accrued vacation of € 22.2 million (previous year: € 13.3 million).

Taxes and charges primarily comprise VAT payables, withholding taxes and taxes on salaries.

16. Income tax liabilities and receivables

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

1. Revenue

Revenue is composed as follows:

EUR million	**2020**	2019	Change EUR million	Change %
Commissions	1,808.6	958.3	850.2	88.7
Delivery fees[1]	568.0	313.6	254.5	81.1
Integrated Verticals	179.4	–	179.4	> 100
Prime placings	100.8	75.3	25.5	33.8
Credit card use	73.3	52.4	21.0	40.0
Other	105.8	63.2	42.6	67.3
Less vouchers	–364.1	–225.3	–138.8	61.6
Revenue	**2,471.9**	**1,237.6**	**1,234.3**	**99.7**

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).

EUR million	**2020** Commission revenue	**2020** Non-commission revenue	**2020 Total revenue**	2019 Commission revenue	2019 Non-commission revenue	2019 **Total revenue**
Asia	885.0	311.0	1,196.0	318.2	137.2	455.5
MENA	534.5	359.8	894.3	430.1	286.5	716.6
Europe	236.4	86.7	323.1	133.1	40.1	173.2
Americas	169.5	87.9	257.4	76.8	33.6	110.4
Integrated Verticals	0.1	183.5	183.6	–	–	–
Intersegment consolidation adjustments			–18.2			–
Vouchers			–364.1			–225.3
Reconciliation effects[1]			–0.1			7.2
Revenue			**2,471.9**			**1,237.6**

1 Reconciliation effects in 2019 include revenues from other on-demand items where Delivery Hero acts as principal that are presented net of merchandise value (gross profit presentation).

Refer to Section E. 02. a) for the development of revenue per segment.

2. Cost of sales

Cost of sales are composed as follows:

EUR million	2020	2019	Change EUR million	Change %
Delivery expenses	−1,556.7	−777.0	−779.7	> 100
Fees for payment services	−111.1	−60.3	−50.8	84.2
Server hosting	−34.5	−17.2	−17.4	> 100
Rider equipment	−20.0	−13.6	−6.4	47.5
Picker cost	−22.8	−6.7	−16.1	> 100
Purchase of terminals and other POS systems	−22.0	−9.7	−12.3	> 100
Goods and merchandise	−9.8	−5.9	−4.0	66.5
Expenses for data transfer	−6.3	−5.1	−1.2	23.5
Call center expenses	0.0	−0.1	0.1	> 100
Integrated Verticals	−157.1	−8.4	−148.7	> 100
Other costs of sales	−37.4	−22.6	−14.8	65.6
Cost of Sales	**−1,977.8**	**−926.4**	**−1,051.4**	**> 100**

The increase in cost of sales is primarily attributable to the continuous expansion of the own delivery business, including the further launch of Dmarts and kitchens. Delivery expenses include own delivery personnel (€ 140.3 million; previous year: € 144.8 million) as well as external riders and other operating delivery expenses (€ 1,416.4 million; previous year: € 632.1 million).

Cost of sales related to Integrated Verticals mainly comprise Dmart-related costs of goods sold after received discounts of € 126.5 million (previous year: € 7.2 million) as well as allowances for adjustments of inventory to net realizable value of € 6.2 million (previous year: n/a). Picker costs relate to the physical collection of the order units in Dmarts and other grocery stores.

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.

3. Marketing expenses

Marketing expenses are composed as follows:

EUR million	2020	2019	Change EUR million	Change %
Customer acquisition	−274.2	−239.3	−34.9	14.6
Restaurant acquisition	−236.1	−150.4	−85.6	56.9
Amortization of customer/supplier base	−14.2	−12.1	−2.1	17.6
Amortization of brands	−10.4	−15.8	5.4	−34.4
Other marketing expenses	−97.6	−77.6	−20.0	25.7
Total	**−632.4**	**−495.2**	**−137.2**	**27.7**

The increasing investments in customer marketing, especially in the Asia segment, are a result of the continuing strong competition in certain markets, the extension of own delivery operations as well as the expansion of Integrated Verticals, including Dmarts. Customer acquisition costs include TV, radio and offline marketing of € 98.3 million (previous year: € 88.8 million), SEM and SEO marketing of € 72.0 million (previous year: € 61.9 million) and other customer acquisition costs of € 104.0 million (previous year: € 88.6 million), mainly social media, display and mobile marketing.

The rise in restaurant acquisition expenses is the result of an extended restaurant portfolio and an increased restaurant sales coverage.

4. IT expenses

IT expenses are composed as follows:

EUR million	2020	2019	Change EUR million	Change %
Personnel expenses	−112.4	−65.4	−46.9	71.7
Other non-personnel IT expenses	−39.9	−29.4	−10.5	35.9
Total	**−152.3**	**−94.8**	**−57.5**	**60.6**

IT expenses primarily relate to research and development (€ 129.3 million; previous year: € 65.0 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. of the Combined Management Report for further information on research and development.

5. General administrative expenses

General administrative expenses are composed as follows:

EUR million	2020	2019	Change EUR million	Change %
Personnel expenses	−205.5	−128.6	−77.0	59.9
Share-based payment expenses	−86.1	−44.8	−41.3	92.2
Audit and consulting expenses	−71.3	−52.3	−19.0	36.3
Depreciation and amortization	−93.4	−60.5	−32.9	54.5
Rent and lease expenses	−8.7	−6.6	−2.1	31.2
Other office expenses	−34.6	−23.2	−11.4	49.0
Travel expenses	−14.3	−16.4	2.1	−12.8
Other (non-income) taxes	−33.0	−6.8	−26.1	> 100
Telecommunications	−6.6	−4.1	−2.6	63.6
Expenses for legal risks	−7.3	–	−7.3	100.0
Miscellaneous	−54.6	−30.3	−24.3	80.0
Total	**−615.3**	**−373.5**	**−241.8**	**64.7**

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 further roll-out of Integrated Verticals. Further, expenses of € 16.6 million (previous year: € 13.3 million) were recognized herein for earn-out liabilities in connection with acquisitions in the current and previous periods.

The increase in share-based payment expenses 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 an increasing number of lease contracts in accordance with IFRS 16 as well as related leasehold buildings improvements, mainly in the segment Integrated Verticals. The depreciation expenses for right-of-use assets amount to € 43.0 million (previous year: € 27.0 million) and the depreciation expenses for leasehold improvements amount to € 7.9 million (previous year: € 3.0 million).

6. Other operating income

Other operating income is composed as follows:

EUR million	2020	2019	Change EUR million	Change %
Gain from settlement of warranty claims	1.5	9.3	−7.8	−83.9
Gain from the recharge of costs	0.0	7.3	−7.3	−100.0
Gain from disposal of subsidiaries	1.7	0.4	1.3	> 100
Gain from sale of rider equipment	8.9	–	8.9	100.0
Income from government grants	8.7	–	8.7	100.0
Gain from the release of liabilities	9.8	–	9.8	100.0
Miscellaneous	5.3	2.9	2.5	86.7
Total	**36.0**	**19.9**	**16.1**	**81.1**

The gain from the release of liabilites of € 9.8 million in 2020 refers to the partial release of the contingent consideration liability in connection with the acqusition of Zomato UAE in 2019. COVID-19 related government grants received by foodpanda contributed € 8.7 million income in 2020.

The gain from the settlement of warranty claims of € 9.3 million in 2019 relates to the acquisition of the foodpanda group in 2016. The gain from the recharge of costs in 2019 of € 7.3 million relates to the recharge of costs to Just Eat Takeaway.com in connection with the sale of the operating business in Germany.

7. Other operating expenses and impairment losses on trade receivables and other receivables

Other operating expenses are composed as follows:

EUR million	2020	2019	Change EUR million	Change %
Loss from disposal of subsidiaries	−1.6	−2.0	0.4	−20.8
Losses on the disposal of fixed assets	−2.4	−0.6	−1.8	> 100
Impairment of goodwill	0.0	−2.0	2.0	−100.0
Miscellaneous	−0.5	−2.1	1.6	−75.1
Total other operating expenses	**−4.5**	**−6.7**	**2.0**	**−32.3**
Impairment losses on trade and other receivables	**−19.7**	**−8.8**	**−11.0**	**> 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.

8. Net interest cost

Net interest cost is composed as follows:

EUR million	2020	2019	Change EUR million	Change %
Interest expense on convertible bonds	−54.1	–	−54.1	100.0
Interest expense from discounting of lease liabilities	−6.0	−5.3	−0.7	13.9
Other interest expenses	−16.8	−11.7	−5.1	43.2
Interest and similar income	3.6	7.6	−3.9	−51.9
Total	**−73.2**	**−9.4**	**−63.8**	**> 100**

Net interest cost increased to negative € 73.2 million (previous year: negative € 9.4 million) mainly due to the finance costs of negative € 54.1 million associated with the issuance of four tranches of numerous bonds issued in 2020. Other interest expenses further increased partly due to effects from hyperinflation accounting for the Argentine entities of € 11.5 million (previous year: € 2.6 million).

The interest income predominantly results from interest on excess cash.

9. Other financial result and result from equity-accounted investees

Other financial result is composed as follows:

EUR million	2020	2019	Change EUR million	Change %
Result from remeasurement of financial instruments FVtPL	−144.5	59.6	−204.1	> 100
Foreign currency losses	−161.2	−4.8	−156.4	> 100
Result on net monetary position (hyperinflation)	−6.7	13.8	−20.5	> 100
Result from equity-accounted investees	−85.7	−99.7	14.0	−14.1
Result from disposal of investments and other financial assets	−23.3	20.2	−43.5	> 100
Gains from derecognition of equity-accounted investees	1.1	5.2	−4.1	−78.8
Miscellaneous	−0.9	−0.3	−0.6	> 100
Total	**−421.1**	**−6.0**	**−415.1**	**> 100**

The result from remeasurement of financial instruments FVtPL includes mainly fair value measurement effects of the derivatives in connection with the Convertible Bonds II (negative € 192.9 million). The deal-contingent USD/EUR option contributes negative € 18.7 million, while changes in the fair value of collar derivatives add € 15.9 million to the result. In addition, fair value adjustments of the investments measured at fair value through profit and loss – comprising mainly valuations of shares in Just Eat Takeaway.com, Ola and Zomato UAE (€ 41.6 million, previous year: € 64.5 million) positively impact the result. Fair value gains generated through Blue Chip Swaps contribute € 13.8 million. Refer to Section F.03 Other financial assets and H.02. Financial Instruments for additional information.

Foreign currency gains and losses predominantly resulted from the appreciation of the Euro compared to other local currencies of Group companies in connection with intercompany loan agreements and foreign currency balances.

Since the third quarter of 2018 Argentina has been evaluated as a hyperinflationary economy. The application of IAS 29 resulted in a net loss of € 6.7 million on the position of the Argentine operations (previous year: net gain of € 13.8 million).

The result from equity-accounted investees amounted to negative € 85.7 million (previous year: negative € 99.7 million), mostly resulting from the pro rata loss of the investments in Rappi and Glovo.

The result from disposal of investments and other financial assets includes the disposal result in connection with the substantial modification of the Collar I and Collar II agreements to Collar IV of € 23.7 million (refer to Section F.03. Other financial assets for further information). In the previous period, gains from disposal of investments related to the sale of Just Eat Takeaway.com shares (€ 20.2 million).

10. Income taxes

Income tax expense is broken down as follows:

EUR million	2020	2019	Change EUR million	Change %
Income tax expense	**–14.2**	**–26.5**	**12.3**	**–46.5**
Current income taxes	**–56.9**	**–31.4**	**–25.5**	**81.2**
Current period income taxes	–38.6	–29.0	–9.6	33.1
Prior period income taxes	–18.3	–2.4	–15.9	> 100
Deferred income taxes	**42.7**	**4.9**	**37.8**	**> 100**

The effective income tax expense is reconciled as follows:

EUR million	2020	2019
Earnings before income taxes	**–1,388.5**	**–664.2**
Income tax using the Company's domestic tax rate (2020: 30.175%; 2019: 30.18%)	**419.0**	**200.5**
ADJUSTMENTS		
Deviations between the Company's domestic and foreign tax rates	–51.2	–39.9
Non-deductible operating expenses	–31.8	–16.5
Tax-exempt income	1.5	6.3
Tax effects from adding and deducting for local taxes	–1.5	–0.3
Effects from partnerships	–0.7	–0.7
Effects from the non-recognition of deferred tax assets on tax loss carryforwards and temporary differences	–319.7	–104.0
Other income taxes	–10.5	–
Previous-period deferred income taxes	2.2	0.9
Previous-period current income taxes	–18.3	–1.3
Effects from consolidation measures	–	–3.4
Effects from equity-accounted investees	–25.9	–29.6
Effects from goodwill impairment	–	–0.4
Permanent differences	22.3	–37.9
Other tax effects	0.4	–0.2
Income taxes	**–14.2**	**–26.5**

The increase in permanent differences mostly resuls from the Collar transactions and the underlying share purchase agreements with respect to shares in Just Eat Takeaway.com N.V.

The tax rate of the Group is 30.175% and corresponds to the tax rate of Delivery Hero SE. It comprises the tax rate for corporation tax inclusive of the solidarity surcharge of 15.825% and the trade tax rate of 14.35%.

H. OTHER DISCLOSURES

1. Share-based payments

The DH Group has been operating share-based payment programs since 2011. As of December 31, 2020, 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.

Each 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-month 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:

	2020			2019		
	Number of options	Weighted average exercise price	Number of RSUS	Number of options	Weighted average exercise price	Number of RSUS
Outstanding as of January 1	**2,011,422**	**39.25**	**592,405**	**941,083**	**41.69**	**149,046**
Granted during the year[1]	479,008	76.27	590,707	1,466,677	38.37	562,685
Forfeited during the year	29,733	65.14	197,380	396,338	41.84	119,326
Exercised/released during the year	–	n/a	138,697	–	n/a	–
Outstanding as of December 31	**2,460,697**	**46.17**	**847,035**	**2,011,422**	**39.25**	**592,405**
Exercisable as of December 31	–	n/a	–	–	n/a	–

1 Reflects number of options and shares fixed at the reporting date.

The options outstanding as of December 31, 2020 had strike prices between € 36.64 and € 100.16 (previous year: € 36.64 to € 44.89) and a weighted-average remaining contractual life of 53 months (previous year: 62 months).

The plan contributed € 75.3 million of expenses in 2020 (previous year: € 35.5 million).

Hero Grant

Terms and conditions

In 2020, Delivery Hero offered a one-time grant to its employees – the "Hero Grant". Under this program, Delivery Hero committed itself to issue RSUs on the basis of a certain €-amount, generally € 1,000. The number of RSUs was determined by dividing the granted award amount by the fair market value of one RSU derived from the 30-day average DH share price prior to the grant date. The Hero Grant is subject to a 12-month vesting and cliff period.

Measurement of fair values

The grant date fair value of the awards is the contractually fixed euro-value. A total of 14,895 RSUs were granted in the financial year 2020. The plan contributed € 0.4 million of expenses in 2020 (previous year: n/a).

DH SOP

Terms and conditions

The beneficiaries of DH SOP received option rights, entitling them to subscribe to 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 2020 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

	2020		2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding as of January 1	**3,164,871**	**12.68**	**6,780,772**	**11.91**
Forfeited/Cancelled during the year	–75,997	17.24	–767,756	13.78
Granted during the year	–	n/a	–	n/a
Exercised during the year	–1,725,924	11.56	–2,848,145	10.55
Outstanding as of December 31	**1,362,950**	**13.85**	**3,164,871**	**12.68**
Exercisable as of December 31	–	n/a	–	n/a

Beneficiaries of the DH SOP were able to exercise their equity-settled rights within three exercise windows in 2020, which led to capital increases of the subscribed capital of € 1.9 million and an increase of the capital reserve of € 18.4 million. The weighted average share price of the exercised options on the date of exercise was € 68.60, € 85.25 and € 88.17, respectively (previous year: € 32.15 and € 40.00).

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, 2020 was 17 months (previous year: 26 months).

Total expense for the period was € 0.1 million in 2020 (previous year income of € 1.0 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 2019, management changed the settlement method of the program from equity-settled to cash-settled.

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 € 127.00, volatility of 109.72%, weighted average strike price of € 16.83, weighted average expected life of 30 months and a risk-free interest rate of –0.76%. The measurement resulted in a weighted average fair value of € 113.73 per option.

Reconciliation of outstanding options

	2020		2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding as of January 1	**213,237**	**16.88**	**240,600**	**16.90**
Forfeited/Cancelled during the year	−3,375	16.67	−14,550	17.15
Granted during the year	–	n/a	–	n/a
Exercised during the year	−88,237	16.93	−12,813	16.95
Outstanding as of December 31	**121,625**	**16.84**	**213,237**	**16.88**
Exercisable as of December 31	–	n/a	–	n/a

The options outstanding as of December 31, 2020 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 30 months (previous year: 38 months). Beneficiaries of the VSP 2017 were able to exercise their equity-settled rights within three exercise windows in 2020. The weighted average share price of the exercised options on the date of exercise was € 78.83, € 80.38 and € 94.06 (previous year: € 41.05).

Total expense for the period was € 8.4 million in 2020 (previous year: € 7.9 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 included two tranches. The vesting period for tranche 1 was up to December 31, 2018, and the vesting period for tranche 2 up to December 31, 2019.

In 2020 the program was restructured into a program granting rights to DH SE shares and subsequently settled.

Total expense for the period was € 0.0 million in 2020 (previous year: € 1.0 million).

VESOP SWHK

In 2020 Sweetheart Kitchen Holding Co Ltd granted to designated executives and employees virtual shares which can be converted into Delivery Hero shares. The option program is accounted for as an equity-settled share-based payment arrangement.

Total expense for the period was € 1.4 million in 2020 (previous year: n/a).

2. 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, 2020		Measured at amortized cost		Measured at fair value		
EUR million	Classification pursuant to IFRS 9	Carrying amount	Fair value	Carrying amount	Fair value hierarchy	**Total**
NON-CURRENT FINANCIAL ASSETS						
Investments – Level 3	FVtPL			125.3	3	125.3
Investments – Level 1	FVtPL			266.1	1	266.1
Derivative financial instruments	FVtPL			18.6	2	18.6
Loans granted and security deposits	FAaAC	9.7	9.7		3	9.7
Other financial assets		**9.7**		**410.0**		**419.8**
CURRENT FINANCIAL ASSETS						
Receivables against payment service providers	FAaAC	76.0	n/a		n/a	76.0
Trade receivables	FAaAC	37.4	n/a		n/a	37.4
Other receivables	FAaAC	24.8	n/a		n/a	24.8
Trade and other receivables		**138.2**		**0.0**		**138.2**
Other financial assets	**FVtPL**			**23.1**	**3**	**23.1**
Cash and cash equivalents		**2,922.2**	**n/a**		**n/a**	**2,922.2**
Total financial assets		**3,070.1**		**433.1**		**3,503.2**
NON-CURRENT FINANCIAL LIABILITIES						
Derivative financial instruments	FVtPL			388.9	2	388.9
Lease liabilities	n/a	126.4	n/a		n/a	126.4
Other payables	FLaAC	4.0	4.0		3	4.0
Contingent purchase price obligations	FVtPL			79.2	3	79.2
Trade and other payables		**130.4**		**468.1**		**598.5**
Convertible bonds	**FLaAC**	**2,949.5**	**2,848.4**		**2**	**2,949.5**
CURRENT FINANCIAL LIABILITIES						
Trade payables	FLaAC	218.4	n/a		n/a	218.4
Restaurant liabilities	FLaAC	249.2	n/a		n/a	249.2
Rider liabilities	FLaAC	29.4	n/a		n/a	29.4
Lease liabilities	n/a	55.5	n/a		n/a	55.5
Convertible loan (short-term portion)	FLaAC	13.1	n/a		n/a	13.1
Other payables	FLaAC	66.9	n/a		n/a	66.9
Contingent purchase price obligations	FVtPL			23.2	3	23.2
Trade and other payables		**632.6**		**23.2**		**655.8**
Total financial liabilities		**3,712.5**		**491.3**		**4,203.8**

Dec. 31, 2019		Measured at amortized cost		Measured at fair value		
EUR million	Classification pursuant to IFRS 9	Carrying amount	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 and security deposits	FAaAC	5.7	5.7		3	5.7
Other financial assets		**5.7**		**389.4**		**395.1**
CURRENT FINANCIAL ASSETS						
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	31.3	n/a		n/a	31.3
Trade and other receivables		**129.4**				**129.4**
Other financial assets	**FVtPL**			**41.9**	**3**	**41.9**
Cash and cash equivalents		**699.4**	**n/a**		**n/a**	**699.4**
Total financial assets		**834.4**		**431.3**		**1,265.7**
NON-CURRENT FINANCIAL LIABILITIES						
Lease liabilities	n/a	89.7	n/a		n/a	89.7
Other payables	FLaAC	6.5	6.5		3	6.5
Contingent purchase price obligations	FVtPL			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	29.7	n/a		n/a	29.7
Other payables	FLaAC	264.4	n/a		n/a	264.4
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**

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.

The fair values of the derivatives associated with the collar transactions were determined by applying an option pricing model (Black-Scholes model) using the share price and volatility of the underlying share as well as interest rates as key input parameters.

The fair values of the embedded derivatives associated with the Convertible Bonds II was determined using a binomial option pricing model using the share price and volatility of the DH share as well as credit spreads and risk-free interest rate as key input parameters.

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 in 2019. The option premium is payable contingent on the closing of the transaction. The option has not been designated in a hedging relationship. It 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 2020 a loss of € 18.7 million (previous year: 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 transaction on items of the consolidated statement of financial position (before taxes):

EUR million	**2020**	2019
Other current financial assets	23.1	41.8
Other current financial liabilities	44.7	44.8

Starting in January 2020, Delivery Hero used Blue Chip Swaps to transfer USD-denominated funds to the Group's Argentine subsidiaries for ongoing operations. The transactions generate fair value gains from the disposal of financial instruments in the amount of the difference between the official USD-ARS exchange rate and the implicit rate of the trade. During 2020, fair value gains of € 13.8 million were recognized in other financial result.

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.

To determine 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 continuously assesses the probability of closing as high. At the reporting date the estimate for the timing of closing was amended slightly and considered to be most probable in the first quarter of 2021 (previously: 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. 1, 2019	**–**	**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**
Additions	–	23.3	68.9
Disposals	–	–10.1	–36.6
Gains/losses recorded in profit or loss	–18.7	4.3	–10.3
As of Dec. 31, 2020	**23.1**	**125.3**	**102.4**

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	**2020**	2019
FLaAC	–54.0	0.2
FVtPL (assets)	1.5	77.3
FVtPL (liabilities)	–203.2	2.7
Total	**–255.7**	**80.2**

The gains and losses for financial instruments measured at FVtPL are attributable to fair value changes and exclude impairment losses and interest income and expense. Allowances recognized in connection with FAaAC are disclosed in the Credit risk in Risk Management section below.

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, 2020, the Group held € 2,922.2 million (previous year: € 699.4 million) in cash and cash equivalents mainly at banks. In addition, the Group held € 33.8 million deposits and other similar receivables (previous year: € 36.4 million) with financial institutions. Most of these balances are held with banks which are rated A+ to BBB+.

Furthermore, DH Group cooperates with known online payment providers, such as Mastercard, PayPal and Adyen. The receivables from online payment providers amounted to € 63.5 million as of December 31, 2020 (previous period: € 67.4 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.

In the course of 2020 Delivery Hero updated the provision matrix to reflect current expectations. As part of the update a provision matrix was also introduced for expected credit losses of rider receivables.

The Group determines the expected credit losses for its trade receivables from restaurants as follows:

EUR million	Carrying amount	Large multinational chains	Current	Past due as of December 31, 2020 (in days) <30	30–60	61–90	>90
Gross carrying amount	42.8	6.4	22.9	5.2	2.2	1.3	4.7
Weighted average loss rate		0.6%	1.5%	9.8%	17.8%	43.5%	78.5%
Loss allowance	−5.4	0.0	−0.3	−0.5	−0.4	−0.6	−3.7

The expected credit losses for trade receivables in the prior period were as follows:

EUR million	Carrying amount	Large multinational 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	1.3	1.1
Weighted average loss rate		0.6%	1.8%	5.0%	12.0%	41.0%	65.8%
Loss allowance	−2.4	0.0	−0.3	−0.2	−0.3	−0.9	−0.7

The Group determines the expected credit losses for its rider receivables as follows:

EUR million	Carrying amount	Current	Past due as of December 31, 2020 (in days) <30	>30
Gross carrying amount	15.8	12.0	0.8	3.1
Weighted average loss rate		3.3%	50.0%	100.0%
Loss allowance	3.9	0.4	0.4	3.1

The provision matrix is calculated based on the actual credit loss experience, which takes into account the historical experience as well the economic conditions as of the reporting date and represents a fair estimate for the expected losses. Potential negative implications from COVID-19 are expected to be offset by increasing online payment transactions and the further push for own delivery. The expected losses in relation to trade receivables from large multinational chain restaurants are estimated to be 0.6% based on their credit ratings of at least BBB+. Trade receivables are derecognized if they are more than 180 days past due, have been fully provided for (in the current year and previous years) or if there is no reasonable expectation of their recovery.

The movement in the allowance account for impairment in respect of trade receivables was as follows:

ALLOWANCE ACCOUNT

EUR million	2020	2019
January 1	**−2.4**	**−1.7**
Amounts derecognized	16.7	8.1
Net remeasurement of allowance account	−19.7	−8.8
December 31	**−5.4**	**−2.4**

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. It comprises obligations for future interest and repayment installments on financial liabilities and the liquidity risk arising from the derivatives associated with the convertible bonds issued in July 2020. 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

		Contractual cash flow			
EUR million	Carrying amount	**Total**	< 1 year	1–5 years	> 5 years
As of Dec. 31, 2020					
Trade payables	218.4	218.4	218.4	0.0	–
Other payables	343.8	343.8	341.0	2.8	–
Convertible bonds	3,351.5	3,432.8	28.9	1,737.4	1,666.5
Contingent purchase price obligations	102.4	106.6	25.8	80.8	–
Security deposits received	5.7	5.7	4.5	1.2	–
Lease liability	181.9	187.9	63.8	107.1	17.1
Total	**4,203.8**	**4,295.3**	**682.4**	**1,929.3**	**1,683.6**
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**

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. In addition, funds held in foreign currencies other than the functional currency of Group entities, particularly USD, expose the Group to currency risks. Some Group entities, especially in Americas and MENA, enter into local third-party contracts, such as purchase or leasing contracts, in USD.

The consideration for the anticipated transaction with Woowa payable in USD exposes Delivery Hero to foreign currency risks (refer to Section D.2). To mitigate foreign currency risks the Company entered into a deal-contingent USD/EUR option (refer to the 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

	Dec. 31, 2020		Dec. 31, 2019	
EUR million	10%	–10%	10%	–10%
EUR-USD	93.0	–56.4	–66.7	196.0
COP-CRC	–33.2	33.2	–	–
SGD-EUR	18.7	–18.7	–8.3	8.3
EUR-TWD	–17.2	17.2	0.2	–0.2
UYU-EUR	–16.7	16.7	1.0	–1.0
TWD-THB	–13.7	13.7	–	–
EUR-THB	11.5	–11.5	10.0	–10.0
USD-COP	–10.9	10.9	3.6	–3.6
KWD-AED	–10.7	10.7	13.4	–13.4
EUR-PHP	–10.2	10.2	3.4	–3.4
EUR-PKR	–7.4	7.4	3.1	–3.1
KWD-QAR	–6.7	6.7	0.3	–0.3
EUR-HKD	5.3	–5.3	10.2	–10.2
KWD-SAR	–4.7	4.7	10.3	–10.3
ARS-USD	–4.4	4.4	–1.3	1.3
QAR-AED	–3.5	3.5	0.3	–0.3
EUR-SAR	–3.2	3.2	0.1	–0.1
RON-EUR	2.5	–2.5	–1.1	1.1
EUR-KRW	–2.2	2.2	0.0	–0.0
EUR-ARS	–2.1	2.1	–	–

The volatility of foreign exchange rates and depreciations of currencies against the euro are especially noted for the Turkish lira and Argentinian peso. Since 2018, Argentina has been reported as a hyperinflationary economy under IAS 29 (refer to Section B.16b). Venezuela's economy is also considered a hyperinflationary economy under IAS 29. However, the functional currency of Delivery Hero's operations in Venezuela is the US dollar. Hence, no country other than Argentina has qualified as hyperinflationary to date.

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, 2020, 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.

DECEMBER 31, 2020

	Volatility EUR/USD	Contingencies	Interest rates	Equity price	Volatility equity prices	Credit spreads
EUR million	+/–100bp	+/–10%	+/–100bp	+/–10%	+/–100bp	+/–100bp
Derivative financial instruments	+48.8/–11.5	n/a	–35.2/–12.2	–78.3/+65.6	–9.0/+8.3	–25.9 / +24.3
Investments	n/a	n/a	n/a	+12.5/–12.5	n/a	n/a
Contingent purchase price obligation	n/a	–/+4.5	–1.0/+1.0	n/a	n/a	n/a

Changes of the closing probability as a non-observable input parameter for measurement of the deal-contingent option by +/–5% would result in a change in the fair value of the option of € +/–1.3 million.

In the prior period the sensitivity to changes in the inputs into fair value measurements was as follows:

DECEMBER 31, 2019

	Volatility EUR/USD	Contingencies	Interest rates	Equity price	Closing probability
EUR million	+/–100bp	+/–10%	+/–100bp	+/–10%	+/–10%
Derivative financial instruments	+7.1/–6.6	n/a	+0.1/–0.1	+1.4/–1.5	+/–4.6
Investments	n/a	n/a	–0.8/+0.8	+9.4/–9.4	n/a
Contingent purchase price obligation	n/a	–/+4.5	+1.5/–0.8	n/a	n/a

3. 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 for the Group.

The capital management strategy, including policies and processes of capital management, focuses on the monitoring of cash and cash equivalents and debt from external financing. As of December 31, 2020 the Convertible Bonds issued during the reporting period are the only source of external financing. In the previous year no debt from external financing existed.

The monitored metrics as of the respective financial year end are included in the table below:

EUR million	**Dec. 31, 2020**	Dec. 31, 2019
Cash and cash equivalents	2,922.2	699.4
Convertible bonds	2,949.5	–
Net debt	**27.3**	**–699.4**
Equity	1,168.5	1,869.5
Debt to equity ratio	**2.5**	**–**

4. Contingencies

In April 2019, a decision was issued by a competition authority against two subsidiaries of the Group, in which the competition authority recommended fines of approximately €5.2 million against both subsidiaries combined. As the competition authority was not able to impose these fines itself, it initiated criminal court proceedings against the two subsidiaries in order to enforce the fines. The two subsidiaries were in parallel in administrative proceedings to seek a nullification of the competition authority's decision, and in February 2020 the court of first instance nullified the competition authority's decision with regards to one of the subsidiaries. The administrative court proceedings are still pending, but Delivery Hero believes that it has good chances of being able to succeed in the administrative proceedings and to defend itself in the criminal proceedings.

In May 2019, the Group has become party to an arbitration proceeding in Dubai where a minority shareholder in a Group company has requested monetary damages, including significant lawyer, appraiser and expert fees, as well as the right to sell his stake in the Group company, following our attempt to exercise our call option for approximately half of his shareholding which he disputed. Delivery Hero assessed the prospect of success for the minority shareholder as not probable and has raised counterclaims for damages. The arbitration process is still ongoing.

In June 2020, a former competitor of a subsidiary raised claims for damages against the Group arguing that the usage of selected price clauses by the Group directly affected the competitor's failure in the local market. After having initially claimed damages for approximately €7.9 million in the context of a mediation proceeding, which did not lead to an amicable settlement of the claim, the competitor brought the litigation to court in order to enforce the alleged claims and a risk of monetary damages remains. Delivery Hero has assessed the prospect of success of these claims as not probable.

Further, Delivery Hero became party to a legal dispute for which the worst-case outcome might force Delivery Hero to cancel and reverse the collar arrangements that the Group entered into in 2019 and 2020. This would mean that the derivatives resulting from these collar arrangements would be cancelled and a cancellation amount contingent on the share price of the underlying shares, interest rates and stock volatility at the time of potential cancellation would become payable. The Group assessed a negative outcome of the arbitration process as not probable.

Entities included in DH Group are taxable in a number of countries worldwide and maintain various supply and service relationships with each other. Uncertainty in the assessment of income tax positions from these relationships arises to the extent that the individual tax authorities may have different views of these relationships.

Tax authorities in many countries scrutinize intercompany transactions during transfer pricing audits for every company that operates on an international level, i.e. cross-border. Disputes between tax authorities and taxpayers often arise regarding the functional profiles of the involved parties and their value contributions, especially since transfer pricing is not an exact science but does require the exercise of judgment on the part of both the tax administration and taxpayer as well as must reflect all economic and business challenges and be adapted in a manner consistent with the independent arm's length principle. This often leads to contrary opinions regarding the appropriate transfer pricing method and regularly results in significant unilateral transfer pricing adjustments and, thus, double taxation. This risk is particularly relevant in the digital economy, where transactions are often complex.

For the Group specifically, the main aspects that are inherent to and unavoidable in the Group's business model and could lead to transfer pricing disputes between the Group and tax authorities based on the Group's intercompany transfer pricing model comprise:

- New business models in a new industry on the one side and limited experience by tax authorities in this regard on the other side,
- Value contributions of intangible assets and involved entities is often difficult to quantify from a transfer pricing perspective,
- Complex organizational structure (central, regional and local level),
- Significant investments during ramp-up phase leading to tax loss carry forwards at central and local level,
- Different operational requirements and development stages of local operating entities,
- Uncertainty about growth prospects and profitability due to limited financial history and
- Only limited industry-related comparable data available.

The Group's current transfer pricing model aims for addressing these aspects. The Group regularly reviews its transfer pricing model and implements amendments, where necessary, to proactively manage the transfer pricing risks.

Contingent liabilities mainly from tax contingencies amount to €5.2 million (previous year: €1.4 million) as of the reporting date.

5. 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	
		2020	2019	Absolute	%
Consolidated loss for the period from continuing operations	EUR million	–1,402.7	–689.9	–712.8	> 100
Loss from continuing operations attributable to non-controlling interests	EUR million	1.9	–1.1	3.0	> 100
Loss from continuing operations attributable to shareholders	**EUR million**	**–1,404.6**	**–688.8**	**–715.8**	**> 100**
Weighted average number of shares issued	number in thousands	200,534	190,355	10,179	5.3
Diluted and basic earnings per share from continuing operations	**EUR**	**–7.00**	**–3.62**	**–3.39**	**93.6**
Net income/(loss) for the period from discontinued operations	EUR million	–	920.2	n.a	n.a
Consolidated profit/loss for the period from continuing and discontinued operations attributable to shareholders	EUR million	–1,404.6	231.4	–1,636.0	> 100
Weighted average number of shares issued	number in thousands	200,534	190,355	10,179	5.3
Diluted and basic earnings per share from discontinued operations	**EUR**	**–**	**4.83**	**n.a**	**n.a**
Diluted and basic earnings per share from continuing and discontinued operations	**EUR**	**–7.00**	**1.22**	**–8.22**	**> 100**

WEIGHTED AVERAGE NUMBER OF ORDINARY SHARES (BASIC)

In thousands of shares	2020	2019
Issued ordinary shares as of January 1	190,355	186,169
Effect of treasury shares held	–	–78
Effect of shares issued for the year	10,179	4,264
Weighted average number of ordinary shares as of December 31	**200,534**	**190,355**

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

In thousands	Dec. 31, 2020	Dec. 31, 2019
Share-based payments	4,686	5,549
Total number of potential ordinary shares	**4,686**	**5,549**

6. Disclosures on the cost-of-sales method

DH Group classifies expenses by their function, referred to as the cost-of-sales method. In 2020 these expenses included: expenses for salaries and wages of € 727.4 million (previous year: € 491.1 million), expenses for social security of € 72.7 million (previous year: € 69.8 million), expenses for defined benefit plans as well as pension plans of € 10.4 million (previous year: € 5.8 million) and expenses for depreciation and amortization of € 146.5 million in 2020 (previous year: € 90.0 million).

7. Headcount

In 2020, the DH Group employs an average of 29,552 people in their operations (previous year: 23,436 employees). The distribution by employee groups is presented below:

AVERAGE NUMBER OF EMPLOYEES BY GROUP

	2020	2019
Delivery and food processing	13,337	12,795
Sales	9,473	6,625
Marketing	825	591
Business support	1,549	641
Product development	1,841	1,149
Administration	2,527	1,635
Total	**29,552**	**23,436**

Total personnel expenses in 2020 for continued operations amounted to € 800.1 million (previous year: € 542.4 million).

8. 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	2020	2019
Audit services	2.2	1.7
Other audit services	0.6	0.0
Tax advisory services	0.0	0.0
Other services	0.0	0.0
Total	**2.9**	**1.7**

In 2020 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. In addition, reviews of interim financial statements and tax consultancy services in connection with social security law issues were conducted and services in connection with an enforcement examination of the consolidated financial statements carried out by the Financial Reporting Enforcement Panel (FREP) were performed.

Other audit services include the audit of pro-forma financial information and the issuance of a comfort letter. Moreover, the audit of systems in accordance with Section 20 of the German Securities Trading Act (WpHG) for non-financial counterparties (EMIR) and a maturity analysis as well as the audit of the combined separate non-financial report were performed.

9. Related-party disclosures

The members of the Management Board and the Supervisory Board were considered to be related parties of Delivery Hero SE in accordance with IAS 24.

a) Members of the Management Board

Name	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 digi.me GmbH	Egmont Foundation (member of the board of trustees) Chaconne GmbH (managing director) Allmyhomes GmbH (board member)
Patrick Kolek Deputy chairman	Group Chief Operating Officer of Naspers Limited and Prosus N.V.	None
Jeanette L. Gorgas	Independent Consultant	Youth INC (member of the board of directors)
Gabriella Ardbo	Employee at DH Group	None
Nils Engvall	Employee at DH Group	None
Gerald Taylor	Employee at DH Group	None

The mandates of Björn Ljungberg, Christian Graf von Hardenberg, Hilary Gosher and Vera Stachoviak in the Supervisory Board ended on June 18, 2020. The successors are Jeanette L. Gorgas, Gabriella Ardbo, Nils Engvall and Gerald Taylor.

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 2020 is as follows:

EUR million	**2020**	2019
Short-term employee benefits	1.2	1.4
Expenses related to share-based compensation[1]	7.2	8.4

1 For details see the following table.

In 2020 the total remuneration of the Management Board amounts to €0.8 million (previous year €0.7 million). The total remuneration of the Supervisory Board in 2020 amounts to €0.5 million (previous year €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 2020 to €0.0 million (previous year €0.9 million).

The stock options granted to related parties are as follows:

	Dec. 31, 2020	Dec. 31, 2019
No. of shares owed	1,855,865	1,928,043
No. of vested shares	1,585,336	1,821,656
Fair value (EUR million)	32.2	32.0
Expenses recognized (EUR million)	7.2	8.4

As of December 31, 2020, the total number of shares owed to members of the Supervisory Board amount to 1,866. The number of vested shares to members of the Supervisory Board as of December 31, 2020, amount to 1.628. The fair value is €0.1 million, of which €0.0 million in expenses are recognized in 2020. In the financial year 2020, 169 new stock options and 89 shares in the form of RSUs were granted under the LTIP in the total amount of €0.0 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, 2020, receivables and liabilities to other related parties are composed as follows:

EUR million	**Dec. 31, 2020**	Dec. 31, 2019
Receivables from related entities	0.3	0.3
Receivables from associates	0.0	–
Liabilities to associates	2.6	–

The result from transactions with other related parties is composed as follows:

EUR million	2020	2019
Income from transactions with associates	0.2	0.1
Expenses from transactions with related entities	0.6	–
Expenses from transactions with associates	2.2	3.6

Expenses from transactions with associates are attributable to general services provided by GlovoApp 23 SL Latin America.

10. Lease relations and other financial obligations

The Group leases predominantly office space, including Dmart and kitchen spaces, vehicles and office equipment. During the reporting period many new small lease agreements were concluded for Dmart spaces. In addition, the Group entered into new office leases in Berlin, Montevideo and Tokyo. To a very small extent the Group also acts as an intermediate lessor.

Right-of-use assets recognized in the Group's consolidated statement of financial positions evolved as follows:

EUR million	2020		2019	
As of January 1		**115.0**		**79.4**
Depreciation charge for the year		−39.1		−27.0
thereof buildings	−34.8		−20.5	
thereof vehicles and office equipment	−4.3		−6.5	
Additions to right-of-use assets		118.3		64.6
Derecognition of right-of-use assets		−11.5		−2.0
Reclassification[1]		−9.4		–
As of December 31		**173.3**		**115.0**
thereof buildings	164.6		96.9	
thereof vehicles and office equipment	8.6		18.1	

1 Right-of-use assets reclassified to assets included in a disposal group classified as held for sale.

Further amounts reflected in the consolidated statement of profit and loss and other comprehensive income and consolidated statement of cash flows are as follows:

EUR million	2020	2019
Interest on lease liability	−5.9	−5.3
Income from sub-leasing right-of-use assets	0.1	–
Expenses relating to short-term leases	−7.9	−5.8
Expenses relating to leases of low-value assets	−1.2	−0.8
Change in leasing payments (COVID-19)	0.4	–
Total cash outflow for leases	−53.9	−32.3

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. As of December 31, 2020, DH recognized lease liabilities of € 16.2 million for leases that contain extension options (previous year: € 23.3 million). For such contracts the potential future lease payments (discounted) not included in the lease liabilities as of December 31, 2020, amounted to € 10.1 million (previous year: € 17.0 million). Further, the future cash outflow for lease agreements entered into but not yet commenced amounts to € 26.9 million.

Future cumulative obligations from other agreements amount to € 109.4 million as of December 31, 2020 (previous year: € 29.1 million). The other agreements primarily relate to server hosting and similar services.

EUR million	Dec. 31, 2020	Dec. 31, 2019
Less than one year	39.5	14.5
More than one year and less than five years	69.9	14.7
More than five years	–	–
Total	**109.4**	**29.1**

11. List of shareholdings pursuant to Section 313 of the German Commercial Code [HGB]

DH's interest in consolidated companies as of December 31, 2020 is as follows:

Name and registered office of the affiliated company	**Share of capital as of Dec. 31, 2020 (%)**	Functional currency	Share of capital as of Dec. 31, 2019 (%)
GERMANY:			
Delivery Hero (India) UG (haftungsbeschränkt) & Co. KG (formerly Jade 1343 GmbH & Co. Siebte Verwaltungs KG), Berlin	100.00	EUR	100.0
Delivery Hero (Pakistan) UG (haftungsbeschränkt) & Co. KG (formerly Jade 1343 GmbH & Co. Neunte Verwaltungs KG), Berlin	100.00	EUR	100.0
Delivery Hero (Philippines) UG (haftungsbeschränkt) & Co. KG (formerly Jade 1343 GmbH & Co. 13. Verwaltungs KG), Berlin	100.00	EUR	100.0
Delivery Hero Austria GmbH, Berlin	100.00	EUR	100.0
Delivery Hero HF Kitchens GmbH, Berlin	100.00	EUR	–
Delivery Hero Kitchens Holding GmbH, Berlin	100.00	EUR	100.0
Delivery Hero Local Verwaltungs GmbH, Berlin	100.00	EUR	100.0
Delivery Hero Logistics Holding GmbH, Berlin	100.00	EUR	–
Delivery Hero Stores Holding GmbH (formerly Foodora Services Germany GmbH), Berlin	100.00	EUR	100.0
DH Financial Services Holding GmbH (formerly Delivery Hero Payments GmbH), Berlin	100.00	EUR	100.0
Foodpanda GmbH (Holding Asia), Berlin	100.00	EUR	100.0
Foodpanda GP UG (haftungsbeschränkt), Berlin	100.00	EUR	100.0
Jade 1343 GmbH & Co. Vierte Verwaltungs KG, Berlin	100.00	EUR	100.0
Juwel 220. VV UG (haftungsbeschränkt), Berlin	100.00	EUR	100.0
RGP Trust GmbH, Berlin	100.00	EUR	100.0
Sweetheart Kitchen Operations GmbH, Berlin	60.00	EUR	60.0
Valk Fleet Deutschland GmbH (formerly Rushy Logistik), Berlin	100.00	EUR	100.0
Valk Fleet Holding GmbH & Co. KG, Berlin	100.00	EUR	100.0
Valk Fleet Verwaltungs GmbH, Berlin	100.00	EUR	100.0

Name and registered office of the affiliated company	**Share of capital as of Dec. 31, 2020 (%)**	Functional currency	Share of capital as of Dec. 31, 2019 (%)
INTERNATIONAL:			
Appetito Veinticuatro Ltda., San Jose (CR)	100.00	CRC	100.0
Aravo S.A., Montevideo (UY)	100.00	UYU	100.0
Baedaltong Co. LLC (formerly Baedaltong Co. Ltd.), Seoul (KR)	100.00	KRW	100.0
Carriage Delivery Services LLC, Abu Dhabi (UAE)	100.00	AED	100.0
Carriage Holding Company Ltd., Abu Dhabi (UAE)	100.00	AED	100.0
Carriage Logistics SPC, Manama (BH)	100.00	BHD	100.0
Carriage Trading & Services Co. WLL, Doha (QA)	100.00	QAR	100.0
ClickDelivery S.A.C, Lima (PE)	100.00	PEN	100.0
ClickDelivery S.A.S., Bogota (CO)	100.00	COP	100.0
Dámejídlo.cz s.r.o. (formerly E-Aggregator s.r.o.), Prague (CZ)	100.00	CZK	100.0
Dámejídlo.cz. Logistiks s.r.o. (formerly Valk Fleet s.r.o.), Prague (CZ)	100.00	CZK	100.0
Dark Stores MENA Holding Ltd. (ADGM), Abu Dhabi (UAE)	100.00	AED	100.0
Dark Stores Saudi Trading Company Limited, Riyadh (KSA)	100.00	SAR	–
Delivery Hero (Cyprus) Ltd. (formerly AA Foody Cyprus Ltd.), Nicosia (CY)	100.00	EUR	100.0
Delivery Hero (Singapore) Pte. Ltd. (formerly Foodpanda Singapore Pte. Ltd.), Singapore (SGP)	100.00	SGD	100.0
Delivery Hero APAC PTE. Ltd., Singapore (SGP)	100.00	SGD	100.0
Delivery Hero Bulgaria EOOD (formerly Foodpanda Bulgaria EOOD), Sofia (BGR)	100.00	BGN	100.0
Delivery Hero Cambodia Co. Ltd., Cambodia (KH)	100.00	USD	100.0
Delivery Hero Carriage DB LLC (formerly Carriage Food Delivery Services LLC), Dubai (UAE)	100.00	AED	100.0
Delivery Hero Carriage Kuwait for Delivery of Consumables LLC (formerly Carriage Logistics General Trading Company LLC), Kuwait (KW)	100.00	KWD	100.0
Delivery Hero Carriage Kuwait for Delivery of Consumables SPC, Kuwait (KW)	100.00	KWD	–
Delivery Hero Co. Ltd. (formerly Foodpanda Co. Ltd.), Bangkok (THA)	100.00	THB	100.0
Delivery Hero Croatia d.o.o. (formerly OZON MEDIA d.o.o.), Zagreb (HR)	100.00	HRK	100.0
Delivery Hero Dmart (Lao) Sole Co., Ltd., Vientiane (LA)	100.00	LAK	–
Delivery Hero Dmart Austria GmbH, Vienna (AT)	100.00	EUR	–

Name and registered office of the affiliated company	**Share of capital as of Dec. 31, 2020 (%)**	Functional currency	Share of capital as of Dec. 31, 2019 (%)
Delivery Hero Dmart Czech Republic s.r.o. (formerly Pallida Solutions s.r.o), Prague (CZ)	100.00	CZK	–
Delivery Hero Dmart Egypt LLC (formerly Delivery Hero Carriage Egypt LLC), Cairo (EGY)	100.00	EGP	–
Delivery Hero Dmart Finland Oy, Helsinki (FI)	100.00	EUR	–
Delivery Hero Dmart Greece Single Member S.A., Attica (GR)	100.00	EUR	–
Delivery Hero Dmart Hungary Kft., Budapest (HU)	100.00	HUF	–
Delivery Hero Dmart Norway AS, Oslo (NO)	100.00	NOK	–
Delivery Hero Dmart Paraguay S.A. (formerly Tundra S.A.), Asunción (PY)	100.00	PYG	–
Delivery Hero Dmart SRL, Bucharest (RO)	100.00	RON	–
Delivery Hero Dmart Stores República Dominicana S.R.L, Santo Domingo (DOM)	100.00	DOP	–
Delivery Hero Dmart Sweden AB (formerly Goldcup 25713 AB), Stockholm (SE)	100.00	SEK	–
Delivery Hero El Salvador Sociedad Anónima de Capital Variable, San Salvador (SV)	100.00	USD	–
Delivery Hero Finland Logistics Oy (formerly Foodora Finland Oy), Helsinki (FI)	100.00	EUR	100.0
Delivery Hero Finland Oy (formerly SLM Finland Oy), Helsinki (FI)	100.00	EUR	100.0
Delivery Hero Food Hong Kong Limited (formerly Rocket Food Limited), Hong Kong (HK)	100.00	HKD	100.0
Delivery Hero FZ-LLC, Dubai (UAE)	100.00	AED	100.0
Delivery Hero HF Kitchens Hungary Kft., Budapest (HU)	100.00	HUF	–
Delivery Hero Hungary Kft (formerly Viala Kf), Budapest (HU)	100.00	HUF	100.0
Delivery Hero India Holding S.àr.l., Luxembourg (LU)	100.00	EUR	100.0
Delivery Hero Japan Co., Ltd., Tokyo (JY)	100.00	JPY	–
Delivery Hero Kitchens (Malaysia) Sdn. Bhd., Kuala Lumpur (MYS)	100.00	MYR	–
Delivery Hero Kitchens APAC Holding Pte. Ltd., Sinagpore (SGP)	100.00	SGD	–
Delivery Hero Kitchens Chile S.p.A., Santiago (CL)	100.00	CLP	–
Delivery Hero Kitchens DB LLC, Dubai (UAE)	100.00	AED	–
Delivery Hero Kitchens Holding LATAM S.A. (formerly Dumeto S.A.), Montevideo (UY)	100.00	USD	–
Delivery Hero Kitchens Hong Kong Limited, Hong Kong (HK)	100.00	HKD	–
Delivery Hero Kitchens MENA Holding Limited, Abu Dhabi (UAE)	100.00	AED	–
Delivery Hero Kitchens Pakistan (Private) Limited, Pakistian (PK)	100.00	PKR	–

Name and registered office of the affiliated company	**Share of capital as of Dec. 31, 2020 (%)**	Functional currency	Share of capital as of Dec. 31, 2019 (%)
Delivery Hero Kitchens Panama S.A., Panama (PA)	100.00	USD	–
Delivery Hero Kitchens SAS, Buenos Aires (AR)	100.00	ARS	–
Delivery Hero Kitchens Singaporee PTE. Ltd. (formerly Delivery Hero (WanTea Singapore) PTE. Ltd), Singapore (SGP)	100.00	SGD	100.0
Delivery Hero Kitchens Uruguay S.A. (formerly Gredia S.A.), Montevideo (UY)	100.00	UYU	–
Delivery Hero Korea LLC (formerly RGP Korea Ltd.), Seoul (KR)	100.00	KRW	100.0
Delivery Hero (Lao) Sole Co. Ltd., Vientiane (LA)	100.00	LAK	100.0
Delivery Hero Lebanon Sarl, Beirut (LBN)	100.00	LBP	100.0
Delivery Hero Malaysia Sdn. Bhd. (formerly Foodpanda Malaysia Sdn. Bhd.), Kuala Lumpur (MYS)	100.00	MYR	100.0
Delivery Hero Myanmar Co. Ltd., Yangon (MMR)	100.00	MMK	100.0
Delivery Hero Panama (E-commerce) S.A. (formerly Mobile Venture Latin America Inc.), Panama (PA)	100.00	USD	100.0
Delivery Hero Panama S.A., Panama (PA)	100.00	USD	–
Delivery Hero Panama, S.A., Sucursal Venezuela, Panama (PA)	100.00	USD	–
Delivery Hero Payments MENA FZ LLC, Dubai (UAE)	100.00	AED	–
Delivery Hero Payments Single Member S.A., Attica (GR)	100.00	EUR	–
Delivery Hero Stores (Bangladesh) Limited, Dhaka (BD)	100.00	BDT	–
Delivery Hero Stores (Malaysia) Sdn. Bhd., Kuala Lumpur (MYS)	100.00	MYR	–
Delivery Hero Stores (Singapore) Pte. Ltd., Singapore (SGP)	100.00	SGD	100.0
Delivery Hero Stores (Thailand) Co. Ltd., Bangkok (TH)	100.00	THB	–
Delivery Hero Stores Almacenes Bolivia S.A., Santa Cruz (BOL)	99.86	BOB	–
Delivery Hero Stores APAC Holding PTE. LTD., Sinapore (SGP)	100.00	SGD	100.0
Delivery Hero Stores Chile S.p.A, Santiago (CL)	100.00	CLP	–
Delivery Hero Stores DB LLC, Dubai (UAE)	100.00	AED	100.0
Delivery Hero Stores Hong Kong Limited, Hong Kong (HK)	100.00	HKD	–
Delivery Hero Stores Korea LLC, Seoul (KR)	100.00	KRW	–
Delivery Hero Stores LLC, Oman (OM)	100.00	OMR	–
Delivery Hero Stores Pakistan (PVT) Limited, Pakistan (PK)	100.00	PKR	–
Delivery Hero Stores SAS, Buenos Aires (AR)	100.00	ARS	–

Name and registered office of the affiliated company	**Share of capital as of Dec. 31, 2020 (%)**	Functional currency	Share of capital as of Dec. 31, 2019 (%)
Delivery Hero Talabat DB LLC (formerly Talabat Services Company LLC), Manama (BH)	100.00	BHD	100.0
Delivery Hero Uruguay Logistics S.A. (formerly Repartos Ya S.A), Montevideo (UY)	100.00	UYU	100.0
DH Financial Services (Singapore) Pte. Ltd., Singapore (SGP)	100.00	SGD	–
DH Financial Services APAC Holding Pte. Ltd., Singapore (SGP)	100.00	SGD	–
DH Kitchens (Bangladesh) Limited, Dhaka (BD)	100.00	BDT	–
DH SSC Malaysia Sdn. Bhd, Kuala Lumpur (MYS)	100.00	MYR	100.0
DH Stores (Taiwan) Co. Ltd., Daan Dist Taipei (TWN)	100.00	TWD	100.0
DH Stores Bahrain WLL, Bahrain (BH)	100.00	BHD	–
DH Stores LATAM Holding S.A. (formerly Corelian S.A.), Montevideo (UY)	100.00	USD	–
DHE Logistics Malaysia Sdn. Bhd, Kuala Lumpur (MYS)	80.00	MYR	80.0
DHH I SPC (DIFC) Ltd., Dubai (UAE)	100.00	AED	100.0
DHH II SPC (DIFC) Ltd., Dubai (UAE)	100.00	AED	100.0
Donesi d.o.o., Banja Luka (BIH)	100.00	BAM	100.0
Donesi d.o.o., Podgorica (MNE)	100.00	EUR	100.0
Eatoye (PVT) Limited, Karachi (PK)	100.00	PKR	100.0
Ecommerce Business 10 S.àr.l., Luxembourg (LU)	100.00	EUR	100.0
Emerging Markets Online Food Delivery Holding S.à.r.l., Luxembourg (LU)	100.00	EUR	100.0
Ferlen S.A., Montevideo (UY)	100.00	USD	–
Fly & Company LLC (formerly Fly & Company Inc.), Seoul (KR)	100.00	KRW	100.0
Food Basket Elektronik İletişim Gıda Ticaret Ltd. Şti, Nikosia (Cyprus)	100.00	TRY	100.0
Food Delivery Holding 12. S.àr.l., Luxembourg (LU)	100.00	EUR	100.0
Food Delivery Holding 15. S.à.r.l., Luxembourg (LU)	100.00	EUR	100.0
Food Delivery Holding 20. S.àr.l., Luxembourg (LU)	100.00	EUR	100.0
Food Delivery Holding 21. S.àr.l., Luxembourg (LU)	100.00	EUR	100.0
Food Delivery Holding 5. S.àr.l., Luxembourg (LU)	100.00	EUR	100.0
Food Panda Philippines Inc., Makati (PHL)	100.00	PHP	100.0
Foodonclick.com/Jordan Private Shareholding Company, Amman (JR)	100.00	JOD	100.0
Foodonclick-com FZ-LLC, Dubai (UAE)	100.00	AED	100.0
Foodora AB, Stockholm (SE)	100.00	SEK	100.0

Name and registered office of the affiliated company	**Share of capital as of Dec. 31, 2020 (%)**	Functional currency	Share of capital as of Dec. 31, 2019 (%)
Foodora France SAS, Paris (FRA)	100.00	EUR	100.0
Foodora Inc. (Canada), Toronto (CAN)	100.00	CAD	100.0
Foodora Norway AS, Oslo (NOR)	100.00	NOK	100.0
Foodpanda (B) SDN BHD, Bandar Seri Begawan (BRN)	100.00	BND	100.0
Foodpanda Bangladesh Ltd., Dhaka (BGD)	100.00	BDT	100.0
Foodpanda RO SRL, Bucharest (RO)	100.00	RON	100.0
Foodpanda Taiwan Co. Ltd., Daan Dist Taipei (TWN)	100.00	TWD	100.0
Galarina S.A. (DH Stores), Montevideo (UY)	100.00	UYU	–
Glovoapp Colombia S.A.S, Bogota (CO)	100.00	COP	–
Glovoapp Costa Rica Ltda, San Jose (CR)	100.00	CRC	–
Glovoapp Ecuador S.A., Quito (EC)	100.00	USD	–
Glovoapp Guatemala S.A., Guatemala City (GT)	100.00	GTQ	–
Glovoapp Honduras S.A., Tegucigalpa (HN)	100.00	HNL	–
Glovoapp Latam S.L.U., Barcelona (ES)	100.00	EUR	–
Glovoapp Peru S.A.C., Lima (PE)	100.00	PEN	–
Go Delivery SA, Attica (GR)	100.00	EUR	100.0
Honest Food Concepts Ltd., London (GB)	100.00	GBP	–
Honest Food Kitchens Czech Republic s.r.o. (formerly Pinnata Capital s.r.o), Prague (CZ)	100.00	CZK	–
Honest Food Kitchens Finland Oy (formerly Delivery Hero HF Kitchens Finland Oy), Helsinki (FI)	100.00	EUR	–
Honest Food Kitchens S.R.L, Bucharest (RO)	100.00	RON	–
Honest Food Kitchens Sweden AB (formerly Goldcup 25617 AB), Stockholm (SE)	100.00	SEK	–
Hungerstation LLC, Dammam (KSA)	63.00	SAR	63.0
Hungerstation SPC Ltd., Dubai (UAE)	63.00	AED	63.0
Hungry Delivery AB, Lund (SWE)	100.00	SEK	100.0
Instashop Co WLL (formerly Instashop CO SPC), Manama (BH)	100.00	BHD	–
Instashop DMCC, Dubai (UAE)	100.00	AED	–
Instashop General Trading LLC, Dubai (UAE)	100.00	AED	–
Instashop LLC, Doha (QA)	100.00	QAR	–
Instashop LLC, Cairo (EG)	99.00	EGP	–

Name and registered office of the affiliated company	**Share of capital as of Dec. 31, 2020 (%)**	Functional currency	Share of capital as of Dec. 31, 2019 (%)
Instashop Ltd., Tortola (BVI)	100.00	USD	–
Instashop Portal LLC, Dubai (UAE)	100.00	AED	–
Instashop S.à r.l., Beirut (LBN)	98.00	LBP	–
INSTASHOP Saudi For Information Technology LLC, Riyadh (KSA)	100.00	SAR	–
Instashop Single Member PC, Thessaloniki (GR)	100.00	EUR	–
Inversiones CMR S.A.S. Bogota (CO)	100.00	COP	100.0
Inversiones Delivery Hero CMR S.A. (formerly Hellofood Hallo Essen Hollesen S.A.), Quito (EC)	100.00	USD	100.0
Jordanian Stores for General Trading LLC, Amman (JO)	100.00	JOD	–
Kitchens Saudi For Food Services LLC (formerly Carriage Saudi Arabia LLC), Riyadh (KSA)	100.00	SAR	100.0
Maidan Limited, Hong Kong (HK)	100.00	HKD	100.0
Mjam GmbH, Vienna (AT)	100.00	EUR	100.0
Movil Media S.R.L.,Santo Domingo (DOM)	100.00	DOP	100.0
OFD Online Food Delivery Services Ltd., Nicosia (CY)	100.00	EUR	100.0
Online Delivery Promotion of Internet Services Société Anonyme, Athen (GR)	100.00	EUR	100.0
Otlob for Restaurants Reservations Services S.A.E, Cairo (EGY)	100.00	EGP	100.0
Pagos Ya S.A., Buenos Aires (AR)	100.00	ARS	100.0
Pedidos Ya Paraguay S.A., Asunción (PY)	100.00	PYG	100.0
PedidosYa S.A. (formerly Kinboy S.A.), Montevideo (UY)	100.00	USD	100.0
PedidosYa S.A., Buenos Aires (AR)	100.00	ARS	100.0
PedidosYa Servicios S.A., Santa Cruz de la Sierra (BOL)	100.00	BOB	100.0
PedidosYa SPA, Santiago (CL)	100.00	CLP	100.0
Plotun d.o.o., Krusevac (SRB)	100.00	RSD	100.0
Repartos Ya S.A., Buenos Aires (AR)	100.00	ARS	100.0
R-SC Internet Services Pakistan (PVT) Limited, Karachi (PK)	100.00	PKR	100.0
Stores Services Kuwait S.P.C., Kuwait (KW)	100.00	KWD	100.0
Stores Services QFC LLC, Doha (QA)	100.00	QAR	100.0
Sweetheart Kitchen Holding (DIFC), Dubai (UAE)	70.63	AED	60.0
Sweetheart Kitchen Kuwait Company, Kuwait (KW)	70.63	KWD	60.0
Sweetheart Kitchen LLC, Dubai (UAE)	70.63	AED	60.0

Name and registered office of the affiliated company	**Share of capital as of Dec. 31, 2020 (%)**	Functional currency	Share of capital as of Dec. 31, 2019 (%)
Sweetheart Kitchen Operations Singapore PTE. Ltd., Singapore (SGP)	70.63	SGD	60.0
Sweetheart Kitchen Restaurants Company Kuwait WLL, Kuwait (KW)	70.63	KWD	60.0
Sweetheart Kitchen Saudi Arabia Limited, Riyadh (KSA)	100.00	SAR	100.0
Talabat Electronic and Delivery Services LLC. (formerly Talabat Electronic Services Company LLC), Muscat (OM)	100.00	OMR	100.0
Talabat for General Trading and Electronic Commerce Ltd, Iraq (IQ)	100.00	IQD	–
Talabat General Trading & Contracting Company WLL, Sharq (KW)	100.00	KWD	100.0
Talabat Logistics & Online Management LLC, Amman (JR)	100.00	JOD	100.0
Talabat Ltd., Kuwait (KW)	100.00	KWD	100.0
Talabat Middle East Internet Services Company LLC, Dubai (UAE)	100.00	AED	100.0
Talabat QFC LLC, Doha (QA)	100.00	QAR	100.0
Talabat Restaurants Company LLC, Riyadh (KSA)	100.00	SAR	100.0
Talabat Services Company LLC, Doha (QA)	100.00	QAR	100.0
Yemek Sepeti (Dubai) B.V., Amsterdam (NL)	100.00	EUR	100.0
Yemek Sepeti Banabi Perakende Gida Ticaret Anonim Şirketi (formerly Lokanta Net Elektronik İletişim Gıda Ticaret A.Ş.), Istanbul (TR)	100.00	TRY	100.0
Yemek Sepeti Dagitim Hizmetleri ve Lojistik Anonim A.S., Istanbul (TR)	100.00	TRY	–
Yemek Sepeti Elektronik İletişim Tanıtım Pazarlama Gıda Sanayi ve Ticaret A.Ş., Istanbul (TR)	100.00	TRY	100.0
YemekPay Electronic Money and Payment Services Joint Stock Company, Istanbul (TR)	100.00	TRY	–
Yogiyo Media Company Ltd., Seoul (KR)	100.00	KRW	100.0

The following companies were included as associates in the DH consolidated financial statements:

Name and registered office of the associated company	Share of capital Dec. 31, 2020 (%)
Hungry Holding Aps (DK)	44.07
GlovoApp23 S.L. (ES)	35.98
Nosh Services Ltd. (KY)	21.80
BIO-LUTIONS International AG (DE)	20.16
WhyQ Pte Ltd. (SG)	17.24
Rappi Inc. (CO)	12.50

12. Corporate Governance Code

The Management Board and the Supervisory Board of Delivery Hero SE have issued the Declaration of Compliance pursuant to Section 161 of the German Stock Corporation Act (AktG) (based on the German Corporate Governance Code in the version dated February 7, 2017, as well as the version dated December 16, 2019, published in the Federal Gazette on March 20, 2020), which was published on the website of Delivery Hero SE in December 2020 **(↗ https://ir.deliveryhero.com/declaration-of-compliance).**

I. SUBSEQUENT EVENTS

Placement of new shares from cash capital increase

On January 6, 2021, Delivery Hero increased its current share capital by approximately 4.7% from € 199,382,465 to € 208,825,430 through a partial exercise of its authorized capital. Shareholders' subscription rights were excluded. The 9,442,965 new ordinary registered shares with no-par value (Stückaktien) have been placed with institutional investors at a placement price of € 132.00 per new share by way of an accelerated bookbuilding, resulting in gross proceeds of approximately € 1.2 billion.

The new shares were admitted to trading without a prospectus and included in the existing quotation for Delivery Hero's shares in the sub-segment of the regulated market with additional post-admission obligations (Prime Standard) on the Frankfurt Stock Exchange and carry full dividend rights as of January 1, 2020.

As part of the transaction, the Company has agreed to a lock-up period of 90 days, subject to customary exceptions.

Closing of Woowa transaction

On March 4, 2021, Delivery Hero closed the Woowa transaction that was entered into on December 13, 2019, and for which the Korean Fair Trade Commission submitted written regulatory approval on February 2, 2021. Woowa Brothers Corp. ("Woowa") is the operator of South Korea's largest online food delivery platform.

With closing, Delivery Hero acquired approx. 88% of the shares in Woowa for a consideration of about € 5.7 billion. The consideration consists of € 1.7 billion in cash, € 4.0 billion in new shares of Delivery Hero and a contingent consideration of € 27.1 million.

The total consideration for the transaction was allocated between the recognized assets and the assumed liabilities as follows based on provisional accounting in accordance with IFRS 3.45.

EUR million	Fair values at date of acquisition
Intangible assets	986.1
Property, plant and equipment	73.8
Other long term assets	43.1
Inventories	6.7
Trade and other receivables	126.5
Other assets	89.2
Cash and cash equivalents	139.4
Provisions and liabilities	–19.0
Trade payables	–259.2
Other liabilities	–205.0
Deferred taxes (net)	–224.2
Net assets	**757.4**
Consideration transferred	**5,720.0**
Goodwill	**4,962.6**

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 € 126.5 million were acquired and are assessed as being fully recoverable.

In 2019, DH entered into a deal contingent option contract to hedge the FX risk from cash consideration for the Woowa transaction in USD. The book value of the corresponding financial liability amounted to € 44.6 million at December 31, 2020. The option expired unused and the option premium of € 47.6 million was paid in March 2021.

Due to the accounting for the Woowa Transaction as a business combination in accordance with IFRS 3, the identifiable assets acquired, and the liabilities assumed of the Woowa Group are required to be measured at their acquisition date fair values. The determination of the fair values depends on certain factors, such as the development of an integrated business plan, the alignment of management judgements and estimates and a detailed analysis of internally generated assets, which are currently not recognized at Woowa Group.

Furthermore, the valuation of certain components of the consideration is equally dependent on variable factors. As of April 23, 2021, certain such information is not yet available or discussions are ongoing. For this reason, certain valuation parameters were provisionally determined on the basis of estimates or the information currently available. Therefore, the consideration transferred and the corresponding purchase price allocation at closing of the Woowa Transaction will differ and might differ significantly from the estimated consideration transferred and corresponding purchase price allocation shown here. The purchase price allocation in accordance with IFRS 3 for the Woowa Transaction is to be considered as preliminary.

Additional Investment in Glovoapp23 S.L.

On March 31, 2021, Delivery Hero enlarged its investment in Glovoapp23 S.L. by investing approx. € 229.0 million during a financing round. As a result, Delivery Hero's shareholding in Glovoapp23 S.L. has increased to 37.4% on a fully diluted basis.

Berlin, April 23, 2021

Delivery Hero SE

The Management Board

Niklas Östberg **Emmanuel Thomassin**

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 23, 2021

Delivery Hero SE

The Management Board

Niklas Östberg **Emmanuel Thomassin**

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, 2020, 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, 2020, 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, 2020. In accordance with German legal requirements, we have not audited the content of those components of the combined management report specified in the "Other Information" section of our auditor's report.

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, 2020, and of its financial performance for the financial year from January 1 to December 31, 2020, 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 management report does not cover the content of those components of the combined management report specified in the "Other Information" section of the auditor's report.

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 the 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, 2020. 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, technology, goodwill) amounted to € 1,377.3 million as of December 31, 2020, which represents 23.9% of total assets and thus a considerable share of asset value.

Intangible assets are tested for impairment if there is objective evidence of impairment. In addition, 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 CGU's fair value less costs to sell and its value in use. The reporting date for the annual impairment test was November 30, 2020.

Impairment testing is complex and based on a range of assumptions that require judgment. This especially includes the assumptions on achieving the estimated sustainable surplus cash flow, the expected business and earnings development of the CGUs/groups of CGUs for the next five years, the assumed long-term growth rates and the discount rate used.

There is the risk for the consolidated financial statements that any existing impairment as of the reporting date was not identified.

Our Audit Approach

We evaluated the Company's assessment of whether there were indications of impairment for significant intangible assets arising from acquisitions.

With the involvement of our valuation experts, we analyzed the budget prepared by the Management Board and approved by the Supervisory Board for the purpose of testing goodwill for impairment. We reconciled the growth rates for the development of business volume applied in the budget with external industry analysis and analyst reports, calculated our own expected values for the CGUs/groups of CGUs of Delivery Hero SE and compared these 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.

We evaluated the accuracy of the previous forecasts by comparing the budgets of previous financial years with actual results and by analyzing deviations. Furthermore, we evaluated the consistency of assumptions with external market assessments.

Since changes to the discount rate can have a significant impact on the results of impairment testing, with the involvement of our valuation specialists we compared the assumptions and data 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 method used, we verified the Company's calculations on the basis of selected risk-based elements.

Our Observations

The underlying approach, including the calculation method, for impairment testing of intangible assets arising from acquisitions, including goodwill, is appropriate and in line with the accounting policies to be applied.

The assumptions and data used by the Company for measurement are reasonable overall.

Amount of revenue in connection with online marketplace services and delivery services

For information on the accounting policies please see Section B.03 in the notes to the consolidated financial statements.

The Financial Statement Risk

The Group's revenue in financial year 2020 amounted to € 2,471.9 million (PY: € 1,237.6 million). Delivery Hero generates its revenue mainly from commissions for online food delivery services for restaurants, (online marketplace services) and related delivery services. Revenue from these two revenue streams represents 81.4% of group revenue and has almost doubled compared to the prior year.

Delivery Hero is active in around 50 countries worldwide and operates online marketplaces. Revenue in connection with online marketplace services and delivery services is generated exclusively abroad, especially in the Asia and MENA regions. The basic data underlying revenue is recorded in different IT systems depending on the region.

Revenue is one of Delivery Hero's main performance indicators of objective achievement and also represents a key decision-making basis. Furthermore, external stakeholders use the Group's annual revenue increases as the key measure of corporate success. In this respect, both internal and external decisions are made based on revenue generated in the financial year and based on current revenue development.

There is the risk for the financial statements that revenue in the main revenue streams of online marketplace services and delivery services is recorded without the underlying goods and services.

Our Audit Approach

We evaluated the design and setup of internal controls concerning revenue recognition for the two main revenue streams of online marketplace services and delivery services and assessed identified controls, especially to ensure the existence of new restaurant partners and to verify manual revenue entries. Based on the findings this produced, we assessed the effectiveness of the controls.

In addition, we used a statistical method to select revenue transactions and evaluated these transactions through comparison with underlying agreements, proof of performance and incoming payments. We performed audit procedures for both system-generated and manual revenue entries. We also verified the existence of a selection of new restaurant partners, for example by reviewing actual incoming payments, internet searches, test orders and test telephone calls.

Our Observations

The approach to recording revenue in connection with the main revenue streams of online marketplace services and delivery services is appropriate.

Measurement of derivative financial instruments

For information on the accounting policies applied, please see Sections B.09. and H.02 in the notes to the consolidated financial statements.

The Financial Statement Risk

Delivery Hero has concluded or issued a number of derivative financial instruments. This includes conversion rights and redemption rights connected to two convertible bonds issued in financial year 2020, as well as put/call options in connection with collar agreements related to the shares in Just Eat Takeaway.com N.V. (formerly Takeaway.com N.V.) received through the sale of the Germany business.

Measuring derivative financial instruments to be recognized at fair value is complex and based on assumptions requiring judgment.

The key assumptions concerning the conversion rights and redemption rights embedded in the convertible bonds are the probability weighting of the scenarios, the credit spread and the implied volatility.

The option pairs recognized with the concluded collar transaction are also measured at fair value. The key assumptions in the measurement of these options concern the implied volatility.

In addition, Delivery Hero already concluded a conditional call option in December 2019 in relation to a fixed USD amount at a fixed EUR/USD exchange rate, which still existed at the end of financial year 2020. The payment obligation of the option premium arises only if the planned transaction with Woowa Brothers Corp. is completed. The key assumptions for measurement of this conditional option relate to the probability of occurrence of the planned acquisition, forward rates and implied volatility.

There is the risk for the consolidated financial statements that the derivative financial instruments are not appropriately measured.

Our Audit Approach

In the course of our audit we evaluated the Company's established internal control system with regard to the measurement of derivative financial instruments and controls to address risk regarding design and implementation. Further, in terms of appropriate measurement of financial instruments, we evaluated whether the measurement had been carried out in compliance with the respective agreement. With the involvement of our valuation experts, we verified that the methodological approach to valuation is appropriate and that the input data included is appropriate and reasonable. In addition, we verified the computational accuracy of the valuation models.

Our Observations

The approach underlying the measurement of derivative financial instruments at fair value, including the calculation method, is appropriate and in line with the accounting policies to be applied. The key assumptions and data used by the Company for measurement are reasonable.

Other Information

Management and the Supervisory Board are responsible for the other information. The other information comprises:

- the Group's non-financial report and the corporate governance statement, and
- the report on corporate governance, 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.

In accordance with our engagement letter, we performed a separate limited assurance review of the separate, combined non-financial report. Please refer to our assurance report dated April 23, 2021, for information on the nature, scope and findings of this assurance engagement.

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) and supplementary compliance with the ISAs 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

Report on the Assurance in accordance with Section 317 (3b) HGB on the Electronic Reproduction of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes.

We have performed assurance work in accordance with Section 317 (3b) HGB to obtain reasonable assurance about whether the reproduction of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the attached file "deliveryherose-2020-12-31.zip" and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance only extends to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in this reproduction nor any other information contained in the above-mentioned electronic file.

In our opinion, the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. We do not express any opinion on the information contained in this reproduction nor on any other information contained in the above-mentioned file beyond this reasonable assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from January 1 to December 31, 2020, contained in the "Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report" above.

We conducted our assurance work on the reproduction of the consolidated financial statements and the combined management report contained in the above-mentioned electronic file in accordance with Section 317 (3b) HGB and the Exposure Draft of the IDW Assurance Standard: Assurance in accordance with Section 317 (3b) HGB on the Electronic Reproduction of Financial Statements and Management Reports Prepared for Publication Purposes (ED IDW AsS 410) and the International Standard on Assurance Engagements 3000 (Revised)]. Accordingly, our responsibilities are further described below. Our audit firm has applied the IDW Standard on Quality Management 1: Requirements for Quality Management in Audit Firms (IDW QS 1).

The Company's management is responsible for the preparation of the ESEF documents including the electronic reproduction of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company's management is responsible for the internal controls they consider necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Company's management is also responsible for the submission of the ESEF documents together with the auditor's report and the attached audited consolidated financial statements and audited combined management report as well as other documents to be published to the operator of the German Federal Gazette [Bundesanzeiger].

The Supervisory Board is responsible for overseeing the preparation of the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgment and maintain professional skepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance of the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the electronic file containing the ESEF documents meets the requirements of Commission Delegated Regulation (EU) 2019/815 on the technical specification for this electronic file.
- Evaluate whether the ESEF documents enable an XHTML reproduction with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL) enables an appropriate and complete machine-readable XBRL copy of the XHTML reproduction.

Further Information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor at the Annual General Meeting on June 18, 2020. We were engaged by the Supervisory Board on February 12, 2021. We have been the group auditor of Delivery Hero SE, a publicly traded 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 23, 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft
[Original German version signed by:]

Rohrbach	**Knorr**
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

LIMITED ASSURANCE REPORT OF THE INDEPENDENT AUDITOR

regarding the combined separate non-financial report[1]

To Delivery Hero SE, Berlin

We have performed an independent limited assurance engagement on the combined separate non-financial group report (further "Report") of Delivery Hero SE (further "Company") according to Sections 315b and 315c in conjunction with 289b to 289e of the German Commercial Code (Handelsgesetzbuch, HGB), for the period from January 1 to December 31, 2020.

MANAGEMENT'S RESPONSIBILITY

The legal representatives of the Company are responsible for the preparation of the report in accordance with Sections 315b, 315c in conjunction with 289b to 289e HGB.

This responsibility of the legal representatives includes the selection and application of appropriate methods to prepare the report and the use of assumptions and estimates for individual disclosures which are reasonable under the given circumstances. Furthermore, the legal representatives are responsible for the internal controls they deem necessary for the preparation of the report that is free of – intended or unintended – material misstatements.

PRACTITIONER'S RESPONSIBILITY

It is our responsibility to express a conclusion on the report based on our work performed within a limited assurance engagement.

We conducted our work in the form of a limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information", published by IAASB. Accordingly, we have to plan and perform the assurance engagement in such a way that we obtain limited assurance as to whether any matters have come to our attention that cause us to believe that the report of the Company for the period from January 1 to December 31, 2020 has not been prepared, in all material respects, in accordance with Sections 315b and 315c in conjunction with 289b to 289e HGB. We do not, however, issue a separate conclusion for each disclosure. As the assurance procedures performed in a limited assurance engagement are less comprehensive than in a reasonable assurance engagement, the level of assurance obtained is substantially lower. The choice of assurance procedures is subject to the auditor's own judgment.

Within the scope of our engagement we performed, amongst others, the following procedures:

- Interviews with employees on corporate level who are responsible for the materiality analysis to get an understanding of the process for identifying material topics and respective report boundaries for Delivery Hero SE
- A risk analysis, including media research, to identify relevant information on Delivery Hero SE´s sustainability performance in the reporting period
- Assessment of the suitability of internally developed definitions
- Evaluation of the design and implementation of the systems and processes for determining, processing and monitoring of disclosures relating to environmental, employee and social matters, respect for human rights, and combating corruption and bribery, including the consolidation of the data
- Inquiries of personnel on the corporate level who are responsible for determining disclosures on concepts, due diligence processes, results and risks, performing internal control functions and consolidating disclosures
- Evaluation of selected internal and external documents

1 Our engagement applied to the German version of the combined separate non-financial report 2020. This text is a translation of the Independent Assurance Report issued in German, whereas the German text is authoritative.

- Analytical evaluation of data and trends of quantitative disclosures, which are submitted by all sites for consolidation
- Evaluation of local data collection, validation and reporting processes as well as the reliability of reported data
- Assessment of the overall presentation of the disclosures

In our opinion, we obtained sufficient and appropriate evidence for reaching a conclusion for the assurance engagement.

INDEPENDENCE AND QUALITY ASSURANCE ON THE PART OF THE AUDITING FIRM

In performing this engagement, we applied the legal provisions and professional pronouncements regarding independence and quality assurance, in particular the Professional Code for German Public Auditors and Chartered Accountants (in Germany) and the quality assurance standard of the German Institute of Public Auditors (Institut der Wirtschaftsprüfer, IDW) regarding quality assurance requirements in audit practice (IDW QS 1).

CONCLUSION

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report of Delivery Hero SE for the period from January 1 to December 31, 2020 has not been prepared, in all material respects, in accordance with Sections 315b and 315c in conjunction with 289b to 289e HGB.

RESTRICTION OF USE/GENERAL ENGAGEMENT TERMS

This assurance report is issued for purposes of the Management Board of Delivery Hero SE, Berlin, only. We assume no responsibility with regard to any third parties.

Our assignment for the Management Board of Delivery Hero SE, Berlin, and professional liability as described above was governed by the General Engagement Terms for Wirtschaftsprüfer and Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) in the version dated January 1, 2017 **(↗ https://www.kpmg.de/bescheinigungen/lib/aab_english.pdf).** By reading and using the information contained in this assurance report, each recipient confirms notice of the provisions contained therein, including the limitation of our liability as stipulated in No. 9, and accepts the validity of the General Engagement Terms with respect to us.

Berlin, April 23, 2021

KPMG AG
Wirtschaftsprüfungsgesellschaft

Hell **ppa. Zimen**

FURTHER **INFORMATION**

Use our interactive table of contents.
You will be taken directly to the relevant page.

GRI CONTENT INDEX

GRI Standard	Disclosure	Comment	Page
GRI 102: General Disclosures			
102-1	Name the organization	Delivery Hero SE	53
102-2	Activities, brands, products, and services		53–55
102-3	Location of headquarters	Berlin, Germany	53
102-4	Location of operations		4, 53–54
102-5	Ownership and legal form		53
102-6	Markets served		4, 53–54
102-7	Scale of the organization		3, 4, 55
102-8	Information on employees and other workers	Global information is currently unavailable due to ongoing roll-out of HR tool.	55
102-9	Supply chain		44, 53
102-10	Significant changes to the organization and its supply chain		54
102-11	Precautionary Principle or approach		71–77
102-12	External initiatives	DHSE is occasionally engaged in ad-hoc initatives with other industry players to safegaurd its interests, e.g. in case of new legislative initatives.	
102-13	Membership of associations	DHSE is a member of three business association which represent Delivery Hero's interest in various areas of Delivery Hero's Commercial activities: Deutsches Aktieninstitut (DAI); Deutscher Investor Relations Verband (DIRV); Bitkom	
102-14	Statement from senior decision-maker		35
102-15	Key impacts, risks, and opportunities		71–77
102-16	Values, principles, standards, and norms of behavior		5, 36
102-17	Mechanisms for advice and concerns about ethics		16–17, 46–47
102-18	Governance structure		8–13

GRI CONTENT INDEX (CONTINUATION)

GRI Standard	Disclosure	Comment	Page
102-40	List of stakeholder groups		38
102-41	Collective bargaining agreements	Currently we estimate approximately six percent of our employees are part of collective bargaining agreements; however, Delivery Hero operates with multiple workforce engagement models in our markets to cater to its business needs. This figure is fluctuating and legal backgrounds differ for each market.	
102-42	Identifying and selecting stakeholders		37
102-43	Approach to stakeholder engagement		37–38
102-44	Key topics and concerns raised		37–40
102-45	Entities included in the consolidated financial statements		53–54
102-46	Defining report content and topic Boundaries		37–40
102-47	List of material topics		40
102-48	Restatements of information	No restatements of information	
102-49	Changes in reporting		40
102-50	Reporting period	January 1, 2020–December 31, 2020	
102-51	Date of most recent report	April 28, 2021	
102-52	Reporting cycle	Annually	
102-53	Contact point for questions regarding the report	ir@deliveryhero.com	
102-54	Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards: Core option	
102-55	GRI content index		164–168
102-56	External assurance		161–162
GRI 201: Economic Performance			
103-1, 103-2, 103-3	Management approach		53–55
201-1	Direct economic value generated and distributed	Our employee volunteering program and meal donations program are two ways that Delivery Hero gives back to the communities where we opperate.	35

GRI CONTENT INDEX (CONTINUATION)

GRI Standard	Disclosure	Comment	Page
GRI 205: Anti-Corruption			
103-1, 103-2, 103-3	Management approach		46–47, 74–77
205-1	Operations assessed for risks related to corruption		71–77
GRI 206: Anti-competitive behaviour			
103-1, 103-2, 103-3	Management approach		46–47, 74–77
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices		71–77
GRI 301: Materials			
103-1, 103-2, 103-3	Management approach		37, 42
301-1	Material consumption	Global Information currently unavailable. We are still in the process of developing our data collection on material consumption.	
GRI 302: Energy			
103-1, 103-2, 103-3	Management approach		37, 40–41
302-1	Energy consumption within the organization		41
GRI 305: Emissions			
103-1, 103-2, 103-3	Management approach		37, 40–41
305-1	Direct (Scope 1) GHG emissions		41
305-2	Energy indirect (Scope 2) GHG emissions		41
305-3	Other indirect (Scope 3) GHG emissions		41
305-5	Reduction of GHG emissions		41
GRI 306: Waste			
103-1, 103-2, 103-3	Management approach		37, 42
306-3	Waste emissions	Global Information currently unavailable. We are still in the process of developing our data collection on waste.	

GRI CONTENT INDEX (CONTINUATION)

GRI Standard	Disclosure	Comment	Page
GRI 308: Supplier Environmental Assessment			
103-1, 103-2, 103-3	Management approach		44
308-1	New suppliers that were screened using environmental criteria	Global Information currently unavailable. We started rolling out our supplier code of conduct in 2020 and will have more information on this topic in future reporting years	
GRI 401: Employment			
103-1, 103-2, 103-3	Management approach		43
401-1	New employee hires and employee turnover	Global information is currently unavailable due to ongoing roll-out of our HR tool.	
GRI 403: Occupational health and safety			
103-1, 103-2, 103-3	Management approach		45–46
403-3	Occupational health services		45–46
403-5	Worker training on occupational health and safety		46
403-6	Promotion of worker health		45–46
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		45–46
GRI 404: Training and Education			
103-1, 103-2, 103-3	Management approach		45
404-1	Average hours of training per year per employee	Global Information currently unavailable. Only total number of trainings and number of participants are collected at DHSE	
404-2	Programs for upgrading employee skills and transition assistance programs		45
GRI 405: Diversity and equal payment			
103-1, 103-2, 103-3	Management approach		21–22, 44–45
405-1	Diversity of governance bodies and employees		21–22

GRI CONTENT INDEX (CONTINUATION)

GRI Standard	Disclosure	Comment	Page
GRI 406: Anti-discrimination			
103-1, 103-2, 103-3	Management approach		44–45
406-1	Incidents of discrimination and corrective actions taken	We have received 0 cases of discrimination which resulted in an investigation. This data reflects all the reports received by the Central Compliance Team via the whistleblower hotline system or other channels (email, etc). The whistle-blower hotline is made available to all DH group entities as well as external partners (DH website).	
GRI 414: Supplier Social Assessment			
103-1, 103-2, 103-3	Management approach		44
414-1	New suppliers that were screened using social criteria	Global Information currently unavailable. We started rolling out our supplier code of conduct in 2020 and intend to have more information on this topic in future reporting years	
GRI 416: Customer Health and Safety			
103-1, 103-2, 103-3	Management approach		48
416-1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement.	Global information is currently unavailable due to our various business models and the corresponding complexi-ties involved with such assessments. We are in the process of further developing our Food Safety program in 2021.	
GRI 418: Costumer Privacy			
103-1, 103-2, 103-3	Management approach		47–48, 73–74
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Currently, there are no verified substantial complaints for 2020.	

FINANCIAL CALENDAR 2021

Date	
Feb 10, 2021	Q4 2020 Trading Update
Apr 28, 2021	Annual Report 2020
Apr 28, 2021	Q1 2021 Quarterly Statement
Jun 16, 2021	Annual General Meeting 2021
Aug 12, 2021	Q2 2021 Trading Update
Aug 26, 2021	Interim Financial Report 2021
Nov 11, 2021	Q3 2021 Quarterly Statement

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DISCLAIMER AND FURTHER NOTICES

This report 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 behavior of other market participants, the successful integration of newly acquired entities and 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.

Due to the effects of rounding, some figures in this and other reports or statements may not add up precisely to the sums indicated, and percentages presented may not precisely reflect the exact figures to which they relate.

We also publish this report in German. In the event of any discrepancies, the German version of the report shall prevail over the English translation.

Delivery Hero