Delivery Hero

HALF-YEAR **REPORT**

JANUARY – JUNE **2019**

DELIVERY HERO **AT A GLANCE**

	H1 2019 (EUR MILLION)	H1 2018 (LFL[1]) (EUR MILLION)	REPORTED CURRENCY CHANGE (LFL[1])	CONSTANT CURRENCY CHANGE (LFL[1])
GROUP				
ORDERS (MILLION)	268.8	166.6	61.4%	61.4%
GMV[2, 3]	3,191.7	2,011.8	58.6%	60.4%
TOTAL SEGMENT REVENUE[2, 3]	581.8	292.2	99.1%	98.3%
ADJUSTED EBITDA	−171.1	−25.0		
MENA				
ORDERS (MILLION)	135.2	85.4	58.4%	58.4%
GMV[2, 3]	1,558.5	919.7	69.5%	69.8%
TOTAL SEGMENT REVENUE[2, 3]	308.2	123.3	149.9%	143.8%
ADJUSTED EBITDA	−9.7	9.0		
EUROPE				
ORDERS (MILLION)	39.9	28.4	40.4%	40.4%
GMV[2, 3]	480.6	346.3	38.8%	40.0%
TOTAL SEGMENT REVENUE[2, 3]	78.2	54.8	42.8%	44.4%
ADJUSTED EBITDA	−9.6	−0.9		

	H1 2019 (EUR MILLION)	H1 2018 (LFL[1]) (EUR MILLION)	REPORTED CURRENCY CHANGE (LFL[1])	CONSTANT CURRENCY CHANGE (LFL[1])
ASIA				
ORDERS (MILLION)	70.6	36.3	94.6%	94.6%
GMV[2, 3]	895.3	541.7	65.3%	63.7%
TOTAL SEGMENT REVENUE[2, 3]	149.7	84.6	77.0%	73.8%
ADJUSTED EBITDA	−94.6	−15.0		
AMERICAS				
ORDERS (MILLION)	23.1	16.5	39.9%	39.9%
GMV[2, 3]	257.2	204.2	26.0%	43.8%
TOTAL SEGMENT REVENUE[2, 3]	45.7	29.6	54.5%	78.2%
ADJUSTED EBITDA	−57.2	−18.0		

[1] *THE REPORTED FIGURES HAVE BEEN RETROSPECTIVELY ADJUSTED FOR THE DIVESTMENTS OF FOODORA (AUSTRALIA, FRANCE, ITALY & NETHERLANDS) AND GERMANY. THE NUMBERS HAVE NOT BEEN ADJUSTED FOR SMALLER ACQUISITIONS OR DIVESTMENTS ("LIKE-FOR-LIKE").*
[2] *AMERICAS REVENUES AND GMV ARE IMPACTED BY THE ARGENTINIAN OPERATIONS QUALIFYING AS HYPERINFLATIONARY ECONOMY ACCORDING TO IAS 29 BEGINNING SEPTEMBER 1, 2018. 2018 REVENUE IS RETROSPECTIVELY ADJUSTED.*
[3] *INCLUDED REPORTED CURRENT GROWTH RATES FOR ARGENTINA IN OUR CONSTANT CURRENCY CALCULATION DUE TO THE EFFECTS OF HYPERINFLATION IN ARGENTINA.*

INTERIM GROUP **MANAGEMENT REPORT**

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INTERIM GROUP MANAGEMENT REPORT

A. GROUP PROFILE

The statements made in the annual report 2018 on the business model, the corporate strategy, the group structure, the segments, the management system as well as research and development ("R&D") still apply in the first six months 2019.

B. ECONOMIC REPORT

01. GENERAL ECONOMIC CONDITIONS

a) Macroeconomic Outlook

After strong growth in 2017 and 2018 global economic activity is expected to stall slightly in 2019. The IMF projects global growth for 2019 and 2020 to reach 3.3% and 3.6% respectively[1]. Among other reasons the IMF noted that trade tensions increasingly took a toll on the global economy. However, the IMF also stated that improvements are expected in the second half of 2019 and that global economic growth is expected to return to 3.6% in 2020. This return is predicted based upon a rebound in Argentina and Turkey and some improvement in a set of other stressed emerging market and developing economies.

While the business is not entirely immune to economic changes, generally speaking the takeaway industry fares reasonably well during challenging economic conditions as consumers trade down from more expensive meals.

Since the Delivery Hero group ("Delivery Hero" or the "Group") has significant operations in countries outside the eurozone, a substantial portion of its sales, expenses and liabilities are denominated in currencies other than the euro. The foreign currency exposure includes, among others, the Turkish Lira, the Argentinian Peso, the Korean Won, the US Dollar, Saudi Riyal and Kuwaiti Dinar. Delivery Hero is therefore exposed to fluctuations in the values of these currencies relative to the euro. In the first half year 2019, we noted volatility and devaluation of some nascent market currencies such as the Turkish Lira and the Argentinian Peso.

b) Sector-Specific Outlook

Delivery Hero's Total Addressable Market (TAM) is estimated today to be greater than previously indicated € 70 billion for food delivery only. This is expected to continue expanding into the larger than € 500 billion food services market opportunity. The expansion is mainly driven by structural trends such as:

- Online & mobile engagement,
- On demand & last mile logistics and
- Life-style, urbanization & convenience.

This assessment is also supported by current independent studies.[2]

Delivery Hero sees itself as a major beneficiary of these developments and will continue to invest further in growth and market leadership.

02. BUSINESS DEVELOPMENT

a) Performance

In line with expectations in the first half of the year 2019, the Delivery Hero group recorded a strong increase in revenue of the segments of 89.7% on a year-on-year basis. Excluding foodora operations in Australia, France, Italy and Netherlands that were abandoned or sold, revenues grew by 99.1% on a like-for-like basis. The negative adjusted EBITDA[3] of the segments (H1 2019: € 171.1 million, H1 2018: € 36.8 million) increased compared to the prior period due to the additional investments in our service offering and into improved customer experience over the course of the last months. The negative adjusted EBITDA margin of 29.4% lies within the range as expected for the full year 2019.

b) Discontinued operations

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

[1] IMF, World Economic Outlook, expectation from April 2019

[2] KBB Review (2018): http://www.kbbreview.com/news/is-the-kitchen-dead-new-report/

[3] Adjusted EBITDA is the earnings from continuing operations before income taxes, financial result, depreciation and amortization and non-operating earnings effects. Non-operating earnings effects comprise, in particular (i) expenses for share-based compensation, (ii) expenses for services in connection with corporate transactions and financing rounds, (iii) expenses for reorganization measures, (iv) expenses for the implementation of information technology, and (v) other non-operating expenses and income, especially the result from disposal of tangible and intangible assets, the result from sale and abandonment of subsidiaries, allowances for other receivables, and non-income taxes. Adjusted EBITDA excludes depreciation from right of use assets under IFRS 16.

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

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

The gain from this divestment contributed € 930.1 million to the net profit of € 721.2 million in the first six months 2019.

c) Acquisitions and investments
In February 2019, Delivery Hero acquired the food delivery business of Zomato Media Pvt. Ltd. in the United Arab Emirates (“Zomato UAE”) (refer to section D. of the half-year financial statements) as well as a minority investment in Zomato Holding, India, in the amount of € 43.2 million. Further in April 2019, the Group acquired RestaurangOnline Sverige AB and its subsidiary Hungry Delivery AB - together referred to as “Hungrig Group”, a food delivery platform based in Sweden. The total consideration for both acquisitions was € 203.3 million.

In the first six months 2019, Delivery Hero participated in a funding round of the Glovo Group and invested further € 15.0 million resulting in a total stake of 13.3%. Further minority investments in the total amount of € 5.1 million were carried in BIO-LUTIONS International AG, Hamburg, Germany, a producer of packaging from agricultural waste and in NOSH services, Cayman Islands, a B2C and B2B virtual cafeteria and food retail company operating in Hong Kong in the first six months 2019.

03. OPERATING RESULT OF THE GROUP

CONTINUING OPERATIONS

EUR MILLION	H1 2019	ADJUSTED H1 2018[1]	CHANGE EUR MILLION	CHANGE %
REVENUE	510.9	293.3	217.6	74.2
COST OF SALES	−342.6	−124.8	−217.8	>100
GROSS PROFIT	**168.3**	**168.4**	**-0.2**	**-0.1**
MARKETING EXPENSES	−231.1	−145.0	−86.1	59.4
IT EXPENSES	−39.5	−24.6	−14.9	60.7
GENERAL ADMINISTRATIVE EXPENSES	−147.2	−100.1	−47.1	47.1
OTHER OPERATING INCOME	16.3	4.3	11.9	>100
OTHER OPERATING EXPENSES	−4.4	−4.1	-0.3	8.0
IMPAIRMENT LOSSES ON TRADE RECEIVABLES	−2.1	−2.6	0.4	−16.8
OPERATING RESULT	**−239.8**	**−103.5**	**−136.3**	**>100**
NET INTEREST COST	−2.0	1.4	−3.4	>100
OTHER FINANCIAL RESULT	86.7	9.1	77.6	>100
SHARE OF THE PROFIT OR LOSS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	−36.5	−9.1	−27.4	>100
EARNINGS BEFORE INCOME TAXES	**−191.6**	**−102.1**	**−89.5**	**87.7**
INCOME TAXES	−10.6	-8.3	−2.3	28.1
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	**−202.3**	**−110.4**	**−91.8**	**83.2**
NET INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS	923.5	257.1	666.4	>100
NET PROFIT	**721.2**	**146.7**	**574.5**	**>100**

[1] PRIOR-PERIOD INFORMATION WAS ADJUSTED FOR THE GERMAN BUSINESSES BEING CLASSIFIED AS DISCONTINUED OPERATIONS (REFER TO SECTION F.05. OF THE HALF-YEAR FINANCIAL STATEMENTS).

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

EUR MILLION	H1 2019	ADJUSTED H1 2018	CHANGE EUR MILLION	CHANGE %
ADJUSTED EBITDA OF THE SEGMENTS	**−171.1**	**−36.8**	**−134.3**	**>100**
CONSOLIDATION ADJUSTMENTS	−6.3	−11.1	4.8	−43.2
MANAGEMENT ADJUSTMENTS	−13.5	−16.8	3.3	−19.5
EXPENSES FOR SHARE-BASED COMPENSATION	−15.7	−11.7	-4.0	33.9
OTHER RECONCILIATION ITEMS	3.9	−2.1	6.0	>100
AMORTIZATION AND DEPRECIATION	−37.1	−25.0	−12.1	48.4
NET INTEREST AND OTHER FINANCIAL RESULT	48.2	1.4	46.8	>100
EARNINGS BEFORE INCOME TAXES FROM CONTINUING OPERATIONS	**−191.6**	**−102.1**	**−89.5**	**87.7**

Development of revenue
The increase in revenue in the first half of 2019 by 74.2% to € 510.9 million is generally attributable to a higher number of orders as a result of the additional investment in our service offering, including the further roll out of own delivery services, and into customer experience over the course of the last months as well as high organic growth, especially in MENA. In the first six months 2019, the total segment revenue, before deduction of rebates and voucher expenses, increased by 89.7% to € 581.8 million (H1 2018: € 306.7 million). On a like-for-like basis, i.e. excluding the effects for the 2018 divestments of foodora Australia, France, Italy and Netherlands, revenue grew by 99.1%.

Rebates and voucher expense increased from € 13.4 million in H1 2018 to € 71.0 million mainly in the Asia segment as part of additional marketing investments.

While commission revenue remains the largest component of revenue in the first six months 2019 with 61.9% (prior six months period: 71.7%), the share of revenue from delivery fees charged to the customer increased significantly from 12.5% in H1 2018 to 23.2%.

Development of adjusted EBITDA
In the first half of 2019, the negative adjusted EBITDA of the segments increased to € 171.1 million (H1 2018: negative € 36.8 million). The negative adjusted EBITDA margin increased from 12.0% in H1 2018 to 29.4% in H1 2019 mainly driven by higher cost of sales as a result of the expansion of own delivery services in further markets, including the roll out of further on-demand items (groceries, flowers etc.). Consequentially cost of sales increased to € 342.6 million (H1 2018: € 124.8 million) as a result of the expansion of own delivery services. 83.9% of the total cost of sales relate to delivery expenses (H1 2018: 76.0%). Gross profit margin in H1 2019 was 32.9% (H1 2018: 57.4%). Based on segment revenues e.g. eliminating the effect of rebates and vouchers on revenue and gross profit, respectively, gross margin was 41.1%.

Marketing expenses increased by 59.4% to € 231.1 million (H1 2018: € 145.0 million) due to higher investments particularly in the segments Asia and Americas. The marketing expenses include customer acquisition costs of € 116.2 million (H1 2018: € 68.0 million) and restaurant acquisition costs of € 65.7 million (H1 2018: € 40.1 million).

IT expenses increased to € 39.5 million (H1 2018: € 24.6 million) and relate predominantly to R&D investments in local platforms and in central support functions. With 71.9%, personnel expenses continue to account for the largest share of IT expenses (H1 2018: 71.5%). Development costs resulting in the capitalization of intangible assets amounted to € 1.9 million in the first six months 2019 (H1 2018: € 1.2 million).

General administrative ("G&A") expenses increased by 47.1% to € 147.2 million. They include depreciation expenses of € 10.7 million (H1 2018: n.a.) for right-of-use assets that were recognized upon transition to IFRS 16 as of January 1, 2019. Consequentially, lease expenses decreased by € 4.0 million to € 3.7 million in H1 2019 and only reflect short term and low value leases. The increase in G&A expenses is further driven by higher expenses for share-based compensation (€ +4.0 million), increased advisory fees (€ +5,7 million) and an increase in administrative headcounts resulting in higher personnel expenses (H1 2019: € 54.6 million; H1 2018: € 42.4 million).

04. BUSINESS DEVELOPMENT BY SEGMENT

SEGMENT REVENUE

			CHANGE	
EUR MILLION	H1 2019	ADJUSTED H1 2018	EUR MILLION	%
MENA	308.2	123.3	184.9	>100
EUROPE	78.2	66.0	12.2	18.5
ASIA	149.7	87.8	61.9	70.4
AMERICAS	45.7	29.6	16.1	54.6
SEGMENT REVENUE	**581.8**	**306.7**	**275.1**	**89.7**
DISCOUNTS	−71.0	−13.4	−57.6	>100
GROUP REVENUE	**510.9**	**293.3**	**217.6**	**74.2**

ADJUSTED EBITDA OF THE SEGMENTS

			CHANGE	
EUR MILLION	H1 2019	ADJUSTED H1 2018	EUR MILLION	%
MENA	−9.7	9.0	−18.7	>100
EUROPE	−9.6	−9.8	0.2	-2.0
ASIA	−94.6	−18.0	−76.6	>100
AMERICAS	−57.2	−18.0	−39.2	>100
ADJUSTED EBITDA OF THE SEGMENTS	**−171.1**	**−36.8**	**−134.3**	**>100**

MENA

Segment revenues in MENA increased significantly by 150.0% to € 308.2 million in H1 2019 and orders grew by 58.4% to 135.2 million (H1 2018: 85.4 million). Besides strong overall organic growth the revenues from own delivery services including delivery fees charged separately (increased by 350.0% from € 44.4 million to € 200.0 million compared to H1 2018) are the main driver of the increase. The Zomato UAE business is reflected in the segment performance since the acquisition on February 28, 2019. The appreciation of the Euro in comparison to Turkish Lira softened the increase in revenue.

The adjusted EBITDA decreased by € 18.7 million to a negative adjusted EBITDA of € 9.7 million in H1 2019. This development reflects the continued expansion into multiple cities as well as the ongoing roll out of own-delivery services in the MENA region. The adjusted EBITDA of MENA was further impacted in H1 2019 by one-off costs related to the restructuring of the fleet management of Hungerstation as well as costs regarding the integration of Zomato UAE. The devaluation of the Turkish Lira further contributed to the development with € 5.2 million.

Europe

In the first half of 2019, the Europe segment revenue increased by 18.5% to € 78.2 million (H1 2018: € 66.0 million) based on an increase in orders by 34.3% to 39.9 million (H1 2018: 29.7 million). On a like-for-like basis, i.e. excluding the effects for the 2018 divestments of foodora France, Italy and Netherlands, revenue grew by 42.8%.

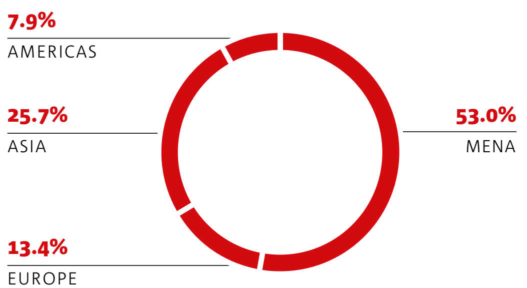
The adjusted EBITDA (H1 2019: negative € 9.6 million, H1 2018: negative € 9.8 million) and adjusted EBITDA margin (H1 2019: negative 12.3%, H1 2018: negative 14.8%) for the Europe segment improved as a result of the divestments of the non-core foodora businesses. On a like-for-like basis, i.e. excluding the effects for the 2018 divestments of foodora France, Italy and Netherlands, the negative adjusted EBITDA (increase by € 8.7 million) and the negative adjusted EBITDA margin (H1 2019: negative 12.3%, H1 2018 Like-for-Like: negative 1.6%) increased year on year, which results primarily from the increase of expenses for own delivery services and marketing.

Asia

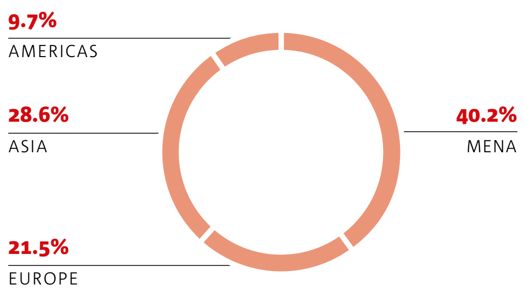
In the first half of 2019, revenues of the Asia segment increased by 70.4%. A disproportionate growth in orders at a lower average basket size was observed (order growth: 92.4% to 70.6 million in H1 2019; H1 2018: 36.7 million). The positive revenue and order development are driven by investments in affordability, restaurant coverage, product as well as the expansion into new cities and areas as well as an increase of own delivery orders. Aside the strong growth of commission revenue of 60.3%, revenue from delivery fees increased by € 35.9 million (+105.0%).

The adjusted EBITDA increased from negative € 18.0 million to negative € 94.6 million as a consequence of the higher investments mentioned above. Consequentially the adjusted EBITDA margin deteriorated to negative 63.3% (H1 2018: negative 20.5%).

GROUP REVENUE BY SEGMENTS H1 2019



GROUP REVENUE BY SEGMENTS H1 2018



Americas
Segment revenue of H1 2019 in the Americas segment increased by 54.6% to € 45.7 million (H1 2018: € 29.6 million). The number of orders grew by 39.9% to 23.1 million (H1 2018: 16.5 million). The positive development in revenue is primarily driven by higher delivery revenues reflecting a strong focus on the further rollout of delivery services including expansion of delivery services for further on-demand items. Adversely, the appreciation of the Euro, in particular to the Argentinian Peso, reduced the segment revenue growth substantially.

The negative adjusted EBITDA increased by € 39.2 million to negative € 57.2 million (H1 2018: negative € 18.0 million) and the negative adjusted EBITDA margin increased to 125.2% (H1 2018: negative 60.8%), reflecting particularly the higher investment in own delivery service including new verticals and customer acquisition activities in a highly competitive market.

05. FINANCIAL POSITION

The development of the Group's financial position in the first half of 2019 is shown in the following condensed statement of cash flows:

EUR MILLION	H1 2019	H1 2018
CASH AND CASH EQUIVALENTS AS OF JANUARY 1	*439.8*	*627.3*
CASH FLOW FROM OPERATING ACTIVITIES	*–118.3*	*–53.1*
CASH FLOW FROM INVESTING ACTIVITIES	*471.2*	*86.1*
CASH FLOW FROM FINANCING ACTIVITIES	*26.3*	*12.2*
EFFECT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS	*–5.7*	*–6.3*
CASH AND CASH EQUIVALENTS AS OF JUNE 30	**813.3**	**666.2**

The financial position of the Group has improved in H1 2019. The negative cash flow from operating activities was overcompensated by the positive cash flow from investing activities.

The investing activities in H1 2019 are characterized by the net cash inflow from the divestment of the German operations of € 487.5 million, as well as a cash inflow of € 208.0 million in connection with the equity collar agreement with respect to 3.2 million of its shares in Takeaway.com N.V. (refer to section F.03. of the half-year financial statements). Cash outflows of € 188.4 million relate to the acquisitions of Zomato UAE - including the minority investment in Zomato Holding - and the Hungrig Group in H1 2019 and the additional investment into Glovo. The cash flow from investing activities in H1 2018 reflected mainly the cash inflow from the consideration for the divestment of the hungryhouse group (€ 233.5 million) in January 2018 and the cash outflow from the investment in a minority stake in the Rappi group (€ 93.2 million).

The H1 2019 cash inflow from financing activities (€ 26.3 million; H1 2018: € 12.2 million) resulted from capital increases in connection with the exercise of equity settled stock options in H1 2019 as well as a dividend paid by the equity investment Hungry NL.

06. NET ASSETS

As of June 30, 2019, the Group's balance sheet is structured as follows:

EUR MILLION	JUN. 30, 2019	% OF TOTAL	DEC. 31, 2018	% OF TOTAL	CHANGE
NON-CURRENT ASSETS	*1,969.8*	*66.6*	*1,129.2*	*56.3*	*840.6*
CURRENT ASSETS	*987.2*	*33.4*	*875.8*	*43.7*	*111.4*
TOTAL ASSETS	**2,957.0**	**100.0**	**2,005.0**	**100.0**	**952.1**

EUR MILLION	JUN. 30, 2019	% OF TOTAL	DEC. 31, 2018	% OF TOTAL	CHANGE
EQUITY	*2,347.6*	*79.4*	*1,615.0*	*80.6*	*732.5*
NON-CURRENT LIABILITIES	*210.5*	*7.1*	*62.5*	*3.1*	*147.9*
CURRENT LIABILITIES	*399.0*	*13.5*	*327.4*	*16.3*	*71.6*
TOTAL EQUITY AND LIABILITIES	**2,957.0**	**100.0**	**2,005.0**	**100.0**	**952.1**

The non-current assets increased mainly due to recognition of shares in Takeaway.com N.V. (€ 519,1 million) received as part of the consideration for the sale of the German operations. Further, additions in goodwill (€ 197.4 million) and intangible assets (€ 6.5 million) in connection with the acquisition of Zomato UAE and the Hungrig Group contributed to the increase. Right-of-use assets that were recognized in accordance with IFRS 16 contributed € 96.8 million to the higher non-current assets. The increase was partly offset by currency effects in connection with the appreciation of Euro to some currencies like Turkish Lira.

The increase in current assets in H1 2019 was mainly due to an increase of € 449.3 million in cash and cash equivalents (refer to section 05. Financial positions). Derivative financial assets of € 12.2 million are recognized in connection with the equity collar agreement on Takeaway shares (refer to section F.03. of the half-year financial statements for further information). Contrary, assets included in a disposal group classified as held for sale decreased by € 366.8 million due to the divestment of the German business in April 2019.

Equity increased due to the H1 2019 net profit of € 721.2 million that includes the disposal gain from the sale of the German operations in April 2019. Further four capital increases from the authorized capital in connection with the exercise of equity settled stock options raised equity by € 27.6 million. Contrary currency translation losses reflected in other comprehensive income reduced equity by € 22.5 million in H1 2019.

As of June 30, 2019, non-current liabilities were majorly impacted by the recognition of long-term lease liabilities of € 80.7 million, in accordance with IFRS 16. Further, non-current liabilities as of June 30, 2019, include earnout liabilities and deferred compensation from acquisitions in the first six months 2019 of € 66.0 million primarily from the Zomato UAE acquisition.

The increase of current liabilities resulted mainly from the organic growth of the Group in the first half of 2019 leading to higher restaurant liabilities (increase by € 56.5 million) and from the recognition of short-term lease liabilities of € 16.1 million as of June 30, 2019, in accordance with IFRS 16. Further, the virtual share program was reclassified from equity-settled to cash-settled based on a change in management's intention of settlement, leading to an increase of current liabilities of € 4.8 million. Contrary liabilities included in a disposal group classified as held for sale decreased by € 74.8 million due to the divestment of the German business in April 2019.

07. EMPLOYEES

The number of employees increased to 22,948 as of June 30, 2019 (December 31, 2018: 20,608), mainly due to an increase in delivery personnel.

C. RISK AND OPPORTUNITIES

In the first six months of 2019, Delivery Hero Group's risk and opportunity profile did not substantially change to the profile as described in the risk and opportunity report of our combined group management report 2018.

Subsequent to the reporting date the Turkish Lira continued to weaken against the Euro. The development of the Argentine Peso started to stabilize compared to the development as seen in 2018. However, the inflation rate in Argentina continues to increase on a high level and therefore Argentina continues to be reported as a hyperinflationary economy. We are closely monitoring foreign currency devaluations and are reassessing the associated financial risks. However, as of the date of issuance of this interim group management report we consider the financial risks unchanged as described in the risk and opportunity report of our combined group management report 2018.

We did not identify risks that threaten the going concern of the Delivery Hero group.

D. OUTLOOK 2019

Global growth expectation for 2019 and 2020 continues to be stable and slightly positive. Furthermore, Delivery Hero expects to further benefit from structural trends in the use of technology, logistics and lifestyle.

As a result of the strong business performance Delivery Hero raised its revenue guidance to between € 1.3 and € 1.4 billion for the Full Year 2019 on June 19, 2019. Given the continued positive momentum with higher levels of new customer acquisitions, orders and revenues, the Company expects to achieve full year revenues in line with the top end of the previously announced guidance range.

Based on the investment returns observed, in June 2019, Delivery Hero announced to opportunistically invest up to additional € 100 million in the second half of 2019 if returns remain attractive. Accordingly, the expected adjusted negative EBITDA for full year 2019 was raised compared with the outlook as disclosed in the annual report. It is expected to be between negative € 370 million and negative € 420 million. The MENA segment is still expected to contribute a positive adjusted EBITDA of € 70 million based on the expectation of significant operating profits from the strong underlying segment performance. One-off effects in MENA are not expected to be carried forward in H2 2019. For Europe expectation remains that the segment will reach breakeven on an adjusted EBITDA level during the second half of 2019.

Due to the comparatively short history of the Group and the fact that Delivery Hero is operating in a relatively new market, any forecast on the earnings trend is subject to considerable uncertainty. Besides factors that can be impacted by Delivery Hero, adjusted EBITDA is also contingent on factors that cannot be influenced. For example, if the Group were forced to defend its position against new competitors in specific markets or to react to revenue downturns, then measures which may not have been scheduled previously may have to be implemented (e.g. increasing marketing expenditure) which can negatively affect adjusted EBITDA and trigger considerable deviations from the estimated results.

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

HALF-YEAR **FINANCIAL STATEMENTS**

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HALF-YEAR FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR MILLION	NOTE	JUN. 30, 2019	DEC. 31, 2018
NON-CURRENT ASSETS			
INTANGIBLE ASSETS	F.01.	1,052.7	878.0
PROPERTY, PLANT AND EQUIPMENT	F.02.	148.9	38.8
OTHER FINANCIAL ASSETS	F.03.	627.8	49.8
OTHER ASSETS		0.2	0.3
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	F.04.	140.2	162.3
		1,969.8	**1,129.2**
CURRENT ASSETS			
INVENTORIES		5.0	3.1
TRADE AND OTHER RECEIVABLES		104.7	85.1
OTHER ASSETS		60.0	54.5
INCOME TAX RECEIVABLES		4.2	2.2
CASH AND CASH EQUIVALENTS		813.3	364.1
ASSETS INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	F.05.	–	366.8
		987.2	**875.8**
TOTAL ASSETS		**2,957.0**	**2,005.0**

EQUITY AND LIABILITIES

EUR MILLION	NOTE	JUN. 30, 2019	DEC. 31, 2018
EQUITY			
SHARE CAPITAL/SUBSCRIBED CAPITAL	F.06.	188.8	185.9
CAPITAL RESERVES	F.06.	2,723.3	2,688.2
RETAINED EARNINGS AND OTHER RESERVES		−556.4	−1,256.7
TREASURY SHARES		−0.1	−0.1
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		2,355.6	1,617.4
NON-CONTROLLING INTERESTS		−8.0	−2.3
		2,347.6	**1,615.0**
NON-CURRENT LIABILITIES			
PENSION PROVISIONS		2.8	2.7
OTHER PROVISIONS		6.7	6.2
TRADE AND OTHER PAYABLES	F.07.	158.6	8.6
OTHER LIABILITIES		3.9	3.2
DEFERRED TAX LIABILITIES		38.4	41.8
		210.5	**62.5**
CURRENT LIABILITIES			
OTHER PROVISIONS		12.4	4.9
TRADE AND OTHER PAYABLES	F.07.	301.8	172.0
OTHER LIABILITIES		75.4	68.4
INCOME TAX LIABILITIES		9.3	7.3
LIABILITIES INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	F.05.	–	74.8
		399.0	**327.4**
TOTAL EQUITY AND LIABILITIES		**2,957.0**	**2,005.0**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR MILLION	NOTE	H1 2019	ADJUSTED H1 2018[1]	CHANGE EUR MILLION	CHANGE %
CONTINUING OPERATIONS					
REVENUE	E.01.	510.9	293.3	217.6	74.2
COST OF SALES	E.02.	−342.6	−124.8	−217.8	>100
GROSS PROFIT		**168.3**	**168.4**	**−0.2**	**−0.1**
MARKETING EXPENSES	E.03.	−231.1	−145.0	−86.1	59.4
IT EXPENSES		−39.5	−24.6	−14.9	60.7
GENERAL ADMINISTRATIVE EXPENSES	E.04.	−147.2	−100.1	−47.1	47.1
OTHER OPERATING INCOME		16.3	4.3	11.9	>100
OTHER OPERATING EXPENSES		−4.4	−4.1	−0.3	8.0
IMPAIRMENT LOSSES ON TRADE RECEIVABLES		−2.1	−2.6	0.4	−16.8
OPERATING RESULT		**−239.8**	**−103.5**	**−136.3**	**>100**
NET INTEREST COST		−2.0	1.4	−3.4	>100
OTHER FINANCIAL RESULT	E.05.	86.7	9.1	77.6	>100
SHARE OF THE PROFIT OR LOSS OF ASSOCIATES ACCOUNTED FOR USING THE EQUITY METHOD	E.06.	−36.5	−9.1	−27.4	>100
EARNINGS BEFORE INCOME TAXES		**−191.6**	**−102.1**	**−89.5**	**87.7**
INCOME TAXES	E.07.	−10.6	−8.3	−2.3	28.1
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**−202.3**	**−110.4**	**−91.8**	**83.2**
NET INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS		923.5	257.1	666.4	>100
NET PROFIT		**721.2**	**146.7**	**574.5**	**>100**

EUR MILLION	NOTE	H1 2019	ADJUSTED H1 2018[1]	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		0.1	0.0	0.1	>100
ITEMS RECLASSIFIED TO PROFIT OR LOSS IN THE FUTURE:					
EFFECT OF MOVEMENTS IN EXCHANGE RATES		−22.5	−55.7	33.2	−59.6
OTHER COMPREHENSIVE INCOME		**−22.4**	**−55.7**	**33.3**	**−59.8**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**698.8**	**91.1**	**607.8**	**>100**
NET PROFIT FOR THE PERIOD ATTRIBUTABLE TO:					
SHAREHOLDERS OF THE PARENT		728.0	148.8	579.2	>100
NON-CONTROLLING INTERESTS		−6.8	−2.1	−4.7	>100
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
SHAREHOLDERS OF THE PARENT		705.7	93.1	612.6	>100
NON-CONTROLLING INTERESTS		−6.8	−2.1	−4.7	>100
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS IN EUR		−1.03	−0.59	−0.44	74.58
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUED AND DISCONTINUED OPERATIONS IN EUR		3.84	0.80	3.04	>100

[1] PRIOR-PERIOD INFORMATION WAS ADJUSTED FOR THE GERMAN BUSINESS BEING CLASSIFIED AS DISCONTINUED OPERATION (REFER TO SECTION F.05. OF THE HALF-YEAR FINANCIAL STATEMENTS).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

JAN. 1, 2019 – JUN. 30, 2019

EUR MILLION	ATTRIBUTABLE TO THE OWNERS OF THE PARENT								
			RETAINED EARNINGS AND OTHER RESERVES						
	SUBSCRIBED CAPITAL	CAPITAL RESERVES	RETAINED EARNINGS	CURRENCY TRANSLATION RESERVE	REVALUATION RESERVE FOR PENSION COMMITMENTS	TREASURY SHARES	TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AS OF JAN. 1, 2019	**185.9**	**2,688.2**	**−971.5**	**−284.3**	**−0.9**	**−0.1**	**1,617.3**	**−2.3**	**1,615.0**
NET PROFIT	–	–	*728.0*	–	–	–	*728.0*	*−6.8*	*721.2*
OTHER COMPREHENSIVE INCOME	–	–	–	*−22.5*	*0.1*	–	*−22.4*	*0.0*	*−22.4*
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**728.0**	**−22.5**	**0.1**	**–**	**705.6**	**−6.8**	**698.8**
TRANSACTIONS WITH OWNERS – PAYMENTS RECEIVED AND CHANGE IN NON-CONTROLLING INTERESTS									
CAPITAL INCREASES	*2.9*	*24.8*	–	–	–	–	*27.7*	–	*27.7*
EQUITY-SETTLED SHARE-BASED PAYMENTS	–	*10.3*	–	–	–	–	*10.3*	–	*10.3*
ACQUISITION OF NON-CONTROLLING INTERESTS WITHOUT CHANGE IN CONTROL	–	–	–	–	–	–	–	–	–
OTHER CHANGES TO EQUITY	–	–	*−5.3*[1]	–	–	–	*−5.3*	*1.1*	*−4.2*
TRANSACTIONS WITH OWNERS	**2.9**	**35.1**	**−5.3**	**–**	**–**	**–**	**32.7**	**1.1**	**33.8**
BALANCE AS OF JUN. 30, 2019	**188.8**	**2,723.3**	**−248.8**	**−306.8**	**−0.8**	**−0.1**	**2,355.6**	**−8.0**	**2,347.6**

[1] *INCLUDES RESULTS FROM HYPERINFLATIONARY ECONOMIES OF € −5,3 MILLION.*

JAN. 1, 2018 – JUN. 30, 2018

	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, 2018	**182.5**	**2,661.3**	**–932.8[1]**	**–191.3**	**–0.5**	**–**	**1,719.2**	**1.5**	**1,720.7**
NET RESULT	–	–	*148.8*	–	–	–	*148.8*	*–2.1*	*146.7*
OTHER COMPREHENSIVE INCOME	–	–	–	*–55.7*	–	–	*–55.7*	–	*–55.7*
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**148.8**	**–55.7**	**–**	**–**	**93.1**	**–2.1**	**91.0**
TRANSACTIONS WITH OWNERS – PAYMENTS RECEIVED AND CHANGE IN NON-CONTROLLING INTERESTS									
CAPITAL INCREASES	*2.0*	*10.2*	–	–	–	–	*12.2*	–	*12.2*
EQUITY-SETTLED SHARE-BASED PAYMENTS	–	*13.3*	–	–	–	–	*13.3*	–	*13.3*
ACQUISITION OF NON-CONTROLLING INTERESTS WITHOUT CHANGE IN CONTROL	–	–	*–0.6*	–	–	–	*–0.6*	*0.3*	*–0.3*
OTHER CHANGES TO EQUITY[2]	–	–	*–0.8*	–	–	*–0.1[2]*	*–0.9*	–	*–0.9*
TRANSACTIONS WITH OWNERS	**2.0**	**23.5**	**–1.4**	**–**	**–**	**–0.1**	**24.0**	**0.3**	**24.3**
BALANCE AS OF JUN, 30, 2018	**184.5**	**2,684.8**	**–785.4**	**–247.0**	**–0.5**	**–0.1**	**1,836.3**	**–0.3**	**1,835.9**

[1] *ADJUSTED BY € –0.1 MILLION FOR IFRS 9 ADOPTION (REFER TO SECTION A.02.B)).*
[2] *INCLUDES RESULTS FROM SALE OF SUBSIDIARIES € –0,8 MILLION AND TREASURY SHARES OF € –0,1 MILLION.*

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR MILLION	H1 2019	H1 2018	CHANGE EUR MILLION	CHANGE %
1. CASH FLOWS FROM OPERATING ACTIVITIES				
NET PROFIT	721.2	146.7	574.5	>100
INCOME TAX (NET)	10.6	3.1	7.6	>100
INCOME TAX PAID (–)	–6.0	–5.6	–0.4	7.3
AMORTIZATION AND DEPRECIATION (+)	37.6	29.9	7.8	26.0
WRITE-DOWNS OF FINANCIAL ASSETS (+)	0.9	0.0	0.9	>100
INCREASE (+)/DECREASE (–) IN PROVISIONS	6.5	–11.9	18.5	>100
NON-CASH EXPENSES (+) FROM SHARE-BASED PAYMENTS	15.7	11.7	4.0	34.0
OTHER NON-CASH EXPENSES (+) AND INCOME (–)	–40.0	14.1	–54.1	>100
GAIN (–)/LOSS (+) ON DISPOSALS OF FIXED ASSETS	–1.1	0.0	–1.1	>100
GAIN (–)/LOSS (+) ON DECONSOLIDATION	–938.5	–263.5	–675.0	>100
INCREASE (–)/DECREASE (+) IN INVENTORIES, TRADE RECEIVABLES AND OTHER ASSETS	–29.5	–3.0	–26.5	>100
INCREASE (+)/DECREASE (–) IN TRADE AND OTHER PAYABLES	107.5	26.8	80.7	>100
INTEREST AND SIMILAR INCOME (–)/INTEREST AND SIMILAR EXPENSE (+)	–3.3	–1.4	–1.9	>100
CASH FLOWS FROM OPERATING ACTIVITIES	**–118.3**	**–53.1**	**–65.1**	**>100**
2. CASH FLOWS FROM INVESTING ACTIVITIES				
PROCEEDS (+) FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	1.8	0.3	1.5	>100
PAYMENTS (–) FOR INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	–27.8	–10.7	–17.2	>100
PROCEEDS (+) FROM DISPOSAL OF INTANGIBLE ASSETS	1.5	0.1	1.5	>100
PAYMENTS (–) TO ACQUIRE INTANGIBLE ASSETS	–13.6	–6.3	–7.2	>100

EUR MILLION	H1 2019	H1 2018	CHANGE EUR MILLION	CHANGE %
PROCEEDS (+)/PAYMENTS (–) FOR INVESTMENTS IN FINANCIAL ASSETS	167.1	–26.3	193.4	>100
PAYMENTS FOR (–)/PROCEEDS (+) FROM LOANS TO THIRD PARTIES	–0.2	–0.5	0.3	–54.4
NET PAYMENTS (–) FOR ACQUISITIONS	–129.4	–11.5	–117.9	>100
NET PROCEEDS (+) FROM SALE OF SUBSIDIARIES OR DISCONTINUED OPERATIONS	487.5	233.5	254.0	>100
PURCHASE OF EQUITY INVESTMENTS	–20.2	–94.4	74.2	>100
INTEREST RECEIVED (+)	4.3	2.0	2.3	>100
DIVIDENDS RECEIVED (+)	0.2	0.0	0.2	>100
CASH FLOWS FROM INVESTING ACTIVITIES	**471.2**	**86.1**	**385.1**	**>100**
3. CASH FLOWS FROM FINANCING ACTIVITIES				
PROCEEDS (+) FROM CAPITAL CONTRIBUTIONS	27.6	12.2	15.5	>100
PROCEEDS (+) FROM LOANS AND BORROWINGS	173.9	0.1	173.8	>100
REPAYMENTS (–) OF LOANS AND BORROWINGS	–175.0	0.0	–175.0	>100
INTEREST PAID (–)	–0.2	0.0	–0.2	>100
CASH FLOWS FROM FINANCING ACTIVITIES	**26.3**	**12.2**	**14.2**	**>100**
4. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD				
NET CHANGE IN CASH AND CASH EQUIVALENTS	379.3	45.1	334.1	>100
EFFECT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS	–5.7	–6.3	0.6	–9.1
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD[1]	439.8	627.3	–187.5	–29.9
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD[1]	**813.3**	**666.2**	**147.1**	**22.1**

[1] *CASH INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE JUNE 30, 2019: € 0.0 MILLION (JUNE 30, 2018: € 28.8 MILLION).*

SELECTED NOTES TO HALF-YEAR FINANCIAL STATEMENTS

A. GENERAL INFORMATION ON THE HALF-YEAR FINANCIAL STATEMENTS

01. Company information

Delivery Hero SE is the parent company of the Delivery Hero group (also referred to as: Delivery Hero or Group) and located in Oranienburger Straße 70, 10117 Berlin. 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 September 2, 2019, and submitted these directly to the Supervisory Board for approval.

02. Basis of financial reporting in accordance with IFRS

a) Basis of preparation

The condensed unaudited consolidated interim financial statements of the Group for the first half of 2019 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 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, 2018. In order to gain an understanding of the significant changes in the financial position and financial performance since the 2018 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 Euro. Unless otherwise stated, all figures have been rounded to the nearest EUR 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 accordance with IFRS 5 the German business was classified as a discontinued operation in December 2018. Comparative information in the condensed consolidated statement of profit or loss and other comprehensive income as of and for the period ending June 30, 2019, is restated accordingly. The sale of the German operations was completed on April 1, 2019 (refer to section F.05.).

In preparing the condensed consolidated interim financial statements, the accounting policies used for the preparation of the consolidated financial statements as of December 31, 2018, remain unchanged except for application of IFRS 16. Changes due to application of this standard are described in section b) Changes in significant accounting policies below. 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 last consolidated financial statements as of December 31, 2018. New judgments and sources of estimation uncertainty related to the application of IFRS 16 are described in section b) below.

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

b) Changes in significant accounting policies

IFRS 16

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

IFRS 16 introduces a single, on-balance sheet accounting model for lessees. As a result, the Group, as a lessee, has recognized right-of-use assets representing its rights to use the underlying assets and the corresponding lease liabilities representing its obligation to make lease payments. Lessor accounting remains similar to previous accounting principles. The details of the changes in accounting policies are disclosed below.

Definition of a lease

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

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

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

As a lessee
The Group leases predominantly office space, vehicles and office equipment.

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

The Group has elected to apply the recognition exemptions to leases of low-value assets and short-term leases with a (remaining) lease term of 12 months or less. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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

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

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

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

Impacts at transition date January 1, 2019
On transition to IFRS 16, the Group recognized € 79.4 million of right-of-use assets and additional € 78.0 million of lease liabilities.

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

EUR MILLION

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

Accounting of contracts commencing January 1, 2019
The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprise the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying

asset, less any lease incentives received. It is subsequently depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term. The right-of-use asset is reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

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

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

A number of new standards and amendments to standards (other than IFRS 16) are effective for annual periods beginning after January 1, 2019. None of these new standards or amendments are expected to have significant impact on the Group's consolidated financial statements.

B. SEASONAL INFLUENCES ON BUSINESS OPERATIONS

Business operations are affected by fluctuations related to weather and public holidays at the level of the individual entity and are subject to seasonal influence 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. However, political and economic crises have not had a material impact on the development of the Group.

C. OPERATING SEGMENTS

The segment presentation corresponds with the presentation in the consolidated financial statements 2018 except that German businesses divested in April 2019 and therefore classified as discontinued operations excluded from the segment performance in the first six months 2019. The comparative period is retrospectively adjusted.

In H2 2018, the non-core operations of foodora Australia, France, Italy and Netherlands were abandoned or sold. However, the H1 2018 comparative segment information is not restated.

01. Revenue

EUR MILLION	H1 2019	ADJUSTED H1 2018	CHANGE EUR MILLION	CHANGE %
MENA	*308.2*	*123.3*	*184.9*	*>100*
EUROPE	*78.2*	*66.0*	*12.2*	*18.5*
ASIA	*149.7*	*87.8*	*61.9*	*70.4*
AMERICAS	*45.7*	*29.6*	*16.1*	*54.6*
SEGMENT REVENUE	**581.8**	**306.7**	**275.1**	**89.7**
DISCOUNTS	*−71.0*	*−13.4*	*−57.6*	*>100*
REVENUE	**510.9**	**293.3**	**217.6**	**74.2**

02. Adjusted EBITDA

EUR MILLION	H1 2019	ADJUSTED H1 2018	CHANGE EUR MILLION	CHANGE %
MENA	−9.7	9.0	−18.7	>100
EUROPE	−9.6	−9.8	0.2	−2.0
ASIA	−94.6	−18.0	−76.6	>100
AMERICAS	−57.2	−18.0	−39.2	>100
ADJUSTED EBITDA OF THE SEGMENTS	**−171.1**	**−36.8**	**−134.3**	**>100**
CONSOLIDATION ADJUSTMENTS	−6.3	−11.1	4.8	−43.2
MANAGEMENT ADJUSTMENTS	−13.5	−16.8	3.3	−19.5
EXPENSES FOR SHARE-BASED COMPENSATION	−15.7	−11.7	−4.0	33.9
OTHER RECONCILIATION ITEMS	3.9	−2.1	6.0	>100
AMORTIZATION AND DEPRECIATION	−37.1	−25.0	−12.1	48.4
NET INTEREST AND OTHER FINANCIAL RESULT	48.2	1.4	46.8	>100.0
EARNINGS BEFORE INCOME TAXES FROM CONTINUING OPERATIONS	**−191.6**	**−102.1**	**−89.5**	**87.7**

Management adjustments include (i) expenses for services related to corporate transactions of € 8.2 million (H1 2018: € 15.8 million), thereof € 5.1 million expenses recognized in H1 2019 for earn-out liabilities in connection with acquisitions of current and prior years (H1 2018: € 12.7 million), (ii) expenses for reorganization measures of € 5.2 million (H1 2018: € 0.9 million) which include in H1 2019 expenses for legal consulting in connection with the reorganization of the management structure for Hungerstation and (iii) expenses for implementing information technology of € 0.1 million (H1 2018: € 0.1 million).

Other reconciliation effects include mainly non-operating income and expenses. In the first half of 2019 this item includes in particular expenses for non-income-taxes of € 2.7 million (H1 2018: € 3.7 million), losses on the disposal of subsidiaries of € 3.1 million (H1 2018: gain of € 2.2 million) and gains on the disposal of fixed assets of € 0.5 million (H1 2018: losses of € 0.1 million).

Amortization and depreciation include € 10.7 million amortization of right-of-use assets as a result of the adoption of IFRS 16 as of January 1, 2019.

D. ACQUISITIONS

In the first half of the year 2019, the Group acquired the food delivery business of Zomato Media Private Ltd. ("Zomato") in the United Arab Emirates ("Zomato UAE") as well as RestaurangOnline Sverige AB and its subsidiary Hungry Delivery AB – together referred to as "Hungrig Group", which are presented in further detail in the section below.

a) Zomato UAE

As at February 28, 2019, the Group acquired Zomato's food delivery business in the United Arab Emirates via an asset purchase agreement. Zomato is a restaurant review, restaurant discovery, food delivery and dining out transactions platform founded in 2008. Zomato UAE offers both, vendor and own delivery services to end-customers through the Zomato platform.

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

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

Due to the complexity of this acquisition, the initial accounting for business combination is incomplete as at June 30, 2019, in respect of the measurement for intangible assets. Therefore, the reported amounts are provisional pursuant to IFRS 3.45.

Customer relationships 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 not separable components such as positive business prospects and employee know-how, is not deductible for tax purposes.

Since its first inclusion Zomato UAE has contributed € 8.7 million towards Group's revenues and a net profit of € 0.8 million.

If Zomato UAE had been consolidated as of January 1, 2019, it would have contributed € 12.5 million to revenue and a net income of € 0.4 million to net profit.

b) Hungrig Group
As at April 30, 2019, Delivery Hero Group acquired Hungrig Group, a food delivery platform based in Sweden. The entity operates a mixed food delivery model – offering vendor as well as own delivery services to end-customers. The acquisition of 100% of the shares in Hungrig Group represents a strategic investment in the Swedish market. The shares acquired are representative of the voting rights.

The total consideration for the acquisition is € 15.9 million. It includes a contingent consideration of € 8.0 million. The contingent consideration depends on the future performance of the businesses; the maximum amount of the contingency is € 8.0 million.

The total consideration for the Hungrig Group acquisition transferred is allocated between the recognized assets and assumed liabilities as follows:

EUR MILLION	FAIR VALUES AT DATE OF ACQUISITION
INTANGIBLE ASSETS	2.7
PROPERTY, PLANT AND EQUIPMENT	0.2
TRADE AND OTHER RECEIVABLES	0.4
OTHER ASSETS	0.2
CASH AND CASH EQUIVALENTS	0.5
PROVISIONS AND LIABILITIES	–0.3
TRADE PAYABLES	–1.0
DEFERRED TAX LIABILITIES	–0.5
NET ASSETS	**2.1**
CONSIDERATION TRANSFERRED	**15.9**
GOODWILL	**13.8**

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 not separable components such as positive business prospects and employee know-how, is not deductible for tax purposes.

Combined trade receivables from third parties with a gross value of € 0.4 million were acquired and are assessed as being fully recoverable.

Since their first inclusion the acquired entities have contributed € 1.7 million towards Group's revenues and a net loss of € 0.3 million.

If the acquisition had been consolidated as of January 1, 2019, the entities would have contributed € 3.3 million to revenue and a net loss of € 0.6 million to net profit.

E. NOTES ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

01. Revenue

Revenue is composed as follows:

			CHANGE	
EUR MILLION	H1 2019	ADJUSTED H1 2018	EUR MILLION	%
COMMISSIONS	387.0	223.6	163.4	73.1
DELIVERY FEES[1]	118.4	36.8	81.6	>100
PRIME PLACINGS	32.5	23.5	9.0	38.1
CREDIT CARD USE	22.4	10.8	11.6	>100
OTHER	21.3	12.0	9.3	77.8
LESS DISCOUNTS	–70.7	–13.4	–57.3	>100
REVENUE	**510.9**	**293.3**	**217.6**	**74.2**

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

02. Cost of sales

Cost of sales is composed as follows:

EUR MILLION	H1 2019	ADJUSTED H1 2018	CHANGE EUR MILLION	CHANGE %
DELIVERY EXPENSES	287.6	94.8	192.8	>100
FEES FOR PAYMENT SERVICES	24.6	12.4	12.2	98.3
SERVER HOSTING	6.9	3.6	3.3	91.5
PURCHASE OF TERMINALS AND OTHER POS SYSTEMS	4.0	2.6	1.4	53.6
EXPENSES FOR DATA TRANSFER	2.2	2.2	0.0	1.7
GOODS AND MERCHANDISE	2.4	2.4	0.0	1.5
CALL CENTER EXPENSES	0.0	0.3	−0.3	−88.7
RIDER EQUIPMENT	5.3	0.6	4.7	>100
OTHER COST OF SALES	9.6	5.9	3.7	62.0
TOTAL	**342.6**	**124.8**	**217.8**	**>100**

03. Marketing expenses

Marketing expenses are composed as follows:

EUR MILLION	H1 2019	ADJUSTED H1 2018	CHANGE EUR MILLION	CHANGE %
CUSTOMER ACQUISITION	116.2	67.9	48.3	71.1
RESTAURANT ACQUISITION	65.7	40.1	25.6	63.7
AMORTIZATION OF BRANDS	6.1	7.1	−1.0	−14.1
EXPENSES FOR WRITE-DOWNS ON CUSTOMER/ SUPPLIER BASE	5.9	6.8	−0.9	−13.2
OTHER MARKETING EXPENSES	37.2	23.1	14.1	61.2
TOTAL	**231.1**	**145.0**	**86.1**	**59.4**

04. General administrative expenses

General administrative expenses mainly include personnel expenses of € 54.6 million (H1 2018: € 42.4 million), expenses for share-based payments of € 15.7 million (H1 2018: € 11.7 million), advisory and audit fees of € 12.7 million (H1 2018: € 7.0 million) and expenses for depreciation and amortization of € 22.0 million (H1 2018: € 6.3 million).

Depreciation and amortization increased as a result of adopting IFRS 16 as at January 1, 2019. The expenses for leases decreased to € 3.7 million (H1 2018: € 7.8 million). We refer to note A.02.b) for further details of transition to IFRS 16.

05. Other financial result

In the first half of 2019, the other financial result includes valuation effects of €90.1 million from fair value adjustments for the financial instruments at fair value through profit and loss – comprising mainly the valuation of the shares in Takeaway.com (€ 85.1 million) as well as € 5.0 million from the valuation of derivatives recognized in connection with the equity collar agreement with respect to 3.2 million shares in Takeaway.com (refer to section F.03. for further information). Further, a loss from derecognition of the shares in Takeaway.com subject to the collar of € 5.1 million was recognized in accordance with IFRS 9.

Foreign currency transaction losses within the other financial result amount to € 2.4 million (H1 2018: gains of € 9.1 million). The application of IAS 29 for Argentina, which was evaluated as a hyperinflationary economy in the third quarter of 2018 resulted in a net gain of € 4.1 million on the net monetary position of the Argentine operations for the first six months 2019 (H1 2018: € 0.0 million since Argentina was not considered hyperinflationary until Q3 2018).

06. Result from equity-accounted investees

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

07. 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.

F. NOTES IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

01. Intangible assets

The increase in intangible assets in the first six months 2019 is mainly attributable to additions to goodwill and other intangibles in the course of the acquisition of Zomato UAE (refer to section D.). The increase is partly offset by foreign currency effects – predominantly the devaluation of the Turkish Lira against Euro (negative € 19.8 million) – and amortization charges (negative € 16.7 million).

02. Property, Plant and Equipment

Property, plant and equipment increased primarily as a result of the recognition of right-of-use assets for lease contracts (€ 96.8 million) as a result of the transition to IFRS 16. Refer to section A.02.b) for detailed information on the effect of first-time adoption of IFRS 16.

03. Other financial assets

As of June 30, 2019, other non-current financial assets comprise 6.3 million shares in Takeaway.com that the Group received as part of the consideration for the German operations. The shares are accounted for at fair value through profit and loss in accordance with IFRS 9. As of June 30, 2019, the shares are measured at their fair value of € 82.40 per share. Further, in H1 2019 Delivery Hero invested in a minority stake in Zomato Holding which contributed € 43.2 million to the increase in other non-current financial assets.

As of April 4, 2019, Delivery Hero entered into a multi-year equity collar agreement (“collar”, or “collar transaction”) in relation to 3.2 million of the total 9.5 million shares in Takeaway.com that were received in connection with the sale of the German operations. As part of the collar transaction the respective shares were transferred into a custody account and sold by Morgan Stanley in a blocksale transaction. Cash proceeds from the blocksale in the amount of € 208.0 million were transferred to Delivery Hero. The collar consisting of a combination of a short call and a long put position limits the downside risk of fair value changes of the share while allowing Delivery Hero to participate in part of any further share price appreciation. Following the requirements of IFRS 9, the shares that are subject to the collar agreement were derecognized as of April 4, 2019. Delivery Hero has the right to repurchase the shares through repayment of the cash proceeds received from the blocksale (€ 208.0 million). The collar represents a continuing involvement in the derecognised financial assets and expires in tranches between October 2021 and September 2022. As of June 30, 2019, net financial assets of € 12.2 million are recognized for the derivatives identified within the collar transaction and included in other non-current financial assets which represents the maximum exposure to loss at the reporting period. The derivatives are classified as financial instruments measured at fair value through profit or loss.

04. Equity-accounted investees

During H1 2019, Delivery Hero Group participated in a funding round of Glovo and invested further € 15.0 million. The total share in Glovo is 13.3% as of June 30, 2019.

In April 2019, Delivery Hero acquired a stake of 20.2% in BIO-LUTIONS International AG, Hamburg, Germany, a producer of packaging from agricultural waste and a 21.8% stake in NOSH services, Cayman Islands, a B2C and B2B virtual cafeteria and food retail company operating in Hong Kong, for a total consideration of € 5.1 million for both investments.

05. Assets and Liabilities included in a disposal group classified as held for sale

The divestment of the German operations was executed on April 1, 2019. As of the date of execution the German operations of Lieferheld, pizza.de and foodora are no longer part of Delivery Hero’s consolidation scope anymore.

Accordingly, the assets and liabilities included in disposal group classified as held for sale have decreased by € 366.8 million and € 74.8 million respectively. As of June 30, 2019, no assets or liabilities are classified as held for sale.

06. Equity

In the first six months 2019, equity increased in four capital increases in connection with the exercise of equity settled stock options by € 27.6 million, thereof € 2.8 million in subscribed capital and € 24.8 million in capital reserves.

07. Trade and other payables

Trade and other payable are composed as follows:

EUR MILLION	JUN. 30, 2019	DEC. 31, 2018
CURRENT FINANCIAL LIABILITIES		
LIABILITIES TO RESTAURANTS	162.2	105.6
TRADE PAYABLES	43.6	29.3
LIABILITIES FOR OUTSTANDING INVOICES	61.9	29.4
FINANCE LEASES	0.0	1.3
LEASE LIABILITIES	17.4	0.0
SECURITY DEPOSITS RECEIVED	1.6	0.9
PURCHASE PRICE LIABILITIES AND EARN-OUTS	15.1	5.5
TOTAL CURRENT FINANCIAL LIABILITIES	**301.8**	**172.0**
NON-CURRENT FINANCIAL LIABILITIES		
FINANCE LEASES	0.0	1.1
TRADE PAYABLES	6.1	1.6
PURCHASE PRICE LIABILITIES AND EARN-OUTS	70.9	5.3
LEASE LIABILITIES	80.7	0.0
SECURITY DEPOSITS RECEIVED	0.6	0.6
LOANS PAYABLE	0.3	0.0
TOTAL NON-CURRENT LIABILITIES	**158.6**	**8.6**

G. OTHER DISCLOSURES

01. Share-based payments

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

In the first half of 2019, a total of 202,624 RSUs and 1,166,689 stock options were granted to new and existing beneficiaries (new tranches) of the LTIP.

The total share based compensation expense amounts to € 15.7 million (H1 2018: € 11.7 million), thereof € 14.7 million incurred for the LTIP in the first six months 2019 (H1 2018: € 2.7 million). Comparability of LTIP related expenses is limited since the program was only introduced in May 2018.

Virtual Share Program 2017 (“VSP 2017”) – modification to cash settled

In May 2019, management changed the settlement method of the VSP 2017 in line with the terms & conditions of the program from equity settled to cash settled. The modification resulted in a valuation expense of € 1.6 million and an increase of the liability for share based payments to € 4.8 million.

For all other program’s management continues to intent settlement in equity.

DH SOP – exercise windows

Beneficiaries of the DH SOP were able to exercise their equity settled awards in two exercise windows in the first half of 2019, which led to a capital increase of the subscribed capital of € 2.8 million and the capital reserve of € 24.8 million.

02. Contingencies

In 2019, the Group has become party to an arbitration proceeding with a minority shareholder in a Group company who requests damages and the right to sell his shares in the Group company. The Group assessed the prospect of success for the minority shareholder as not probable.

Further, claims by a local regulatory authority were raised in H1 2019 in connection with an M&A transaction. The Group does currently not expect that it is probable that these claims will be founded and will defend itself against the claims.

03. 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 composition of the management board is the same as of December 31, 2018.

The mandate of Semih Yalcin in the supervisory board ended on April 1, 2019. His successor is Christian Graf von Hardenberg, Chief Technology Officer at Delivery Hero. Other members of the supervisory board remained the same compared to December 31, 2018.

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, 2018. By resolution of the supervisory board dated May 23, 2019, an exceptional award of additional stock options was granted to the management board under the existing LTIP. The grant details are summarized as follows:

c) Other related party transactions
There are no other material related party transactions in the first half of 2019.

04. Financial instruments

a) Fair value disclosures

The tables below show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

The following abbreviations are used for the measurement categories:

- FAaAC: Financial assets at amortized cost
- FLaAC: Financial liability at amortized cost
- FVtPL: Financial instruments at fair value through profit or loss

STOCK OPTIONS LTIP

	NIKLAS ÖSTBERG			EMMANUEL THOMASSIN		
	ALLOCATION VALUE IN EUR	EXERCISE PRICE IN EUR	NUMBER OF OPTIONS	ALLOCATION VALUE IN EUR	EXERCISE PRICE IN EUR	NUMBER OF OPTIONS
GRANTED OPTIONS IN THE REPORTING PERIOD	*702,572*	*37.38*	*74,032*	*351,280*	*37.38*	*37,016*

JUNE 30, 2019

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			*89.3*	*3*	*89.3*
INVESTMENTS – LEVEL 1	FVtPL			*519.1*	*1*	*519.1*
DERIVATIVE FINANCIAL INSTRUMENTS	FVtPL	–	–	*12.2*	*2*	*12.2*
LOANS GRANTED	FAaAC	*3.0*	*3.0*		*3*	*3.0*
SECURITY DEPOSITS	FAaAC	*4.2*	*4.2*		*3*	*4.2*
OTHER FINANCIAL ASSETS		**7.2**	**7.2**	**620.6**		**627.8**
CURRENT FINANCIAL ASSETS						
RECEIVABLES AGAINST PAYMENT SERVICE PROVIDERS	FAaAC	*48.8*	*N.A.*		*N.A.*	*48.8*
TRADE RECEIVABLES	FAaAC	*33.6*	*N.A.*		*N.A.*	*33.6*
OTHER RECEIVABLES	FAaAC	*22.3*	*N.A.*		*N.A.*	*22.3*
TRADE AND OTHER RECEIVABLES		**104.7**				**104.7**
CASH AND CASH EQUIVALENTS		**813.3**			**N.A.**	**813.3**
TOTAL FINANCIAL ASSETS		**925.3**		**620.6**		**1,545.9**
NON-CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	FLaAC	*6.1*	*6.1*		*3*	*6.1*
LEASE LIABLITIES	N.A.[1]	*80.7*	*N.A.*		*N.A.*	*80.7*
SECURITY DEPOSITS RECEIVED	FLaAC	*0.6*	*0.6*		*3*	*0.6*
CONTINGENT AND UNCONTINGENT PURCHASE PRICE OBLIGATIONS	FVtPL			*70.9*	*3*	*70.9*
LOANS PAYABLE	FLaAC	*0.3*	*0.3*		*3*	*0.3*
TRADE AND OTHER PAYABLES		**87.7**		**70.9**		**158.6**
CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	FLaAC	*105.3*	*N.A.*		*N.A.*	*105.3*
LEASE LIABLITIES	N.A.[1]	*17.4*	*N.A.*		*N.A.*	*17.4*
SECURITY DEPOSITS RECEIVED	FLaAC	*1.6*	*N.A.*		*N.A.*	*1.6*
LOANS PAYABLE	FLaAC	*0.1*	*N.A.*		*N.A.*	*0.1*
OTHER PAYABLES	FLaAC	*162.2*	*N.A.*		*N.A.*	*162.2*
CONTINGENT AND UNCONTINGENT PURCHASE PRICE OBLIGATIONS	FVtPL		*N.A.*	*15.1*	*3*	*15.1*
TRADE AND OTHER PAYABLES		**286.6**		**15.1**		**301.7**
TOTAL FINANCIAL LIABILITIES		**374.3**		**86.1**		**460.4**

[1] CLASSIFICATION AND MEASUREMENTS OF LEASE LIABILITIES MEET THE REQUIREMENTS OF IFRS 16.

DEC. 31, 2018

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	FVtPL			*43.4*	*3*	*43.4*
LOANS GRANTED	FAaAC	*2.9*	*2.9*		*3*	*2.9*
SECURITY DEPOSITS	FAaAC	*3.5*	*3.5*		*3*	*3.5*
OTHER FINANCIAL ASSETS		**6.4**		**43.4**		**49.8**
CURRENT FINANCIAL ASSETS						
RECEIVABLES AGAINST PAYMENT SERVICE PROVIDERS	FAaAC	*30.5*	*N.A.*		*N.A.*	*30.5*
TRADE RECEIVABLES	FAaAC	*20.6*	*N.A.*		*N.A.*	*20.6*
OTHER RECEIVABLES	FAaAC	*34.0*	*N.A.*		*N.A.*	*34.0*
TRADE AND OTHER RECEIVABLES		**85.1**				**85.1**
CASH AND CASH EQUIVALENTS		**364.1**	**N.A.**		**N.A.**	**364.1**
TOTAL FINANCIAL ASSETS		**455.6**		**43.4**		**498.9**
NON-CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	FLaAC	*1.6*	*1.6*		*3*	*1.6*
FINANCE LEASE PAYABLES	N.A.[1]	*1.1*	*1.1*		*3*	*1.1*
SECURITY DEPOSITS RECEIVED	FLaAC	*0.6*	*0.6*		*3*	*0.6*
CONTINGENT AND UNCONTINGENT PURCHASE PRICE OBLIGATIONS	FVTtPL			*5.3*	*3*	*5.3*
TRADE AND OTHER PAYABLES		**3.3**		**5.3**		**8.6**
CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	FLaAC	*58.6*	*N.A.*		*N.A.*	*58.6*
FINANCE LEASE PAYABLES	N.A.[1]	*1.3*	*N.A.*		*N.A.*	*1.3*
SECURITY DEPOSITS RECEIVED	FLaAC	*0.9*	*N.A.*		*N.A.*	*0.9*
OTHER PAYABLES	FLaAC	*105.6*	*N.A.*		*N.A.*	*105.6*
CONTINGENT AND UNCONTINGENT PURCHASE PRICE OBLIGATIONS	FVtPL			*5.5*	*3*	*5.5*
TRADE AND OTHER PAYABLES		**166.5**		**5.5**		**172.0**
TOTAL FINANCIAL LIABILITIES		**169.8**		**10.8**		**180.6**

[1] CLASSIFICATION AND MEASUREMENTS OF FINANCE LEASE PAYABLES MEET THE REQUIREMENTS OF IAS 17 LEASES.

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. Fair values of some non-current financial assets approximate their carrying amount because there were no significant changes in the measurement inputs since their fair value was determined upon initial recognition.

In determining the fair values of the investments, "prior sale of company stock" method, and discounted cash flows techniques are applied. The prior sale of company stock method considers any prior arm's length sales of the equity securities. The discounted cash flows technique considers the present value of expected payments, discounted using a risk-adjusted discount rate.

The fair values of contingent purchase price obligations resulting from business combinations are estimated taking into account the underlying contingency as agreed with the seller in a particular business combination.

The fair values of the derivative financial instruments are determined using a Black-Scholes option pricing model. The significant input parameters are volatility of the underlying share and risk-free interest rate which are derived from observable market data.

The reconciliation of level 3 instruments measured at fair value is as follows:

	ASSETS	LIABILITIES
EUR MILLION	**INVESTMENTS**	**CONTINGENT AND UNCONTINGENT PURCHASE PRICE OBLIGATIONS**
AS OF JAN. 01, 2018		
RECLASSIFIED UPON ADOPTION OF IFRS 9	*28.8*	
ADDITIONS	*16.1*	*10.8*
LOSSES RECORDED IN PROFIT OR LOSS	*−1.5*	
AS OF DEC. 31, 2018	**43.4**	**10.8**
ADDITIONS	*47.6*	*75.5*
DISPOSALS	*−1.5*	*−1.1*
GAINS/LOSSES RECORDED IN PROFIT OR LOSS	*−0.2*	*0.9*
AS OF JUNE 30, 2019	**89.3**	**86.1**

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

As of June 30, 2019, the effect on profit or loss in response to changes in the inputs into the fair value measurements would be as follows:

EUR MILLION	CONTINGENCIES +/– 10%	INTEREST RATES +/– 100BP	EQUITY PRICE +/– 10%
RECLASSIFIED UPON ADOPTION OF IFRS 9	*N.A.*	*–0.7/+0.7*	*+8.3/–7.3*
CONTINGENT PURCHASE PRICE OBLIGATION	*–0.1/+5.2*	*+0.9/–0.9*	*N.A.*

05. Events after the reporting period

Subsequent to the reporting period, Delivery Hero acquired all shares of AA Foody Cyprus Ltd., Cyprus, the leading restaurant marketplace for food delivery in Cyprus – operating under the brand name of Foody, as well as all shares in Delivery RD (Movil Media S.R.L.), the leading online food delivery business in the Dominican Republic. The consideration for both acquisitions is € 4.7 million plus additional performance-based earnouts. The purchase price allocation of both transactions is not finalized yet.

Berlin, September 2, 2019

Niklas Östberg Emmanuel Thomassin

RESPONSIBILITY STATEMENT OF THE LEGAL REPRESENTATIVES

We hereby confirm that, to the best of our knowledge and in accordance with generally accepted accounting principles, the consolidated interim financial statements give a true and fair view of the consolidated interim financial position of the Group and of its consolidated interim financial performance and its consolidated interim cash flows in accordance with applicable accounting policies for interim reporting, and that the Group interim management report gives a true and fair view of the Group's business development including its performance and financial position, and also describes significant opportunities and risks relating to the Group's anticipated development in the remaining financial year.

Berlin, September 2, 2019

Niklas Östberg   Emmanuel Thomassin

FURTHER **INFORMATION**

FINANCIAL CALENDAR

Nov 07, 2019	Q3/9M 2019 Quarterly Statement

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Delivery Hero

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