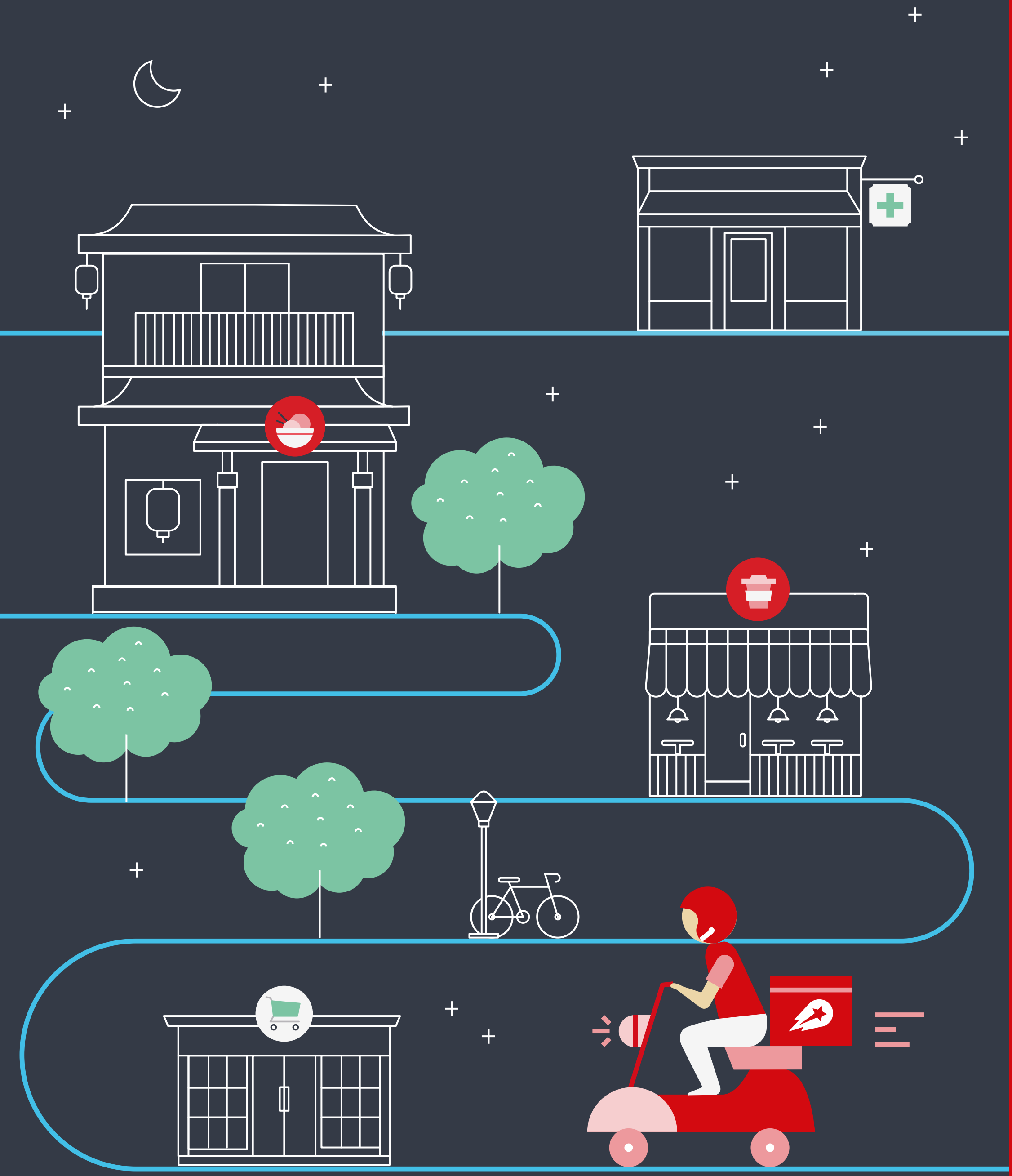

Delivery Hero

HALF-YEAR **FINANCIAL REPORT**

JANUARY–JUNE **2021**

DELIVERY HERO AT A GLANCE

	H1 2021 (EUR MILLION)	H1 2020 (EUR MILLION)	CHANGE
GROUP			
ORDERS (MILLION)	1,224.6	519.1	135.9%
GMV[1]	13,316.0	5,145.8	158.8%
TOTAL SEGMENT REVENUE[1, 2, 3]	2,682.5	1,126.8	138.1%
ADJUSTED EBITDA[1]	−350.8	−319.8	
ADJ. EBITDA/GMV (%)	−2.6%	−6.2%	
ASIA			
ORDERS (MILLION)	747.6	266.5	180.5%
GMV	7,875.4	2,214.6	255.6%
SEGMENT REVENUE	1,166.9	481.5	142.3%
ADJUSTED EBITDA	−230.7	−229.2	
ADJ. EBITDA/GMV (%)	−2.9%	−10.3%	
MENA			
ORDERS (MILLION)	287.9	151.2	90.4%
GMV[1]	3,155.0	1,778.9	77.4%
SEGMENT REVENUE[1]	684.9	368.1	86.1%
ADJUSTED EBITDA	65.0	18.8	
ADJ. EBITDA/GMV (%)	2.1%	1.1%	
EUROPE			
ORDERS (MILLION)	96.8	56.0	72.9%
GMV	1,401.1	740.8	89.1%
SEGMENT REVENUE	285.9	133.6	114.0%
ADJUSTED EBITDA	1.0	−7.9	
ADJ. EBITDA/GMV (%)	0.1%	−1.1%	

	H1 2021 (EUR MILLION)	H1 2020 (EUR MILLION)	CHANGE
AMERICAS			
ORDERS (MILLION)	92.3	45.3	103.8%
GMV[1]	884.4	411.5	114.9%
SEGMENT REVENUE[1]	226.9	95.0	138.8%
ADJUSTED EBITDA	−80.2	−79.1	
ADJ. EBITDA/GMV (%)	−9.1%	−19.2%	
INTEGRATED VERTICALS			
ORDERS (MILLION)[4]	36.2	6.9	425.1%
GMV[4]	402.2	56.0	617.9%
SEGMENT REVENUE	374.0	52.3	615.1%
ADJUSTED EBITDA	−105.8	−22.5	
ADJ. EBITDA/GMV (%)	−26.3%	−40.1%	

NOTE: DELIVERY HERO KOREA LLC ("DHK") IS PART OF THE ASIA SEGMENT AND IS INCLUDED IN THE 2020 SEGMENT PERFORMANCE, BUT IS EXCLUDED FROM JANUARY 2021. WOOWA IS INCLUDED IN THE ASIA SEGMENT SINCE THE CLOSING OF THE TRANSACTION ON MARCH 4, 2021. DELIVERY HERO'S OPERATIONS IN BOSNIA AND HERZEGOVINA, BULGARIA, CROATIA, MONTENEGRO AND SERBIA, ARE REFLECTED IN THE EUROPE SEGMENT UNTIL JUNE 17, 2021. ROMANIA IS INCLUDED IN THE PERFORMANCE OF THE EUROPE SEGMENT FOR THE FIRST SIX MONTHS OF 2021.

[1] REVENUES, ADJUSTED EBITDA, GROSS MERCHANDISE VALUE (GMV) AS WELL AS THE RESPECTIVE GROWTH RATES FOR MENA AND AMERICAS ARE IMPACTED BY HYPERINFLATION ADJUSTMENTS AS ARGENTINA AND LEBANON QUALIFY AS HYPERINFLATIONARY ECONOMIES ACCORDING TO IAS 29.
[2] TOTAL SEGMENT REVENUE IS DEFINED AS REVENUE BEFORE SUBTRACTION OF VOUCHER EXPENSES. THEREFORE, TOTAL SEGMENT REVENUE DIFFERS FROM THE IFRS DEFINITION THAT IS THE BASIS FOR THE REMAINING REPORT.
[3] DUE TO INTERSEGMENT CONSOLIDATION ADJUSTMENTS, REVENUES OF THE SEGMENTS DO NOT SUM UP TO TOTAL SEGMENT REVENUE.
[4] ORDERS AND GMV ARE ACCOUNTED FOR IN THE RESPECTIVE PLATFORM SEGMENTS AND ARE SHOWN IN THE INTEGRATED VERTICALS SEGMENT FOR ILLUSTRATIVE PURPOSES ONLY.

INTERIM GROUP
MANAGEMENT REPORT

INTERIM GROUP MANAGEMENT REPORT

A. GROUP PROFILE

The statements made in the Annual Report 2020 on the business model, the Group structure, the segments, the supervision, the management system as well as research and development ("R&D") are still applicable in the first six months of 2021.

Management
Delivery Hero SE's Management Board was expanded from two to three members. Effective May 3, 2021, the Supervisory Board appointed Pieter-Jan Vandepitte, Chief Operating Officer, as a third Management Board member. He assumed responsibility for the operational business from Niklas Östberg and also oversees sales, customer care and business intelligence. Niklas Östberg (CEO) and Emmanuel Thomassin (CFO) remain on the Management Board.

Employees
The number of employees increased to 43,838 as of June 30, 2021 (December 31, 2020: 35,528) with 3,124 employees attributed to the acquisition of Woowa Brothers Corp. and the remainder mainly due to an increase in sales personnel and additional personnel for the new verticals.

B. ECONOMIC REPORT

1. Market and Industry Environment
According to the World Economic Outlook (International Monetary Fund, IMF, July 2021) global growth is projected at 6% in 2021, moderating to 4.9% in 2022. Compared to the outlook given in April 2021, prospects for emerging market and developing economies have been marked down for 2021, especially for Emerging Asia. By contrast, the forecast for advanced economies is revised upwards. The revision reflects additional fiscal support in a few large economies, the anticipated vaccine-powered recovery in the second half of 2021, and continued adaptation of economic activity to subdued mobility. The IMF states that high uncertainty surrounds this outlook, which is related to the path of the pandemic, the effectiveness of policy support to provide a bridge to vaccine-powered normalization, and the evolution of financial conditions.

The Organisation for Economic Co-operation and Development (OECD) also projects a sharp upwards revision from the December 2020 projection of 4.2% for 2021. The OECD now expects economic growth to be 5.8% this year. The vaccine rollout in many of the advanced economies has been driving the improvement. For 2022 world GDP growth is expected to be 4.4%, in line with what the IMF predicted in April 2021, but 0.5 percentage points below IMF's July 2021 prediction.[1]

Economic improvements in 2021 still depend on how the impact from COVID-19 will decline on a global scale as well as how effective the economic policy actions in countries will be. A positive outlook would expect these policies to result in limited bankruptcies, job losses and system-wide financial strains.

The following discussion of the outlook by region is based on the Global Economic Prospects Report issued by the World Bank Group in June 2021.[2]

Please note that the regions described below (defined by the World Bank Report) differ in country constellation from Delivery Hero segments defined for financial reporting purposes but serve as an indication for the economic outlook of the segments.

Asia
Growth in South Asia is expected to rise to 6.8% in 2021. The region's outlook is underpinned by a rebound in private consumption, which is expected to account for about half of overall growth. Despite continued recovery, output in 2022 is forecast to be 9% below pre-pandemic projections.

The resulting effects of the COVID-19 pandemic have also been affecting countries outside the South Asia region (here referred to as East Asia and Pacific). Mainly due to the development in China, regional growth is projected to strengthen to 7.7% in 2021. When not accounting for China, output in the rest of the region is projected to grow by 4.0% in 2021. This is mainly because of continued pandemic-related headwinds and a delayed recovery of global tourism and travel. Growth for 2022 in the rest of the region is projected to accelerate to 5.0% as the economic recovery takes hold.

MENA
GDP in the Middle East and North Africa region is expected to grow by 2.4% in 2021. The region should benefit from the recent rebound in oil prices, stronger external demand, and less economically disruptive COVID-19 outbreaks. According to the World Bank research, growth is expected to strengthen further in 2022 to 3.5%. Nevertheless, the outlook is highly uncertain and tied to the course of the pandemic and vaccine rollouts.

Europe
The economy in the Europe and Central Asia region is forecast to expand 3.9% in 2021. Nonetheless, the outlook remains challenging especially given continued disruptions from the pandemic, combined with tighter monetary policy as well as elevated policy uncertainty and geopolitical tensions.

For 2022 growth is expected to remain at 3.9%, as the recovery in domestic demand offsets a continued drag from the withdrawal of macroeconomic policy support.

Americas
Growth in Latin America and the Caribbean is projected to be 5.2% in 2021. The near-term outlook for the region assumes moderate progress in vaccine rollouts in most countries, less stringent mobility restrictions than in 2020, positive spillovers from strong growth in advanced economies and fiscal support in the United States. Growth in 2022 is projected to soften, to 2.9%.

[1] OECD, Economic Outlook, May 2021

[2] World Bank, Global Economic Prospects, June 2021

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 H1 2021.

Since Q4 2020 Lebanon also classifies as a hyperinflationary economy according to IAS 29. Therefore, revenues and growth rates in the MENA segment were impacted.

No other countries of operation have qualified as hyperinflationary to date.[3]

Sector development

Delivery Hero has 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 with impacts continuously stretching out into the first half of 2021. The COVID-19 pandemic still has dramatic effects on people's lives and societies. One of the consequences brought about by the resulting situation was an accelerated usage of delivery services in many markets. The impact of the pandemic on Delivery Hero was multifold: while partly 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.

Change in our industry is widespread. What started as a marketplace connecting restaurants with customers, has evolved significantly over recent years. By establishing our own delivery capabilities, Delivery Hero was able to also connect new customers with restaurants that had no own food delivery capabilities. 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. The first half of 2021 saw a further continuation of this focus.

While the global food delivery industry grew faster than we had originally expected, the pandemic also induced significant stress to the ecosystem, which ultimately brought us even closer to our partners. We continued to undertake 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 some examples of measures undertaken in many markets to support our partners.

In H1 2021 Delivery Hero also accelerated the investments in the area of quick commerce – particularly via dark stores, called Dmarts, of which a significant number were opened during 2020 as well as in the first six months of this 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 development

a) Performance

While the global pandemic has further increased the demand for delivery services throughout all markets, the organic growth is supplemented by acquisitions during the first half of 2021. Total Segment Revenue[4] increased significantly by 138.1% on a year-on-year basis to € 2,682.5 million in the first half of the year 2021. The negative adjusted EBITDA[5] of the segments (H1 2021: € 350.8 million, H1 2020: € 319.8 million) increased compared to the prior period due to continuing investments in our service offering, including the extension of the Dmart rollout, improved customer experience and customer retention. Orders and GMV increased by 135.9% and 158.8% to 1,224.6 million and € 13.3 billion, respectively. Consequently, the adjusted EBITDA to GMV margin has improved from negative 6.2% in H1 2020 to negative 2.6% for the first half of the year 2021.

b) Acquisitions and investments

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 € 1.6 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 consideration of € 5.7 billion.

In the first six months of 2021, Delivery Hero increased its shareholding in the Glovo Group by participating in a funding round by investing approx. € 229 million, thereby resulting in an updated stake of 37.3% on a fully diluted basis.

Further, in March 2021, Delivery Hero and iFood entered into an investment agreement to jointly strengthen their market position in the Colombian market. iFood contributed to DH's Colombian subsidiary, Inversiones CMR S.A.S., all of its 100% holding in Come Ya S.A.S., its Colombian subsidiary, as a contribution in kind. Both iFood and DH made additional equity cash contributions, resulting in iFood holding 51% and Delivery Hero holding 49% of outstanding shares. Delivery Hero accounts for its stake in the joint venture using the equity method.

c) Divestments and disposal groups held for sale

In December 2020, Delivery Hero accepted the structural remedy that the Korean Fair Trade Commision ("KFTC") imposed as a condition for their approval of the Woowa

[3] Company information as of June 30, 2021
[4] Total Segment Revenue is defined as revenue before the reduction of vouchers.
[5] 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 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.

transaction. Accordingly, the Group plans to sell Delivery Hero Korea LLC and its subsidiaries. The divestiture was originally planned to be completed by August 2, 2021. However, based on the 5 months extention received from KFTC on July 22, 2021, the divestiture is now required to take place latest by January 2, 2022. Delivery Hero is currently negotiating the divestiture.

On May 25, 2021, Delivery Hero and Glovo entered into an agreement regarding Glovo acquiring Delivery Hero's operations in Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, Romania, and Serbia for a consideration of € 170 million. The transaction is a combination of share and asset deal, where Glovo takes over Delivery Hero's businesses in Bosnia and Herzegovina, Bulgaria, Montenegro, Romania and Serbia, and acquires certain assets of Delivery Hero's Croatian operations. On June 17, 2021, the Group closed the transaction with respect to the share deals in Bulgaria, Serbia, Bosnia and Herzegovina and Montenegro and the asset deal in Croatia. The transaction in Romania is expected to close by Q1 2022, subject to the fulfillment of the conditions precedent and relevant regulatory approvals.

3. Operating result of the Group

a) Financial performance of the Group

EUR MILLION	H1 2021	H1 2020*	CHANGE EUR MILLION	CHANGE %
REVENUE	2,457.3	957.5	1,499.8	>100
COST OF SALES	–1,911.0	–790.3	–1,120.7	>100
GROSS PROFIT	**546.3**	**167.2**	**379.1**	**>100**
MARKETING EXPENSES	–561.7	–290.9	–270.9	93.1
IT EXPENSES	–120.1	–68.5	–51.6	75.3
GENERAL ADMINISTRATIVE EXPENSES	–600.8	–272.3	–328.5	>100
OTHER OPERATING INCOME	103.8	22.1	81.7	>100
OTHER OPERATING EXPENSES	–21.0	–1.9	–19.2	>100
IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND OTHER RECEIVABLES	–7.9	–10.9	3.0	–27.5
OPERATING RESULT	**–661.4**	**–455.0**	**–206.4**	**45.4**
NET INTEREST COST	–51.0	–22.8	–28.2	>100
OTHER FINANCIAL RESULT	–94.4	59.7	–154.0	>100
SHARE OF THE PROFIT OR LOSS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	–54.6	–46.3	–8.3	17.9
EARNINGS BEFORE INCOME TAXES	**–861.4**	**–464.5**	**–397.0**	**85.5**
INCOME TAXES	–56.7	16.7	–73.5	>100
NET RESULT	**–918.1**	**–447.7**	**–470.4**	**>100**

* RESTATED

Revenues

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
TOTAL SEGMENT REVENUE	**2,682.5**	**1,126.8**	**1,555.7**	**>100**
RECONCILIATION EFFECTS	140.6	0.1	140.5	>100
VOUCHERS	–365.8	–169.3	–196.5	>100
REVENUE	**2,457.3**	**957.5**	**1,499.8**	**>100**

The **Total Segment Revenue** increased by 138.1% from € 1,126.8 million in H1 2020 to € 2,682.5 million in the first six months of 2021. Delivery Hero Korea LLC ("DHK") is part of the Asia segment and is included in the 2020 segment performance, but is excluded as of January 2021.

Total Segment Revenue includes commission revenue, which remains the largest component, and amounts to € 1,391.9 million (H1 2020: € 745.8 million) before deduction of vouchers. Commission revenue from own delivery contributes 75.1% of the segment commission revenue before deduction of vouchers (H1 2020: 68.6%) and increased by 104.4% from € 511.3 million in H1 2020 to € 1,045.1 million in H1 2021. The share of revenue from delivery fees charged separately to the customer (before deduction of vouchers) remained relatively stable at 23.6% (H1 2020: 22.3%). Segment revenue from Integrated Verticals before deduction of vouchers amounted to € 332.4 million (H1 2020: € 51.2 million).

The increase in **revenue** in the first half of 2021 by 156.6% to € 2,457.3 million is generally attributable to organic growth throughout the segments, and the acquisition of the Woowa group. Since the first inclusion in March 2021, Woowa group's revenues have contributed € 411.4 million (16.7%) of total Group revenue. Woowa also contributed significantly to the order growth of the Group. The continuous expansion of the Group's own delivery services, accompanied by an accelerated rollout of businesses in the Integrated Verticals, positively affected revenue as well.

Vouchers deducted from revenue increased from € 169.3 million in H1 2020 to € 365.8 million in H1 2021. This represents 13.6% of the Total Segment Revenue (H1 2020: 15.0%). The level of vouchers in H1 2021 is impacted by investments into campaigns that were initiated to support restaurants during COVID-19 restrictions as part of additional marketing investments mainly in Asia.

Group result

The negative **adjusted EBITDA of the segments** slightly increased in the first half of 2021 to € 350.8 million (H1 2020: negative € 319.8 million).

This moderate increase in the adjusted EBITDA of the segments is mainly driven by improved gross margin across the segments (refer to Section B.3.b for details on different development of adjusted EBITDA by segment). As the orders and GMV remarkably increased, the adjusted EBITDA to GMV margin has improved from negative 6.2% in H1 2020 to negative 2.6% for the first half of the year 2021.

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

EUR MILLION	H1 2021	H1 2020*	CHANGE EUR MILLION	CHANGE %
ADJUSTED EBITDA OF THE SEGMENTS	**–350.8**	**–319.8**	**–31.0**	**9.7**
CONSOLIDATION ADJUSTMENTS	–6.6	–	–6.6	>100
MANAGEMENT ADJUSTMENTS	–85.3	–35.4	–49.9	>100
EXPENSES FOR SHARE-BASED COMPENSATION	–131.7	–40.7	–91.0	>100
OTHER RECONCILIATION ITEMS	64.7	4.0	60.7	>100
AMORTIZATION AND DEPRECIATION	–151.6	–63.1	–88.5	>100
NET INTEREST AND OTHER FINANCIAL RESULT	–200.0	–9.4	–190.6	>100
EARNINGS BEFORE INCOME TAXES	**–861.4**	**–464.5**	**–396.9**	**85.5**

* RESTATED

Cost of sales increased by 141.8% year to year to € 1,911.0 million (H1 2020: € 790.3 million) as a result of the expansion of the own delivery business share, pronounced by the continuous rollout of Integrated Verticals. This increase remained in line with the increase in revenue year on year (+156.6%). Integrated Vertical-related cost of sales contributed 16.8% of the total cost of sales in H1 2021 (5.6% in H1 2020). Corresponding to the increase in Integrated Vertical-related cost of sales, the portion of delivery expenses decreased to 69.0% of the total cost of sales of H1 2021 (H1 2020: 80.1%). The delivery expenses comprise own delivery personnel expenses (€ 114.4 million, H1 2020: € 57.0 million) as well as external riders and other operating delivery expenses (€ 1,204.6 million, H1 2020: € 575.9 million).

The **gross profit margin** in H1 2021 was 22.2% (H1 2020: 17.5%). This is attributable to the combined effect of a remarkable increase in gross profit (+226.7%, H1 2021: €546.3 million, H1 2020: €167.2 million) and revenues (+156.6%).

Marketing expenses increased by 93.1% to € 561.7 million (H1 2020: € 290.9 million) due to higher investments particularly in the Asia segment. The marketing expenses mainly include customer acquisition costs of € 242.1 million (H1 2020: € 128.1 million) and restaurant acquisition costs of € 207.7 million (H1 2020: € 104.7 million). However, the marketing expenses to GMV ratio decreased from 5.7% to 4.2%.

IT expenses increased to € 120.1 million (H1 2020: € 68.5 million) and relate predominantly to R&D investments in local platforms and in central support functions. With 54.2%, personnel expenses continue to account for the largest share of IT expenses (H1 2020: 74.3%). Development costs resulted in the capitalization of intangible assets of € 20.5 million in the first six months 2021 (H1 2020: € 17.2 million). In relation to the GMV, the IT expenses have declined from 1.3% to 0.9%.

General administrative ("G&A") expenses increased by 120.7% to € 600.8 million (H1 2020: € 272.3 million). The increase in G&A expenses is mainly driven by higher personnel expenses (H1 2021: € 187.9 million; H1 2020: € 93.0 million) due to the overall growth of the Group and a continuous increase in administrative functions associated with the rollout of new Integrated verticals and related compliance requirements. Further, higher expenses for share-based compensation (increase of € 91.0 million) and higher depreciation and amortization (increase of € 46.2 million) contributed to the overall increase. However, the G&A expenses to GMV ratio has decreased from 5.3% to 4.5%.

Net interest cost increased to negative € 51.0 million (H1 2020: negative € 22.8 million) mainly due to the finance costs of € 40.9 million related to the issuance of the convertible bonds in 2020 (refer to section F.8. of selected notes to the half-year financial statements for further details).

The decrease in the **other financial result** from positive € 59.7 million in H1 2020 to negative € 94.4 million in H1 2021 is primarily driven by losses from the remeasurement of financial instruments at fair value through profit and loss. These valuation losses relate to the derivative financial instruments in connection with the convertible bonds issued in July 2020 (negative € 49.0 million, refer to section F.8. of selected notes to the half-year financial statements for further detail), the valuation of the shares in Takeaway.com (negative € 41.9 million), a new derivative in connection with the establishment of the joint venture between Delivery Hero and iFood in Colombia (negative € 27.2 million) and the settlement of the deal contingent FX option (negative € 26.0 million). Gains on foreign currency transactions of € 37.6 million (H1 2020: loss of € 27.6 million) soften the result.

The increase in current **income tax expenses** (H1 2021: € 36.9 million; H1 2020: € 12.0 million) is mainly driven by the increase in the earnings before income taxes of certain profit-making entities as well as the addition of Woowa group into Delivery Hero. Deferred tax expenses of € 19.8 million originate from the recognition of deferred tax liabilities on temporary differences, mainly on the Convertible Bonds, that were partly offset by the release of deferred tax liabilities, primarily resulting from the Woowa transaction.

b) Business development by segment

Total Segment Revenue reconciles to revenue as summarized below.

SEGMENT REVENUE

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
ASIA	1,166.9	481.5	685.4	>100
MENA	684.9	368.1	316.8	86.1
EUROPE	285.9	133.6	152.3	>100
AMERICAS	226.9	95.0	131.9	>100
INTEGRATED VERTICALS	374.0	52.3	321.7	>100
INTERSEGMENT CONSOLIDATION ADJUSTMENTS	−56.1	−3.7	−52.4	>100
TOTAL SEGMENT REVENUE	**2,682.5**	**1,126.8**	**1,555.7**	**>100**
RECONCILIATION EFFECTS	140.6	0.1	140.5	>100
VOUCHERS	−365.8	−169.3	−196.5	>100
REVENUE	**2,457.3**	**957.5**	**1,499.8**	**>100**

The segment revenue of the Integrated Verticals segment where DH acts as a principal is recognized on GMV basis per order. Intersegment revenue, which mainly results from commissions to the platform entities where the products of the respective Integrated Verticals are listed, are eliminated as intersegment consolidation adjustments. In H1 2021 reconciliation effects include DHK revenues.

Based on the main financial and non-financial KPIs, the performance of our segments is discussed below.

Asia[6]

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
ORDERS (MILLION)	747.6	266.5	481.1	>100
GMV	7,875.4	2,214.6	5,660.9	>100
SEGMENT REVENUE	1,166.9	481.5	685.4	>100
ADJUSTED EBITDA	−230.7	−229.2	−1.5	0.7
ADJ. EBITDA/GMV (%)	−2.9%	−10.3%		
OWN DELIVERY SHARE (%)	57.7%	73.7%		

In the first half of 2021, revenues of the Asia segment increased by 142.3%[7] and orders by 180.6%. This was partly driven by the addition of the Woowa Group to the Delivery Hero Asia segment at the beginning of March 2021 after completion of the Woowa transaction and thereby Woowa contribution from March 2021. The positive order growth in the region is also driven by higher basket sizes, increase in non-commission revenues, investments in affordability, expansion in choices including delivery of on-demand items, restaurant coverage, and the further rollout of own delivery services in the region. The ongoing COVID-19 crisis continues to have a positive effect on the demand for delivery service, contributing to an increase in orders. The strong revenue growth was driven by both marketplace commission revenues due to Woowa and continued growth of own delivery revenues in the region.

The negative adjusted EBITDA marginally increased from negative € 229.2[8] million in H1 2020 to negative € 230.7 million in H1 2021 mainly due to savings in delivery costs owing to better own delivery mechanics as well as the positive adjusted EBITDA contribution from Woowa. These savings were offset to some extent by investments in sales and marketing. The adjusted EBITDA/GMV margin improved significantly to negative 2.9% (H1 2020: negative 10.3%) based on significant order and revenue growth compared to the cost increase. The own delivery share in H1 2021 was 57.7%, which is lower than the 73.7% in H1 2020 mainly due to the Woowa marketplace effect.

MENA

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
ORDERS (MILLION)	287.9	151.2	136.7	90.4
GMV	3,155.0	1,778.9	1,376.1	77.4
SEGMENT REVENUE	684.9	368.1	316.8	86.1
ADJUSTED EBITDA	65.0	18.8	46.2	>100
ADJ. EBITDA/GMV (%)	2.1%	1.1%		
OWN DELIVERY SHARE (%)	43.8%	38.0%		

Due to the further easing of COVID-19 restrictions and lockdowns across the MENA region, recovery sped up and, accompanied by the huge increase in the number of orders, segment revenue in MENA increased by 86.1%. Revenues from own delivery services, including separately charged delivery fees, increased by 85.1% to € 456.9 million in H1 2021 (H1 2020: € 246.8 million). The increase is the result of a higher own delivery share in H1 2021. Next to the overall organic growth and the further rollout of own delivery services, the acquisition of InstaShop on August 14, 2020, as well as an increase in non-commission revenue contributed to the growth in orders and segment revenue. The appreciation of the euro against key currencies in the region, such as the Turkish lira, softened the increase in revenue.

The adjusted EBITDA of the MENA segment increased significantly compared to H1 2020. The adjusted EBITDA/GMV margin improved to 2.1% (H1 2020: 1.1%). The reason for the unproportional increase in adjusted EBITDA compared to segment revenue is a decrease in certain group-related costs as a result of the integration of the Carriage business into Talabat in the course of H1 2020.

[6] DHK is part of the Asia segment and is included in the 2020 segment performance, but excluded from January 2021.

[7] If DHK had also been excluded in H1 2020, the revenue and order growth would have been 225.4% and 272.3% respectively on a like for like basis.

[8] If DHK had also been excluded in H1 2020, the change in like for like adjusted EBITDA would still be marginal.

Europe

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
ORDERS (MILLION)	96.8	56.0	40.8	72.9
GMV	1,401.1	740.8	660.3	89.1
SEGMENT REVENUE	285.9	133.6	152.3	>100
ADJUSTED EBITDA	1.0	–7.9	8.8	>100
ADJ. EBITDA/GMV (%)	0.1%	–1.1%		
OWN DELIVERY SHARE (%)	32.4%	23.0%		

Revenues from own delivery services, including separately charged delivery fees, increased by 151.0% to € 158.6 million in H1 2021 (H1 2020: € 63.2 million). The increase is characterized by the continuous rollout of own delivery services in the region. The marketplace commission revenue also continued to grow and increased by 56.9% compared to H1 2020. Adjusted EBITDA of the Europe segment was positive over the six months period for the first time, reflecting particularly the higher revenue growth compared to the increase in cost of sales. A growth in orders combined with a higher average basket size and stable commissions contributed to the increased revenue. The results from the operations in Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro and Serbia are included until closing of the divestiture on June 17, 2021. Romania is included for the entire six months period due to the pending regulatory approval for the divestiture.

Americas

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
ORDERS (MILLION)	92.3	45.3	47.0	>100
GMV	884.4	411.5	472.9	>100
SEGMENT REVENUE	226.9	95.0	131.9	>100
ADJUSTED EBITDA	–80.2	–79.1	–1.1	1.4
ADJ. EBITDA/GMV (%)	–9.1%	–19.2%		
OWN DELIVERY SHARE (%)	84.9%	67.3%		

The Americas segment has made significant progress during the first half 2021, delivering strong year-on-year growth in both orders and revenue. The number of orders grew by 103.8% and segment revenue by 138.8%. The growth in orders was primarly driven by the addition of new customers, the investment in affordability, expansion of grocery delivery business and the further rollout of our own delivery services. The growth in revenues was positively impacted by the improvement of our commission rates and the increase in non-commission revenues.

The adjusted EBITDA remained stable resulting in a significant increase in the adjusted EBITDA/GMV margin as a result of scaling effects.

The acquisition of Glovo's Latin American business on October 1, 2020, supplemented the revenue growth with € 16.0 million, order growth with 5.3 million and GMV growth with € 54.0 million in H1 2021. Following the investment agreement entered into by DH and iFood on March 26, 2021, the Colombian business is no longer included in the Americas segment but accounted for using the equity method.

Integrated Verticals

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
ORDERS (MILLION)	36.2	6.9	29.3	>100
GMV	402.2	56.0	346.2	>100
SEGMENT REVENUE	374.0	52.3	321.7	>100
ADJUSTED EBITDA	–105.8	–22.5	–83.4	>100
ADJ. EBITDA/GMV (%)	–26.3%	–40.1%		
OWN DELIVERY SHARE (%)	100.0%	100.0%		

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. Dmarts currently operate in all regional segments with a total of 704 stores in 38 countries. To a much lesser extent, kitchens operated by Delivery Hero also contribute to the revenues in this segment. The operations within this segment are still at the inception stage. In the first half of 2021, revenues of the Integrated Verticals segment amounted to € 374.0 million (H1 2020: € 52.3 million), generated by 36.2 million orders (H1 2020: 6.9 million), mainly from Dmarts.[9]

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

c) Financial position

The development of the Group's financial position in the first half of 2021 is shown in the following condensed statement of cash flows:

EUR MILLION	H1 2021	H1 2020
CASH AND CASH EQUIVALENTS AS OF JANUARY 1[1]	*2,977.1*	*699.4*
CASH FLOW FROM OPERATING ACTIVITIES	*−354.9*	*−232.0*
CASH FLOW FROM INVESTING ACTIVITIES	*−1,790.5*	*−176.4*
CASH FLOW FROM FINANCING ACTIVITIES	*1,184.5*	*2,300.7*
EFFECT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS	*12.2*	*−12.3*
CASH AND CASH EQUIVALENTS AS OF JUNE 30[2]	**2,028.5**	**2,579.4**

[1] CASH OF € 54.9 MILLION INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AS OF JANUARY 1, 2021.
[2] CASH OF € 27.2 MILLION INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AS OF JUNE 30, 2021.

The Group's liquidity situation decreased in the first half of 2021. Negative cash outflows from operating and investing activities were partly offset by cash inflows from financing activities.

In line with the development of the Group's adjusted EBITDA, the H1 2021 cash flow from operating activities (negative € 354.9 million) increased compared to the prior period (negative € 232.0 million).

Cash outflows from investing activities mainly included the cash consideration for the acquisition of the Woowa Group (€ 1,219.0 million), investments in short-term liquid financial assets (€ 269.1 million), investments in property, plant and equipment (€ 95.9 million) and intangible assets (€ 31.6 million) as well as investments in Glovo (approx. € 229 million). The cash inflows mainly refer to the disposal of selected operations in the Balkans region to Glovo and the deconsolidation of the Colombian business (€ 60.4 million net of cash disposed). In H1 2020, the cash flows from investing activities were characterized by investments in property, plant and equipment (€ 58.8 million), intangible assets (€ 19.7 million), investments in Glovo (€ 84.7 million) and the acquisition of the Honest Food Group (€ 8.8 million).

The cash inflow from financing activities in the first six months of 2021 resulted from the issuance of new shares (€ 1,242.7 million) which were slightly offset by the payment of IFRS 16 lease liabilities (€ 54.1 million). In H1 2020 the cash inflow from financing activities resulted mainly from the placement of convertible bonds (€ 1,741.1 million), capital increases from the authorized capital in connection with Woowa transaction (€ 569.1 million) and the exercise of equity-settled stock options (€ 18.7 million).

d) Net assets

As of June 30, 2021, the Group's balance sheet is structured as follows:

EUR MILLION	JUN. 30, 2021	%	DEC. 31, 2020*	%	CHANGE
NON-CURRENT ASSETS	9,490.3	76.9	2,427.7	42.1	7,062.6
CURRENT ASSETS	2,858.8	23.1	3,339.0	57.9	–480.2
TOTAL ASSETS	**12,349.2**	**100.0**	**5,766.7**	**100.0**	**6,582.5**

*RESTATED

EUR MILLION	JUN. 30, 2021	%	DEC. 31, 2020*	%	CHANGE
EQUITY	6,002.1	48.6	1,160.8	20.1	4,841.3
NON-CURRENT LIABILITIES	4,608.0	37.3	3,607.0	62.5	1,001.0
CURRENT LIABILITIES	1,739.1	14.1	998.9	17.3	740.2
TOTAL EQUITY AND LIABILITIES	**12,349.2**	**100.0**	**5,766.7**	**100.0**	**6,582.5**

*RESTATED

The Group's total assets as of June 30, 2021 increased by 114.2% compared to December 31, 2020.

The non-current assets increase is mainly due to additions in goodwill, in particular related to the acquisition of Woowa (€ 4.8 billion) (refer to section D of selected notes to the half-year financial statements for further detail). Property, plant and equipment increased in line with the organic growth of the Group and following the Woowa transaction. Non-current financial assets mainly comprise long-term deposits in connection with the Group's lease agreements. Increases in other non-current assets relate to Delivery Hero shares that were issued in connection with the Woowa transaction and are currently held in escrow (refer to section F.3. of selected notes to the half-year financial statements for further detail). Investments accounted for using the equity method increased significantly, as DH further strengthened its engagement with Glovoapp23 S.L. (refer to section F.4. of selected notes to the half-year financial statements for further detail). The increase was partly offset by currency effects in connection with the appreciation of the euro to some currencies like the Turkish lira and Argentinian peso.

The net decrease in current assets is mainly attributable to the reduction of cash and cash equivalents by € 921.0 million. Trade and other receivables increased mainly as a result of extended business activities and short-term investments in shares of Deliveroo plc. Assets included in a disposal group classified as held for sale, amounting to € 106.8 million, relate to the divestment of DHK as a remedy in connection to the Woowa transaction, as well as the sale of the Romanian business as part of the Balkans divestment.

In the first half of 2021, the Group's equity increased by € 4.8 billion, mainly in connection with capital increases. The latter is predominantely driven by the Woowa transaction, leading to the issuance of 39.6 million new shares. In January 2021 the Group increased its capital reserve by issuing 9.4 million new shares and in February 2021 reclassified part of the derivative financial instruments related to the Convertible Bonds II into equity (refer to section F.8. of selected notes to the half-year financial statements for further details).

As of the reporting date, non-current liabilities increased significantly by 27.8% compared to the previous year. This net increase is mainly due to the recognition of a liability to transfer Delivery Hero shares that were issued in connection with the Woowa transaction and are currently held in escrow (refer to section F.3. of selected notes to the half-year financial statements for further detail). This compensated the reduction of non-current trade and other payables driven by the decrease of derivative financial instruments, mainly related to the Convertible Bond II, which was partly reclassified into equity following the expiration of the cash settlement option in February 2021 (refer to section F.8. of selected notes to the half-year financial statements for further detail).

The increase in current liabilities during the reporting period is mainly driven by the the Group's organic growth and the Woowa transaction. As of June 30, 2021 current liabilities mainly include liabilities to restaurants (€ 511.0 million), trade payables (€ 168.2 million), liabilities to riders (€ 55.3 million), liabilities for outstanding invoices (€ 203.0 million), lease liabilities (€ 72.9 million), liabilities to employees (€ 66.0 million) and liabilities for taxes and charges (€ 114.5 million). Liabilities included in a disposal group classified as held for sale amount to € 86.5 million.

C. RISK AND OPPORTUNITIES

Even though the opportunity and risk profile of Delivery Hero has changed in the first half of 2021 compared to the one presented in the Annual Report 2020, there are still no individual risks that could jeopardize the ability of the Delivery Hero Group to continue as a going concern.

As part of integrating the Woowa group into Delivery Hero, an initial analysis of the risks and opportunities was performed. Our initial analysis did not indicate any significant changes in the opportunity and risk profile of Delivery Hero.

Subsequently changes to Delivery Hero's opportunity and risk profile are presented below.

1. Risks

COVID-19

During this first half year, the incidence rate has generally been controlled through actions by local government authorities, in particular vaccination campaigns that were implemented in many countries where we operate.[10] Consequentially we have observed the lifting of restrictive measures in many countries where we operate. More recently, with the spread of new variants of the disease with a higher contagion rate, it is possible that some governments may decide to reimpose restrictive measures, limiting restaurants operations and options for dining out.

Considering historical measures taken by governments, as well as the uncertainty regarding the spread of new variants, we reclassify the risk of imposing more severe restrictions for restaurants, thus negatively affecting their operations via our platforms, from medium to low. However, the ease of restrictive measures by governments could lead to a change in behavior of our users, who may opt to dine out resulting in a decrease in our orders rate. We also reclassify this risk from medium to low.

Although the forecast for global economic growth by the International Monetary Fund (IMF) was more positive than initially published, the forecast is subject to a high degree of uncertainty regarding the economic consequences of the COVID-19 pandemic[11]. Therefore, we continue to rate the risk relating to an unfavorable macro-economic environment and its related effects on consumer spending as well as potential negative effects on the restaurants operations and stability as medium.

Competition

Regarding competition, and competitors in general, we have observed a moderate expansion of their operations focused on specific segments. Additionally, both new and already established competitors are closing high financing rounds and/or planning IPOs, which might influence future behavior regarding expansion programs and potential deals offered to stakeholders. Nonetheless taking into account the current market activities, we still assess this risk as high.

Financing of DH Group

Due to the geographical expansion, investments in existing markets as well as new operating models, Delivery Hero is assessing and utilizing external financing options. As most operating businesses have not yet reached break even the Groups' growth is contingent on the utilization of capital markets. Accessibility to capital markets as well as financing conditions may depend on external factors, which may hamper planned investments and the Groups' growths ambitions, accordingly. In light of the current capital market environment we assess this risk as medium.

2. Opportunities

Expansion

Considering our long-term experience in the industry and the early inclusion of Dmarts and Kitchens in our portfolio of services (delivery service, partnerships with global retailers etc.), we see expansion opportunities not only to new countries but also to new cities, combined with an increase in services offered to users.

Competition

The existence of competitors, who have expanded their Dmart focused operations in some of the markets where we operate is considered, to a certain extent, beneficial as it increases customer awareness about this product.

Furthermore, the existence of competition is considered an additional driver in our innovation process. We are able to learn from non-optimal choices which contributes to our sustainable growth.

Technology

Beyond offering new products and services, Delivery Hero aims to make use of innovative technology to increase the efficiency of operations thereby meeting the ever-growing demand for home delivery from more demanding and informed customers. This can be observed in the example of our self-developed autonomous robot which is already being tested in Sweden.

D. OUTLOOK 2021

For 2021, we continue to expect a significant increase in Total Segment Revenues exceeding € 6.1 billion[12]. 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 € 32.0 billion[12]. Both, a further strong organic development but also the consolidation of the Woowa group effective March 4, 2021, is contributing to this positive growth outlook for 2021.

The negative adjusted EBITDA of the Segments[12] of Delivery Hero is expected to be higher compared to 2020 (negative € 567.7 million). Investment opportunities that we expect to contribute to additional growth in forthcoming months and years give reason to this revised expectation for the 2021 adjusted EBITDA of the Segments compared to the outlook given in the 2020 Annual Report.

For 2021 we continue to expect an improvement in efficiency compared to 2020, measured as adjusted EBITDA to GMV margin[12] for the Group.

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 the extent. The projection for the forecast period is based on the composition of the Group at the time the financial statements were prepared.

[10] WHO (COVID-19) Dashboard 2021
[11] IMF World Economic Outlook April 2021

[12] DHK is excluded from 2021 Outlook effective January 1, 2021. Woowa is included with effect of the transaction on March 4, 2021.

HALF-YEAR
FINANCIAL STATEMENTS

JANUARY–JUNE **2021**

HALF-YEAR FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR MILLION	NOTE	JUN. 30, 2021	DEC. 31, 2020*
NON-CURRENT ASSETS			
INTANGIBLE ASSETS	F.1.	7,118.8	1,377.3
PROPERTY, PLANT AND EQUIPMENT		509.8	342.7
OTHER FINANCIAL ASSETS	F.2.	441.3	419.8
OTHER ASSETS	F.3.	962.4	0.1
DEFERRED TAX ASSETS		3.2	0.1
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	F.4.	454.7	287.8
		9,490.3	**2,427.7**
CURRENT ASSETS			
INVENTORIES		58.2	36.1
TRADE AND OTHER RECEIVABLES		554.1	138.2
OTHER FINANCIAL ASSETS	F.2.	–	23.1
OTHER ASSETS		128.6	79.5
INCOME TAX RECEIVABLES		10.0	7.3
CASH AND CASH EQUIVALENTS		2,001.2	2,922.2
ASSETS OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	F.5.	106.8	132.6
		2,858.8	**3,339.0**
TOTAL ASSETS		**12,349.2**	**5,766.7**

EQUITY AND LIABILITIES

EUR MILLION	NOTE	JUN. 30, 2021	DEC. 31, 2020*
EQUITY			
SHARE CAPITAL/SUBSCRIBED CAPITAL	F.6.	249.2	199.4
CAPITAL RESERVES	F.6.	9,155.4	3,485.4
RETAINED EARNINGS AND OTHER RESERVES		−3,411.9	−2,527.7
TREASURY SHARES		−1.7	−0.1
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		5,990.9	1,157.1
NON-CONTROLLING INTERESTS		11.2	3.7
		6,002.1	**1,160.8**
NON-CURRENT LIABILITIES			
PENSION PROVISIONS		25.0	0.4
OTHER PROVISIONS		18.4	12.1
TRADE AND OTHER PAYABLES	F.7.	1,276.7	598.5
CONVERTIBLE BONDS	F.8.	2,976.1	2,949.5
OTHER LIABILITIES		53.2	20.0
DEFERRED TAX LIABILITIES		258.6	26.4
		4,608.0	**3,607.0**
CURRENT LIABILITIES			
OTHER PROVISIONS		101.7	65.1
TRADE AND OTHER PAYABLES	F.7.	1,203.6	655.8
OTHER LIABILITIES		284.4	124.8
INCOME TAX LIABILITIES		62.9	36.3
LIABILITIES OF DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	F.5.	86.5	117.0
		1,739.1	**998.9**
TOTAL EQUITY AND LIABILITIES		**12,349.2**	**5,766.7**

* THE COMPARATIVE INFORMATION IS RESTATED DUE TO CORRECTION OF ERRORS. SEE SECTION A.3. FOR FURTHER DETAILS.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR MILLION	NOTE	H1 2021	H1 2020*	CHANGE EUR MILLION	CHANGE %
REVENUE	E.1.	2,457.3	957.5	1,499.8	>100
COST OF SALES	E.2.	–1,911.0	–790.3	–1,120.7	>100
GROSS PROFIT		**546.3**	**167.2**	**379.1**	**>100**
MARKETING EXPENSES	E.3.	–561.7	–290.9	–270.9	93.1
IT EXPENSES		–120.1	–68.5	–51.6	75.3
GENERAL ADMINISTRATIVE EXPENSES	E.4.	–600.8	–272.3	–328.5	>100
OTHER OPERATING INCOME	E.5.	103.8	22.1	81.7	>100
OTHER OPERATING EXPENSES		–21.0	–1.9	–19.2	>100
IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND OTHER RECEIVABLES	E.6.	–7.9	–10.9	3.0	–27.5
OPERATING RESULT		**–661.4**	**–455.0**	**–206.4**	**45.4**
NET INTEREST COST	E.7.	–51.0	–22.8	–28.2	>100
OTHER FINANCIAL RESULT	E.8.	–94.4	59.7	–154.0	>100
SHARE OF THE PROFIT OR LOSS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	E.9.	–54.6	–46.3	–8.3	17.9
EARNINGS BEFORE INCOME TAXES		**–861.4**	**–464.5**	**–397.0**	**85.5**
INCOME TAXES	E.10.	–56.7	16.7	–73.5	>100
NET RESULT		**–918.1**	**–447.7**	**–470.4**	**>100**

EUR MILLION	NOTE	H1 2021	H1 2020*	CHANGE EUR MILLION	CHANGE %
OTHER COMPREHENSIVE INCOME (NET)					
ITEMS NOT RECLASSIFIED TO PROFIT OR LOSS:					
REMEASUREMENT OF NET LIABILITY (ASSET) ARISING ON DEFINED BENEFIT PENSION PLANS		–5.2	0.1	–5.3	>100
ITEMS RECLASSIFIED TO PROFIT OR LOSS IN THE FUTURE:					
EFFECT OF MOVEMENTS IN EXCHANGE RATES		46.1	–24.2	70.3	>100
OTHER COMPREHENSIVE INCOME		**40.9**	**–24.1**	**65.0**	**>100**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**–877.2**	**–471.8**	**–405.5**	**85.9**
NET RESULT FOR THE PERIOD ATTRIBUTABLE TO:					
SHAREHOLDERS OF THE PARENT		–913.6	–447.0	–466.6	>100
NON-CONTROLLING INTERESTS		–4.5	–0.7	–3.8	>100
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
SHAREHOLDERS OF THE PARENT		–884.7	–471.1	–413.7	87.8
NON-CONTROLLING INTERESTS		7.5	–0.7	8.2	>100
DILUTED AND BASIC EARNINGS PER SHARE IN EUR		–3.84	–2.24	–1.60	71.5

* THE COMPARATIVE INFORMATION IS RESTATED DUE TO CORRECTION OF ERRORS. SEE SECTION A.3. FOR FURTHER DETAILS.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

JAN. 1, 2021–JUN. 30, 2021	ATTRIBUTABLE TO THE OWNERS OF THE PARENT								
			RETAINED EARNINGS AND OTHER RESERVES						
EUR MILLION	SUBSCRIBED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS	CURRENCY TRANSLATION RESERVE	REVALUATION RESERVE FOR PENSION COMMITMENTS	TREASURY SHARES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AS OF JAN. 1, 2021[1]	**199.4**	**3,485.4**	**−2,159.1**	**−363.8**	**−4.8**	**−0.1**	**1,157.1**	**3.7**	**1,160.8**
NET PROFIT	–	–	*−913.6*	–	–	–	*−913.6*	*−4.5*	*−918.1*
OTHER COMPREHENSIVE INCOME	–	–	–	*34.1*	*−5.2*	–	*28.9*	*12.0*	*40.9*
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**−913.6**	**34.1**	**−5.2**	**–**	**−884.7**	**7.5**	**−877.2**
TRANSACTIONS WITH OWNERS – PAYMENTS RECEIVED AND CHANGE IN NON-CONTROLLING INTERESTS									
CAPITAL INCREASES	*49.9*	*5,122.9*	–	–	–	–	*5,172.7*	–	*5,172.7*
EQUITY-SETTLED SHARE-BASED PAYMENTS	–	*122.8*	–	–	–	–	*122.8*	–	*122.8*
EQUITY COMPONENT OF CONVERTIBLE BONDS	–	*424.2*	–	–	–	–	*424.2*	–	*424.2*
OTHER CHANGES TO EQUITY	–	–	*0.4*[2]	–	–	*−1.7*	*−1.3*	–	*−1.3*
TRANSACTIONS WITH OWNERS	**49.9**	**5,669.9**	**0.4**	**–**	**–**	**−1.7**	**5,718.4**	**–**	**5,718.4**
BALANCE AS OF JUN. 30, 2021	**249.2**	**9,155.4**	**−3,072.3**	**−329.6**	**−10.0**	**−1.7**	**5,990.9**	**11.2**	**6,002.1**

[1] RETAINED EARNINGS AS OF JANUARY 1, 2021 ARE RESTATED DUE TO CORRECTION OF ERRORS. SEE SECTION A.3. FOR FURTHER DETAILS.
[2] INCLUDES RESULTS FROM HYPERINFLATIONARY ECONOMIES OF € 0.4 MILLION.

JAN. 1, 2020–JUN. 30, 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 RESERVE FOR PENSION COMMITMENTS	TREASURY SHARES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AS OF JAN. 1, 2020 REPORTED	**188.8**	**2,745.6**	**–749.0**	**–311.6**	**–2.2**	**–0.1**	**1,871.5**	**–2.0**	**1,869.5**
IMPACT FROM RESTATEMENT[2]	–	–	–3.1[2]	–	–	–	–3.1	–	–3.1
BALANCE AS OF JAN. 1, 2020 RESTATED	**188.8**	**2,745.6**	**–752.1**	**–311.6**	**–2.2**	**–0.1**	**1,868.4**	**–2.0**	**1,866.4**
NET RESULT[2]	–	–	–447.0[2]	–	–	–	–447.0	–0.7	–447.7
OTHER COMPREHENSIVE INCOME	–	–	–	–24.2[1]	0.1	–	–24.1	0.0	–24.1
TOTAL COMPREHENSIVE INCOME[2]	**–**	**–**	**–447.0**	**–24.2**	**0.1**	**–**	**–471.1**	**–0.7**	**–471.8**
TRANSACTIONS WITH OWNERS – PAYMENTS RECEIVED AND CHANGE IN NON-CONTROLLING INTERESTS									
CAPITAL INCREASES	10.3	577.5	–	–	–	–	587.8	–	587.8
EQUITY-SETTLED SHARE-BASED PAYMENTS	–	36.1	–	–	–	–	36.1	–	36.1
EQUITY COMPONENT FROM ISSUANCE OF CONVERTIBLE BONDS (NET OF TAX)	–	84.0	–	–	–	–	84.0	–	84.0
TRANSACTIONS WITH OWNERS	**10.3**	**697.6**	**–**	**–**	**–**	**–**	**707.9**	**–**	**707.9**
BALANCE AS OF JUN. 30, 2020[2]	**199.1**	**3,443.1**	**–1,199.1**	**–335.8**	**–2.2**	**–0.1**	**2,105.0**	**–2.7**	**2,102.3**

[1] INCLUDES RESULTS FROM HYPERINFLATIONARY ECONOMIES OF € –3.7 MILLION.
[2] RESTATED DUE TO CORRECTION OF ERRORS. SEE SECTION A.3. FOR FURTHER DETAILS.

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
1. CASH FLOWS FROM OPERATING ACTIVITIES				
NET RESULT	−918.1	−443.2	−474.9	>100
INCOME TAXES	56.7	−16.7	73.5	>100
INCOME TAX PAID (−)	−7.2	−3.7	−3.5	95.4
AMORTIZATION AND DEPRECIATION (+)	149.5	63.0	86.5	>100
WRITE-DOWNS OF FINANCIAL ASSETS (+)	1.6	2.6	−1.0	−38.4
INCREASE (+)/DECREASE (−) IN PROVISIONS	23.8	13.6	10.1	74.5
NON-CASH EXPENSES (+) FROM SHARE-BASED PAYMENTS	131.7	40.7	91.0	>100
OTHER NON-CASH EXPENSES (+) AND INCOME (−)	5.1	57.2	−52.1	−91.1
GAIN (−)/LOSS (+) ON DISPOSALS OF FIXED ASSETS	1.1	1.5	−0.4	−27.3
GAIN (−)/LOSS (+) ON DECONSOLIDATION	−69.4	–	−69.4	>100
INCREASE (−)/DECREASE (+) IN INVENTORIES, TRADE RECEIVABLES AND OTHER ASSETS	−116.4	−49.1	−67.3	>100
INCREASE (+)/DECREASE (−) IN TRADE AND OTHER PAYABLES	202.9	173.0	29.9	17.3
INTEREST AND SIMILAR INCOME (−)/INTEREST AND SIMILAR EXPENSE (+)	183.8	−70.8	254.6	>100
CASH FLOWS FROM OPERATING ACTIVITIES	**−354.9**	**−232.0**	**−122.9**	**53.0**
2. CASH FLOWS FROM INVESTING ACTIVITIES				
PROCEEDS (+) FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	1.2	0.1	1.1	>100
PAYMENTS (−) FOR INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	−95.9	−58.8	−37.1	63.0
PROCEEDS (+) FROM DISPOSAL OF INTANGIBLE ASSETS	0.3	0.5	−0.2	−43.3
PAYMENTS (−) TO ACQUIRE INTANGIBLE ASSETS	−31.6	−19.7	−11.9	60.1
PROCEEDS (+)/PAYMENTS (−) FOR INVESTMENTS IN FINANCIAL ASSETS	−269.1	−4.1	−265.0	>100
PAYMENTS FOR (−)/PROCEEDS (+) FROM LOANS TO THIRD PARTIES	−9.3	−0.1	−9.2	>100
NET PAYMENTS (−) FOR ACQUISITIONS	−1,219.0	−8.8	−1,210.2	>100
NET PROCEEDS (+) FROM SALE OF SUBSIDIARIES OR DISCONTINUED OPERATIONS	60.4	−0.5	61.0	>100
PURCHASE OF EQUITY INVESTMENTS	−229.7	−86.4	−143.3	>100
INTEREST RECEIVED (+)	2.1	1.3	0.8	64.1
CASH FLOWS FROM INVESTING ACTIVITIES	**−1,790.5**	**−176.4**	**−1,614.0**	**>100**
3. CASH FLOWS FROM FINANCING ACTIVITIES				
PROCEEDS (+) FROM CAPITAL CONTRIBUTIONS	1,242.7	587.8	654.8	>100
PROCEEDS (+) FROM LOANS AND BORROWINGS	–	1,741.0	−1,741.0	−100
REPAYMENTS (−) OF LOANS AND BORROWINGS	−40.2	−24.1	−16.1	66.9
INTEREST PAID (−)	−18.0	−4.1	−13.9	>100
CASH FLOWS FROM FINANCING ACTIVITIES	**1,184.5**	**2,300.7**	**−1,116.1**	**−48.5**
4. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD				
NET CHANGE IN CASH AND CASH EQUIVALENTS	−960.9	1,892.3	−2,853.2	>100
EFFECT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS	12.2	−12.3	24.5	>100
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD[1]	2,977.1	699.5	2,277.6	>100
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD[2]	**2,028.4**	**2,579.4**	**−551.0**	**−21.4**

[1] CASH OF € 54.9 MILLION INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AS OF JANUARY 1, 2021.
[2] CASH OF € 27.2 MILLION INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE AS OF JUNE 30, 2021.

SELECTED NOTES TO THE HALF-YEAR FINANCIAL STATEMENTS

A. GENERAL INFORMATION ON THE HALF-YEAR FINANCIAL STATEMENTS

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, Americas, 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 Management Board prepared the half-year financial statements by August 23, 2021 and submitted these directly to the Supervisory Board for approval.

2. Basis of financial reporting in accordance with IFRS

a) Basis of preparation

The unaudited condensed consolidated interim financial statements of the Group for the first half of 2021 were prepared in accordance with IAS 34 Interim Financial Reporting and comply with the International Financial Reporting Standards (IFRS) as adopted by the European Union for interim financial reporting applicable as of the reporting date.

The unaudited condensed consolidated interim financial statements do not contain all information and disclosures in the notes that are required for consolidated financial statements and should thus be read in conjunction with the consolidated financial statements as of December 31, 2020. In order to gain an understanding of the significant changes in the financial position and financial performance since the 2020 consolidated financial statements, selected disclosures regarding significant events and transactions are included in the notes to the condensed consolidated interim financial statements.

The condensed consolidated interim financial statements are prepared in euros. Unless otherwise stated, all figures have been rounded to the nearest million euros (€ 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.

In preparing the condensed consolidated interim financial statements, the accounting policies used for the preparation of the consolidated financial statements as of December 31, 2020, remain unchanged. The preparation of consolidated financial statements in accordance with IFRS requires management estimates and judgements. The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the consolidated financial statements as of December 31, 2020.

The condensed consolidated interim financial statements and the interim Group management report have not been audited or reviewed by an auditor.

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

A number of new standards and amendments to standards are effective for annual periods beginning after January 1, 2021. None of these new standards and amendments are expected to have significant impact on the Group's consolidated financial statements.

3. Restatement of prior periods

During the first half of 2021, Delivery Hero discovered that the share of loss recognized for the Group's involvement in Glovoapp23, S.L., ("Glovo") under the equity method was understated by € 3.1 million in 2019 and € 4.5 million in 2020.

The errors have been corrected by restating each of the affected financial statement line items for the first six months of 2020. The total effect of the error on *retained earnings and other reserves* as of December 31, 2020 amounts to a cumulative negative € 7.6 million. The equity effect for the years ending December 31, 2019 amounts to € 3.1 million and is recognized in *retained earnings and other reserves* of the Group. The individual equity effect for the first six months of 2020 amounts to € 4.5 million resulting from the effect on the consolidated statement of comprehensive income of € 4.5 million which is recognized in the *share of profit or loss of associates accounted for using the equity method*. Accordingly, the *investments accounted for using the equity method* are reduced by € 7.6 million for the first six months of 2020.

There is no material impact on the Group's diluted or basic earnings per share and no impact on the total operating, investing or financing cash flows for the year ended December 31, 2020.

B. SEASONALITIES AND EXTERNAL EFFECTS

Business operations are affected by fluctuations relating to weather and public holidays at the level of the individual entity and are subject to seasonal influences in some regions where the seasons are particularly pronounced, such as northern Europe. In these regions, order demand is typically higher in autumn and winter owing to shorter daylight hours and frequent poor weather.

At Group level, seasonal influences are not as significant due to the diversification of all entities and are eclipsed by organic and external growth.

The appreciation of the euro to several local currencies of our subsidiaries softened the revenue growth of the Group and impacted also the adjusted EBITDA through translation effects.

C. OPERATING SEGMENTS

The Korean business with its major brand Yogiyo ("DHK") and the Romanian business are held for sale as of December 31, 2020, and June 30, 2021, respectively, but did not qualify as discontinued operations. DHK is part of the Asia segment and is included in the 2020 segment performance, but is excluded from January 2021. Accordingly reconciliation effects in H1 2021 include DHK revenues.

Romania is part of the Europe segment and is included in the 2021 and 2020 segment performance.

Woowa is included in the Asia segment as of the closing of the transaction on March 4, 2021.

1. Revenue

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
ASIA	1,166.9	481.5	685.4	>100
MENA	684.9	368.1	316.8	86.1
EUROPE	285.9	133.6	152.3	>100
AMERICAS	226.9	95.0	131.9	>100
INTEGRATED VERTICALS	374.0	52.3	321.7	>100
INTERSEGMENT CONSOLIDATION ADJUSTMENTS	−56.1	−3.7	−52.4	>100
TOTAL SEGMENT REVENUE	**2,682.5**	**1,126.8**	**1,555.7**	**>100**
RECONCILIATION EFFECTS	140.6	0.1	140.5	>100
VOUCHERS	−365.8	−169.3	−196.5	>100
REVENUE	**2,457.3**	**957.5**	**1,499.8**	**>100**

2. Adjusted EBITDA

EUR MILLION	H1 2021	H1 2020*	CHANGE EUR MILLION	CHANGE %
ASIA	−230.7	−229.2	−1.5	0.7
MENA	65.0	18.8	46.2	>100
EUROPE	1.0	−7.9	8.9	>100
AMERICAS	−80.2	−79.1	−1.1	1.4
INTEGRATED VERTICALS	−105.8	−22.5	−83.3	>100
ADJUSTED EBITDA OF THE SEGMENTS	**−350.8**	**−319.8**	**−31.0**	**9.7**
CONSOLIDATION ADJUSTMENTS	−6.6	–	−6.6	>100
MANAGEMENT ADJUSTMENTS	−85.3	−35.4	−49.9	>100
EXPENSES FOR SHARE-BASED COMPENSATION	−131.7	−40.7	−91.0	>100
OTHER RECONCILIATION ITEMS	64.7	4.0	60.7	>100
AMORTIZATION AND DEPRECIATION	−151.6	−63.1	−88.5	>100
NET INTEREST AND OTHER FINANCIAL RESULT	−200.0	−9.4	−190.6	>100
EARNINGS BEFORE INCOME TAXES	**−861.4**	**−464.5**	**−396.9**	**85.5**

*RESTATED

Management adjustments include (i) expenses for services related to corporate transactions of € 57.6 million (H1 2020: € 16.7 million), thereof € 22.0 million expenses recognized in H1 2020 for earn-out liabilities in connection with acquisitions of prior years (H1 2020: € 6.9 million), expenses for services related to corporate finance of € 18.2 million (H1 2020: € 0.2 million) and (ii) expenses for reorganization measures of € 9.3 million (H1 2020: € 18.7 million) mainly with respect to the combination of the Carriage business into Talabat in MENA.

Other reconciliation effects include mainly non-operating income and expenses. In the first half of 2021, these items include a loss from the deconsolidation of the Colombian business related to the joint venture agreement with iFood of € 11.8 million, other non-income related taxes of € 3.4 million as well as a gain from the sale of Delivery Hero's operations in the Balkans region to Glovo of € 49.8 million, income from the release of an earn-out provision related to the Zomato UAE business of € 10.3 million as well as a disposal gain from the sale of fixed assets of € 1.3 million.

3. Information about revenue based on geographical areas

The table below shows the revenue for material countries in the Group[13]. The geographical allocation of the revenue is based on the domicile of each subsidiary.

EUR MILLION	H1 2021	H1 2020
KOREA	521.6	89.9
SAUDI ARABIA	222.9	122.8
TAIWAN	221.5	110.1
OTHER COUNTRIES	1,491.3	634.7
TOTAL	**2,457.3**	**957.5**

D. ACQUISITIONS

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

[13] A country is considered material if representative of >10% of respective performance metric, at minimum three largest countries, respectively.

approval of the transaction by imposing structural remedies. The transaction effectively closed March 4, 2021. The total consideration consists of € 1.6 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. This includes an agreement to settle the existing share based plans for vested options and a bonus component for Woowa.

The acquisition represents a key strategic investment for the Group's operations in Asia and its overall global footprint.

The total consideration for the acquisition 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	899.3
PROPERTY, PLANT AND EQUIPMENT	74.5
TRADE AND OTHER RECEIVABLES	94.6
OTHER ASSETS	65.6
DEFERRED TAX ASSETS	3.0
CASH AND CASH EQUIVALENTS	343.6
PROVISIONS AND LIABILITIES	−125.7
TRADE PAYABLES	−314.8
DEFERRED TAX LIABILITIES	−212.4
REVALUATION RESERVE	−5.3
NET ASSETS	**822.4**
CONSIDERATION TRANSFERRED	**5,669.6**
NON-CONTROLLING INTERESTS	**15.4**
GOODWILL	**4,831.9**

The analysis of the assets acquired and liabilities assumed was not completed by the date of issue of the half-year consolidated financial statements due to the spread of the COVID-19 pandemic and associated travel and work restrictions, which hampered timely access to management and data.

Brands, customer relationships and deferred taxes have been measured on a basis pursuant to IFRS 3. None of the intangible assets have an indefinite useful life.

Goodwill, which consists primarily of non-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 € 94.6 million were acquired and are assessed as being fully recoverable.

Since their first inclusion, the acquired entities have contributed € 411.4 million towards Group revenues and a net loss of € 23.6 million. If the acquisition had been consolidated as of January 1, 2021, the entities would have contributed € 627.5 million to Group revenue and a net loss of € 36.0 million to the Group's net result.

The purchase price allocation for the acquisition of Woowa Brothers is preliminary. The final purchase price allocation will be determined after completion of a thorough analysis of commercial data and financial planning assumptions to determine the fair value of all assets acquired and liabilities assumed.

As particular information was not yet available or discussions are still ongoing, simplified valuation parameters are currently assumed for certain assets. In particular, preliminary valuation of customer relationships due to limited information with regards to e.g. acquisition costs for new customers/restaurants, customer cohort and churn data for particular business units could not yet be conclusively determined.

Any increase or decrease in the fair value of the assets acquired and liabilities assumed, as compared to the information shown herein, could also change the portion of purchase price allocated to goodwill and could impact the operating results of the company following the acquisition due to differences in purchase price allocation, depreciation and amortization related to some of these assets and liabilities.

The final purchase price allocation is expected to be completed during the second half-year of 2021.

E. NOTES TO THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1. Revenue

Revenue is composed as follows:

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
COMMISSIONS	1,414.1	745.8	668.3	89.6
DELIVERY FEES[1]	563.2	214.0	349.2	>100
INTEGRATED VERTICALS	332.4	51.2	281.2	>100
PRIME PLACINGS	251.2	42.2	209.0	>100
CREDIT CARD USE	154.5	30.4	124.1	>100
OTHER	107.7	43.2	64.4	>100
LESS VOUCHERS	−365.8	−169.3	−196.5	>100
REVENUE	**2,457.3**	**957.5**	**1,499.8**	**>100**

[1] FEES CHARGED SEPARATELY TO THE ORDERERS FOR DELIVERY SERVICES.

2. Cost of sales

Cost of sales is composed as follows:

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
DELIVERY EXPENSES	−1,319.1	−632.8	−686.3	>100
INTEGRATED VERTICALS	−320.5	−44.3	−276.2	>100
FEES FOR PAYMENT SERVICES	−148.5	−46.7	−101.8	>100
SERVER HOSTING	−27.1	−14.5	−12.6	86.8
PICKER COST	−24.3	−9.3	−15.0	>100
PURCHASE OF TERMINALS AND OTHER POS SYSTEMS	−18.0	−8.2	−9.8	>100
RIDER EQUIPMENT	−15.7	−9.6	−6.1	63.3
GOODS AND MERCHANDISE	−5.8	−4.6	−1.2	25.5
EXPENSES FOR DATA TRANSFER	−2.8	−2.7	−0.1	2.3
OTHER COST OF SALES	−29.4	−17.6	−11.8	67.5
TOTAL	**−1,911.0**	**−790.3**	**−1,120.7**	**>100**

The increase in cost of sales is primarily attributable to the continuous expansion of the own delivery business. This trend also includes the further launch of Dmarts and kitchens. Picker costs relate to the physical collection of the order units in Dmarts and other grocery stores.

Inventories were reduced by € 15.1 million (H1 2020: nil) as a result of the write-down to net realizable value. Simultaniously, in H1 2021 € 7.1 million of the write-downs were reversed. The write-downs and reversals were recognized as an expense and are included in 'Integrated Verticals'.

Further, general business growth leads to a higher overall cost of sales. Fees for payment services are impacted by a higher online payment share.

3. Marketing expenses

Marketing expenses are composed as follows:

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
CUSTOMER ACQUISITION	−242.1	−128.1	−113.9	88.9
RESTAURANT ACQUISITION	−207.7	−104.7	−103.0	98.4
AMORTIZATION OF CUSTOMER/SUPPLIER BASE	−25.3	−8.8	−16.5	>100
AMORTIZATION OF BRANDS	−15.9	−5.8	−10.1	>100
OTHER MARKETING EXPENSES	−70.8	−43.5	−27.3	62.6
TOTAL	**−561.7**	**−290.9**	**−270.8**	**93.1**

4. General administrative expenses

General administrative expenses is composed as follows:

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
PERSONNEL EXPENSES	−187.9	−93.0	−94.8	>100
SHARE-BASED PAYMENT EXPENSES	−131.7	−40.7	−91.0	>100
DEPRECIATION AND AMORTIZATION	−84.3	−38.1	−46.2	>100
AUDIT AND CONSULTING EXPENSES	−38.2	−25.4	−12.8	50.2
OTHER (NON-INCOME) TAXES	−25.1	−14.8	−10.3	69.6
OTHER OFFICE EXPENSES	−23.9	−17.6	−6.3	35.9
TRAVEL EXPENSES	−7.5	−7.1	−0.3	4.7
RENT AND LEASE EXPENSES	−7.2	−4.0	−3.2	79.6
TELECOMMUNICATIONS	−6.9	−2.8	−4.2	>100
MISCELLANEOUS	−88.3	−28.8	−59.4	>100
TOTAL	**−600.8**	**−272.3**	**−328.5**	**>100**

5. Other operating income

Other operating income includes the gain on disposal of € 49.8 million related to the sale of Delivery Hero's operations in the Balkans region (Europe) to Glovo (refer to section B.2.c) of Interim Group Management Report for further detail), and € 10.3 million from the partial release of the contingent consideration liability in connection with the acquisition of Zomato UAE in 2019.

6. Impairment losses on trade receivables and other receivables

The bad debt allowances on trade and other receivables decreased from € 10.9 million in H1 2020 to € 7.9 million in H1 2021 mainly due to the settlement of outstanding receivables by partner restaurants in the MENA region, after previously extended terms of payment following the COVID-19 pandemic.

7. Net interest cost

Net interest cost is composed as follows:

EUR MILLION	H1 2021	H1 2020	CHANGE EUR MILLION	CHANGE %
INTEREST EXPENSE ON CONVERTIBLE BONDS	−40.9	−14.8	−26.2	>100
INTEREST EXPENSE FROM DISCOUNTING OF LEASE LIABILITIES	−4.6	−2.5	−2.1	84.7
OTHER INTEREST EXPENSE	−10.7	−7.3	−3.4	46.2
INTEREST AND SIMILAR INCOME	5.3	1.9	3.3	>100
TOTAL	**−51.0**	**−22.8**	**−28.2**	**>100**

For further details on convertible bonds see section F.8.

8. Other financial result

Other financial result is composed as follows:

			CHANGE	
EUR MILLION	H1 2021	H1 2020	EUR MILLION	%
RESULT FROM REMEASUREMENT OF FINANCIAL INSTRUMENTS FVTPL	−136.3	92.4	−228.7	>100
FOREIGN CURRENCY RESULT	37.6	−27.6	65.2	>100
RESULT ON NET MONETARY POSITION (HYPERINFLATION)	4.0	−3.0	7.0	>100
MISCELLANEOUS	0.4	−2.1	2.5	>100
TOTAL	**−94.4**	**59.7**	**−154.0**	**>100**

In the first half of 2021, the other financial result includes mainly valuation effects from fair value adjustments for the financial instruments at fair value through profit and loss – comprising measurement effects of

- € 49.0 million (loss) on derivative financial instruments in connection with the convertible bonds issued in July 2020 (refer to section F.8. for details),
- € 27.2 million (loss) on a derivative in connection with the joint venture of Delivery Hero and iFood in Colombia (refer to section F.4. for details) as well as
- € 18.6 million (loss) on derivatives recognized in connection with collar-loan transactions on shares in Just Eat Takeaway.com entered into in June (Collar III transaction) and October 2020 (Collar IV transaction) (refer to section F.2. for details).

Further, measurement effects from the valuation of the shares in Takeaway.com (loss of € 41.8 million, H1 2020: gain of € 24.8 million), the deal contingent FX option (loss of € 26.0 million, H1 2020: gain of € 14.2 million), and swap transactions with regard to the Argentinian peso (gain of € 6.8 million, H1 2020: gain of € 10.0 million; refer to section G.2.) are included.

The application of IAS 29 for Argentina, which is continuously evaluated as a hyperinflationary economy, and Lebanon, which is classified as a hyperinflationary economy since October 2020, resulted in a net gain on the net monetary position of € 4.0 million for the first six months of 2021 (H1 2020: net loss of € 3.0 million).

9. Result from equity-accounted investees

The result from equity-accounted investees mostly results from the pro rata losses of the investments in Glovo.

10. Income taxes

For the calculation of period income tax expenses and income for entities for which income tax expenses and income are expected for the current financial year, the Group uses the respective estimated tax rate that would be applicable for the total expected expenditure and income of the full year.

The increase in deferred tax liabilities is mainly the result of the Woowa transaction (refer to section D of selected notes to the half-year financial statements for further details).

F. NOTES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

1. Intangible assets

The increase in intangible assets in the first six months of 2021 is mainly attributable to the Woowa transaction, which resulted in an addition of goodwill from the Woowa group of € 4.8 billion and additions for brand names and further intangible assets totaling € 899.3 million.

2. Other financial assets

In 2019 and 2020 Delivery Hero entered into several forward share purchase and multi-year agreements ("Collar transactions") with respect to shares in Just Eat Takeaway.com N.V. ("Just Eat Takeaway.com") to restore its exposure after capital increases by Just Eat Takeaway.com. The shares were transferred into a custody account and subsequently utilized by Morgan Stanley.

The agreements comprise combinations of several short call and long put positions on a total of 12.8 million Just Eat Takeaway.com shares. Delivery Hero has the right to repurchase these shares for € 67.7 million (Collar III) and € 1,310.2 million (Collar IV) respectively. 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 between April and November 2023 (Collar IV) and in June 2024 (Collar III), respectively.

As of June 30, 2021, no financial assets are recognized for derivatives identified within Collar III and Collar IV transactions as both instruments have a value of zero, which also represents the maximum exposure to loss at the reporting date. The derivatives are classified as financial instruments measured at fair value through profit or loss.

As of June 30, 2021, other non-current financial assets also comprise 2.9 million shares in Just Eat Takeaway.com which are accounted for at fair value through profit and loss in accordance with IFRS 9. As of June 30, 2021, the shares are measured at their fair value of € 77.87 per share.

3. Other assets

Other non-current assets include Delivery Hero shares held in escrow of € 954.1 million in connection with the future acquisition of the remaining shares in Woowa (11.4%). Delivery Hero will acquire those Woowa shares over the course of two to four years after closing against the transfer of Delivery Hero shares issued at the closing date of the Woowa transaction, and held in escrow until the acquisition. A corresponding non-current financial liability (€ 954.1 million) is included in non-current trade and other payables.

4. Equity-accounted investees

On March 26, 2021, Delivery Hero and iFood entered into an investment agreement to jointly strengthen their market position in the Colombian market. iFood contributed to DH's Colombian subsidiary, Inversiones CMR S.A.S., all of its 100% holding in Come Ya S.A.S., its Colombian subsidiary, as a contribution in kind. Both iFood and DH made additional equity cash contributions, resulting in iFood holding 51% and DH holding 49% of outstanding shares. Delivery Hero accounts for its stake in the joint venture using the equity method.

Delivery Hero holds a call option that requires iFood to sell all its shares in the joint venture to DH. iFood holds a put option to sell all its shares in the joint venture to DH. Both options have identical conditions and are exercisable either for six months after a three-year lockup period or during an accelerated call/put option exercise period. The options constitute a derivative financial instrument that is measured at fair value through profit and loss. Upon initial recognition the fair value of the derivative amounted to € 23.5 million. As of June 30, 2021, the derivative is included in non-current trade and other payables and amounted to € 27.2 million.

On March 31, 2021, Delivery Hero enlarged its investment in Glovoapp23 S.L. by investing approx. € 229 million during a financing round. As a result, Delivery Hero's shareholding in Glovoapp23 S.L. has increased to 37.3% on a fully diluted basis.

5. 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 are advancing and a sale is expected within 2021. DHK is part of the Asia segment and is included in the 2020 segment performance, but is excluded from January 2021.

As of June 30, 2021, the disposal group is stated at its carrying amount and comprised the following assets and liabilities.

EUR MILLION	JUN. 30, 2021	DEC. 31, 2020
INTANGIBLE ASSETS	12.9	13.3
PROPERTY, PLANT AND EQUIPMENT	12.8	16.1
OTHER FINANCIAL ASSETS	12.3	12.8
TRADE AND OTHER RECEIVABLES	26.2	34.0
OTHER ASSETS	1.6	1.6
CASH AND CASH EQUIVALENTS	23.8	54.9
ASSETS INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	**89.5**	**132.6**
PENSION PROVISIONS	7.4	6.9
OTHER PROVISIONS	1.9	5.4
TRADE AND OTHER PAYABLES	54.3	81.3
OTHER LIABILITIES	6.5	19.4
INCOME TAX LIABILITIES	11.0	4.0
LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	**81.2**	**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.

In May 2021, Delivery Hero entered into several agreements with Glovoapp23 S.L. related to the sale of Delivery Hero's operations in the Balkans region (Europe). The sale of the Romanian platform business is subject to regulatory approval and expected by Q1 2022. Accordingly, the Romanian business is presented as a disposal group held for sale. Romania is part of the Europe segment and is included in the 2021 and 2020 segment performance.

As of June 30, 2021, the disposal group is stated at its carrying amount and comprised the following assets and liabilities.

EUR MILLION	JUN. 30, 2021
INTANGIBLE ASSETS	9.9
PROPERTY, PLANT AND EQUIPMENT	1.4
TRADE AND OTHER RECEIVABLES	1.7
OTHER ASSETS	0.8
CASH AND CASH EQUIVALENTS	3.4
ASSETS INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	**17.2**
OTHER PROVISIONS	0.2
TRADE AND OTHER PAYABLES	4.1
OTHER LIABILITIES	0.8
INCOME TAX LIABILITIES	0.3
LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	**5.4**

6. Equity

In the first six months of 2021, equity has increased by € 4.8 billion, mainly in the course of capital increases. In connection with the Woowa transaction, the capital reserve increased by € 4.1 billion due to the issuance of 39.6 million new shares. This led to a total increase in equity of € 3.9 billion, as € 171.9 million have been deducted for share-based payments and the corresponding expenses which are recognized in accordance with IFRS 2 and not taken into account as part of the total purchase consideration. Further, Delivery Hero increased in January 2021 its capital reserve by issuing 9.4 million new shares (Stückaktien), resulting in gross proceeds of approximately EUR 1.2 billion – after deduction of transaction costs of € 4.4 million that were directly deducted in equity.

In February 2021, Delivery Hero reclassified € 424.2 million of the derivatives that related to the Convertible Bonds II into equity (refer to F.9. for further details).

7. Trade and other payables

Trade and other payable are composed as follows:

EUR MILLION	JUN. 30, 2021	DEC. 31, 2020
CURRENT FINANCIAL LIABILITIES		
LIABILITIES TO RESTAURANTS	657.4	305.6
TRADE PAYABLES	168.2	96.6
LIABILITIES FOR OUTSTANDING INVOICES	203.0	121.6
LIABILITIES TO RIDERS	55.3	29.4
PURCHASE PRICE LIABILITIES AND EARN-OUTS	16.4	23.2
LEASE LIABILITIES	72.9	55.5
CONVERTIBLE LOAN (SHORT-TERM PORTION)	12.9	13.1
SECURITY DEPOSITS RECEIVED	3.9	4.5
WALLET LIABILITIES	10.4	5.6
MISCELLANEOUS	3.2	0.6
TOTAL CURRENT FINANCIAL LIABILITIES	**1,203.6**	**655.7**
NON-CURRENT FINANCIAL LIABILITIES		
OTHER FINANCIAL LIABILITIES	955.9	2.8
LEASE LIABILITIES	205.0	126.4
PURCHASE PRICE LIABILITIES AND EARN-OUTS	73.8	79.2
DERIVATIVE FINANCIAL INSTRUMENTS	40.9	388.9
SECURITY DEPOSITS RECEIVED	1.2	1.2
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**1,276.7**	**598.5**

For details on non-current other financial liabilities see section F.3.

8. 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”). The Convertible Bonds are initially convertible into approximately 17.9 million new or existing ordinary no-par value registered shares of Delivery Hero.

The Convertible Bonds 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 have been placed solely to institutional investors in certain jurisdictions via private placement. Shareholders’ subscription rights were excluded. The Convertible Bonds are trading on the non-regulated open market segment (*Freiverkehr*) of the Frankfurt Stock Exchange.

Delivery Hero is entitled to redeem the Convertible Bonds at any time (i) on or after February 13, 2023 (Tranche A) and February 13, 2025 (Tranche B), if the stock exchange price per Delivery Hero share amounts to at least 130% (Tranche A) or 150% (Tranche B) of the then relevant conversion price over a certain period or (ii) if 15% or less of the aggregate principal amount of the relevant tranche of the Convertible Bonds remain outstanding.

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 convertible bonds 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 held a contingent cash settlement option. If a takeover bid occurred prior to the regular start of the conversion period and the bid was accepted, DH had the option to settle any conversions that occurred 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 but 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 held by Delivery Hero upon initial recognition, the conversion right within the Convertible Bond II does not constitute an equity instrument and was 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 was 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.

Upon expiration of the contingent cash settlement option in February 2021, Delivery Hero reclassified € 424.2 million of the derivative that related to the contingent cash settlement option into equity. At the time of the reclassification, the fair value of the remaining derivative amounted to € 22.4 million.

As of June 30, 2021, the non-current financial liability amounted to € 2,976.1 million (Convertible Bond I: € 843.3 million (Tranche A) and € 806.6 million (Tranche B); Convertible Bond II: € 675.3 million (Tranche A) and € 651.0 million (Tranche B)). The short-term liability for accrued interest of both Convertible Bonds amounted to € 12.9 million as of June 30, 2021, 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 € 13.6 million as of June 30, 2021.

G. OTHER DISCLOSURES

1. Share-based payments

The total share-based compensation expense amounts to € 131.7 million (H1 2020: € 40.7 million), thereof € 63.1 million incurred for the Long-Term Incentive Plan ("LTIP") in the first six months of 2021 (H1 2020: € 36.2 million) and € 56.1 million in connection with the Woowa transaction, representing the H1 2021 pro rata portion of the consideration that is provided to Woowa management personnel after a minimum 12 months service period ("20% forfeitable shares of Woowa consideration") qualifying as share-based payments in accordance with IFRS 2.

LTIP – granting of new restricted stock units ("RSUs") and stock options

In the first half of 2021, a total of 338,826 RSUs and 402,620 stock options were granted to new and existing beneficiaries of the LTIP (new tranches).

Virtual Share Program 2017 ("VSP 2017") and DH SOP – exercise windows

Beneficiaries of the VSP 2017 and DH SOP were able to exercise their equity-settled awards in one exercise window in the first half of 2021. This led to a capital increase of € 5.9 million, of which € 0.6 million accounted for the subscribed capital and € 5.4 million for the capital reserve.

Employee Share Purchase Plan ("ESPP")

At the end of 2020, an Employee Share Purchase Plan ("ESPP") was introduced for the benefit of employees of Delivery Hero SE.

Under the ESPP, employees are able to invest a part of their salary in Delivery Hero shares. For every two shares acquired under the ESPP that are held for 2 years while employed with Delivery Hero, the participants shall be entitled to one free additional share ("Matching Shares"). The participant is free to sell or transfer the acquired shares under this program also within the holding period, but this will revoke the entitlement to the Matching Shares. The first shares under the ESPP were acquired in January 2021. At the same time, the matching shares were granted in January 2021.

In the first half of 2021, a total expense of € 0.1 million was considered for the ESPP.

As part of the ESPP, Delivery Hero rewards those participants who registered in the first two enrollment periods with two additional free bonus shares as a one-time registration bonus ("2 Free Enrollment Shares"). The 2 Free Enrollment Shares will be delivered to the participants and credited to an account established by the service provider together with the shares acquired under the ESPP. These shares are fully vested and are not subject to a cliff or waiting period. The 2 Free Enrollment Shares are fully equated with the shares acquired by the participants and are entitled for the Matching Shares.

The full expenses considered at the time of the granting in H1 2021 for the 2 Free Enrollment Shares amounts to € 0.5 million.

Woowa Share-based Payment Program

Woowa granted equity-settled share options to Woowa's key management to purchase Woowa shares at a pre-determined price (exercise price). Woowa share-based payment program is disclosed in the Delivery Hero Group financial statement for the first time due to the acquisition of the Woowa group in 2021.

As part of the Woowa closing, it was agreed that the Woowa management will receive a cash equivalent to a number of Delivery Hero shares for the issued Woowa shares upon exercise of the stock options. Accordingly, a liability based on the DH share price of € 99.3 million is recognized as of June 30, 2021. The recognized expenses for the first consolidation period (March 4, 2021 to the end of June) amount to € 8.1 million.

20% forfeitable shares of Woowa consideration

In the context of the Woowa transaction, an adjustment mechanism for the acquisition of Woowa shares from key management personnel against issuance of new Delivery Hero shares was established in which key members of Woowa management who are no longer employed by Woowa, Delivery Hero or any of their respective affiliates as of the first anniversary of the closing shall only be entitled to a reduced number of acquired Delivery Hero shares. Accordingly, it is accounted as a share-based payment program according to IFRS 2 with 12-month vesting and cliff for the reducing share part.

Total expense for the first half-year period was € 56.1 million.

2. Financial instruments

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

JUNE 30, 2021		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			188.0	3	188.0
INVESTMENTS – LEVEL 1	FVtPL			224.3	1	224.3
LOANS GRANTED AND SECURITY DEPOSITS	FAaAC	29.0	29.0		3	29.0
OTHER FINANCIAL ASSETS		**29.0**		**412.4**		**441.3**
CURRENT FINANCIAL ASSETS						
RECEIVABLES AGAINST PAYMENT SERVICE PROVIDERS	FAaAC	210.1	N.A.		N.A.	210.1
TRADE RECEIVABLES	FAaAC	48.4	N.A.		N.A.	48.4
OTHER SECURITIES	FVtPL			254.4	1	254.4
OTHER RECEIVABLES	FAaAC	41.2	N.A.		N.A.	41.2
TRADE AND OTHER RECEIVABLES		**299.7**		**254.4**		**554.1**
CASH AND CASH EQUIVALENTS		**2,001.2**			**N.A.**	**2,001.2**
TOTAL FINANCIAL ASSETS		**2,329.9**		**666.8**		**2,996.7**
NON-CURRENT FINANCIAL LIABILITIES						
DERIVATIVE FINANCIAL INSTRUMENTS	FVtPL			40.9	2	40.9
LEASE LIABILITIES	N.A.	205.0	N.A.		N.A.	205.0
OTHER PAYABLES	FLaAC	957.1	957.1		3	957.1
CONTINGENT PURCHASE PRICE OBLIGATIONS	FVtPL			73.8	3	73.8
TRADE AND OTHER PAYABLES		**1,162.0**		**114.7**		**1,276.7**
CONVERTIBLE BONDS	**FLaAC**	**2,976.1**	**3,863.6**		**2**	**2,976.1**
CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	FLaAC	371.2	N.A.		N.A.	371.2
RESTAURANT LIABILITIES	FLaAC	511.0	N.A.		N.A.	511.0
RIDER LIABILITIES	FLaAC	55.3	N.A.		N.A.	55.3
LEASE LIABILITIES	N.A.	72.9	N.A.		N.A.	72.9
CONVERTIBLE LOAN (SHORT-TERM PORTION)	FLaAC	12.9	N.A.		N.A.	12.9
OTHER PAYABLES	FLaAC	161.7	N.A.		N.A.	161.7
CONTINGENT PURCHASE PRICE OBLIGATIONS	FVtPL			16.4	3	16.4
TRADE AND OTHER PAYABLES		**1,185.0**		**16.4**		**1,201.3**
TOTAL FINANCIAL LIABILITIES		**5,323.1**		**131.1**		**5,454.2**

DECEMBER 31, 2020 EUR MILLION	CLASSIFICATION PURSUANT TO IFRS 9	MEASURED AT AMORTIZED COST		MEASURED AT FAIR VALUE	FAIR VALUE HIERARCHY	TOTAL
		CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT		
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**				**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**	**2848.4**		**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**		**4,203.7**

Fair value measurement

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 as 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 based on 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.

The fair values of the derivatives associated with the joint venture with ifood in Colombia were determined according to the agreed call/put option valuation of the shareholder agreement using performance-based valuation criteria (GMV) and comparable multiples of publicly-listed companies.

In order to hedge the foreign currency risk arising from the USD-denominated cash consideration for the executed 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 was payable contingent on the closing of the transaction. The option was not designated into a hedging relationship. It was recognized as of the inception date and was 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 was 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 was recognized within other current financial liabilities. The option expired unused and the option premium of € 47.6 million was paid upon the closing of the Woowa transaction in March 2021. In 2021 a loss of € 23.1 million (H1 2020: gain of € 14.2 million) was recognized in connection with the measurement of the deal-contingent option.

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 assessed the probability of closing as high.

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 the first half of the year, fair value gains of € 6.8 million (H1 2020: € 10.0 million) were recognized in the other financial result.

In determining the fair values of the investments, the "prior sale of company stock" method and discounted cash flows techniques are applied. The "prior sale of company stock" method considers any prior arm's length sales of the equity securities. The discounted cash flows technique considers the present value of expected payments, discounted by application of 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 respective seller in a particular business combination.

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, 2020	**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**
ADDITIONS	–	*62.3*	–
DISPOSALS	–	–	*–7.4*
GAINS/LOSSES RECORDED IN PROFIT OR LOSS	*–23.1*	*0.4*	*–4.8*
AS OF JUNE 30, 2021	**–**	**188.0**	**90.2**

Total gains and losses from the change in level 3 instruments measured at fair value are unrealized gains and losses and are recognized in the other financial result.

As of June 30, 2021, the effect on profit or loss in response to changes in the inputs into the fair value measurements would be as follows:

EUR MILLION	VOLATILITY EUR/USD +/– 100 BP	CONTINGENCIES +/– 10%	INTEREST RATES +/– 100 BP	EQUITY PRICE +/– 10%
DERIVATIVE FINANCIAL INSTRUMENTS	*+0.3/–0.2*	*N.A.*	*–3.0/+2.9*	*–4.0/+3.0*
INVESTMENTS	*N.A.*	*N.A.*	*N.A.*	*+17.8/–17.8*
CONTINGENT PURCHASE PRICE OBLIGATION	*N.A.*	*–/+2.3*	*+0.9/–0.9*	*N.A.*

3. Contingencies

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 hearing took place in June 2021. The arbitration process is still ongoing and the risk assessment remains unchanged.

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 continuously assesses the prospect of success of these claims as not probable. The risk assessment is unchanged since the last reporting date.

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 with no changes to the risk assessment compared to the last reporting period.

New risks have evolved in 2021 as the Turkish Competition Authority is investigating Yemek Sepeti on a suspicion of a "gentleman agreement" between Yemek Sepeti and 31 other companies restricting competition in the labour market. Another DH subsidiary is being investigated by the national competition regulator on suspicions of abuse of dominant position regarding the use of certain clauses including but not limited to exclusivity clauses and loyalty clauses. The Group assessed a negative outcome of those investigations as not probable.

DH Group entities 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 to address these aspects. The Group regularly reviews its transfer pricing model and implements amendments, where necessary, to proactively manage the transfer pricing risks.

Moreover, a key aspect of the food delivery and Q-commerce industry is the treatment of the riders, i.e. people who pick up deliveries that are ready for pick-up and take them to the customer. Such riders can either be directly employed by their local entity, self-employed, or freelancers, all depending on the applicable laws for their respective country and market. For most markets, a local industry standard emerges that is collectively applied for riders at DH and all its local competitors. Such standard is always chosen to fully comply with tax and legal purposes, while simultaneously providing both the business and its employees with necessary and appropriate flexibility.

While DH strives for full compliance in each market by following the locally established industry standard, there is always an immanent risk for certain requalifications by the local authorities, for example identifying individuals in a freelance rider fleet who may be too dependent on DH as their employer and thus should be regarded as employees.

Such requalification risk may result in a retrograde assessment of wage tax, social security contributions, or other comparable payments that the employer should have withheld for such identified individuals.

All local subsidiaries, supported by the Group's central legal and tax functions, regularly review their local rider model in a constantly evolving legal landscape to comply with the applicable industry and market standard in order to achieve full compliance. This approach ensures that the imminent requalification risk is reduced to a minimum, however a remote risk has to be regarded as imminent to the industry DH operates in.

As of the reporting date, contingent liabilities in connection with IAS 37 amount to € 7.2 million and to € 2.9 million in connection with IAS 12.

In Thailand, we were not able to provide a reliable estimate of the amount of a contingent liability related to a possible VAT exposure due to strict COVID-19 related lockdown with no access to underlying key information.

4. Related parties

The requirements of IAS 24 apply to the key management personnel of the company, their immediate family members as well as the companies they control. Within the Delivery Hero Group, this concerns members of the Management Board as well as members of the Supervisory Board.

a) Members of the Management Board and the Supervisory Board

The Management Board was expanded on May 3, 2021 to include Pieter-Jan Vandepitte, Chief Operating Officer, as a third Management Board member. Niklas Östberg (CEO) and Emmanuel Thomassin (CFO) remain on the Management Board.

The members of the Supervisory Board remained the same compared to December 31, 2020.

b) Key management personnel transactions

There were no material changes in the structure of the remuneration of the key management personnel compared to the structure in place as of December 31, 2020. Due to his appointment to the Management Board, a new LTIP commitment was granted on June 15, 2021 to Pieter-Jan Vandepitte. The annual LTIP commitment amounts to € 1.9 million each for the four yearly tranches while the vesting of previously granted awards ended on June 15, 2021.

c) 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.

In the first half of 2021, Delivery Hero closed the sale of the businesses in Bulgaria, Serbia, Bosnia and Herzegovina, Montenegro and Croatia to Glovoapp23 S.L. As Glovoapp23 S.L. is an associated company of the Group, such transaction qualifies as a related-party transaction. The purchase price of an aggregate amount of € 79.2 million for the share deals in Bulgaria, Serbia, Bosnia and Herzegovina and Montenegro and certain assets of Delivery Hero's operations in Croatia was paid in full.

Furthermore, income from transactions with related parties for the first half of 2021 amount to € 0.6 million. As of June 30, 2021, receivables from related entities amount to € 4.7 million and receivables from associates amount to € 2.1 million.

H. EVENTS AFTER THE REPORTING PERIOD

1. Divestment of Delivery Hero Korea LLC

On August 13, 2021, Delivery Hero announced signing with a three-party consortium to sell Delivery Hero Korea LLC (“DHK”). The consortium will acquire 100% of the entity for an enterprise value of KRW 800 billion.

Delivery Hero was given a six month timeframe to divest 100% of DHK, which was extended by another five months from August 2, 2021. Delivery Hero is now on track to fulfill the structural remedies by entering into a binding agreement after having gone through an auction sale process. The transaction is subject to certain regulatory approvals and is expected to close before the end of 2021.

2. Acquisition of Marketyo Bilişim Teknoloji A.Ş.

On August 11, 2021, Delivery Hero acquired all shares of Marketyo Bilişim Teknoloji A.Ş., a Turkey-based online local groceries marketplace platform. This acquisition is a strategic investment and will further strengthen the footprint in the Turkish grocery market. The initial consideration for this acquisition is € 36 million and is subject to additional performance-based earnouts. The purchase price allocation of the transaction is not yet finalized.

Berlin, August 23, 2021

Delivery Hero SE

The Management Board

Niklas Östberg Emmanuel Thomassin Pieter-Jan Vandepitte

RESPONSIBILITY STATEMENT OF THE LEGAL REPRESENTATIVES

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the consolidated interim financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Interim Group Management Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the material opportunities and risks associated with the expected development of the Group in the remaining financial year.

Berlin, August 23, 2021

Delivery Hero SE

The Management Board

Niklas Östberg Emmanuel Thomassin Pieter-Jan Vandepitte

FURTHER **INFORMATION**

FINANCIAL CALENDAR

Q3 2021 Quarterly Statement	Nov. 11, 2021

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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 prove 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