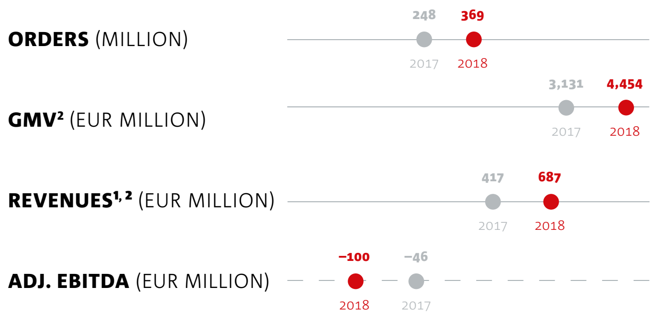
A HEROIC IDEA **WAS BORN**

ANNUAL REPORT **2018**

DELIVERY HERO **AT A GLANCE**

GROUP ORDERS[1] +49%

TO 369 MILLION



[1] The reported figures have been adjusted for material M&A and exclude the divestment of India, divestment of foodora (Australia, France, Italy & Netherlands) and Germany as a discontinued operation. Germany revenues were € 21.4 million in Q1'17, € 21.7 million in Q2'17, € 22.7 million in Q3'17 and € 24.3 million in Q4'17, € 25.5 million in Q1'18, € 24.7 million for Q2'18, € 25.9 million for Q3'18 and € 29.2 million for Q4'18. India revenues were € 2.3 million in Q1'17, € 2.6 million in Q2'17, €2.5 million in Q3'17 and € 2.5 million in Q4'17. foodora revenues were € 6.3 million for Q3'17 and € 7.6 million for Q4'17, € 7.4 million in Q1'18, € 7.1 million for Q2'18 and € 3.9 million for Q3'18 and € 0.7 million for Q4'18. Numbers have not been adjusted for smaller acquisitions or divestments. Revenues presented for Delivery Hero represent the total segment revenues prior to vouchers.

[2] Americas revenues and GMV as well as the respective growth rates are impacted by the Argentinian operations qualifying as hyperinflationary economy according to IAS 29 beginning September 1, 2018. 2018 revenue and GMV is retrospectively adjusted. Comparability is affected as prior period information is not restated.

EUROPE ORDERS +41%
TO 60 MILLION

	2017	2018
ORDERS (MILLION)	43	60
GMV (EUR MILLION)	547	735
REVENUES[1] (EUR MILLION)	89	116
ADJ. EBITDA (EUR MILLION)	−16	−15

ASIA ORDERS +50%
TO 83 MILLION

	2017	2018
ORDERS (MILLION)	55	83
GMV (EUR MILLION)	844	1,214
REVENUES[1] (EUR MILLION)	127	193
ADJ. EBITDA (EUR MILLION)	−28	−52

MENA ORDERS +55%
TO 191 MILLION

	2017	2018
ORDERS (MILLION)	123	191
GMV (EUR MILLION)	1,370	2,100
REVENUES (EUR MILLION)	153	316
ADJ. EBITDA (EUR MILLION)	24	18

AMERICAS ORDERS +31%
TO 36 MILLION

	2017	2018
ORDERS (MILLION)	28	36
GMV[2] (EUR MILLION)	370	406
REVENUES[2] (EUR MILLION)	47	62
ADJ. EBITDA (EUR MILLION)	−25	−51

LETTER FROM **THE CEO**

Dear shareholders, dear colleagues, dear readers,

2018 was another fantastic year for us. We were able to accelerate growth and reached several important milestones. In 2018, for the first time we processed more than 1.5 million orders (including Germany) in one day globally. Over the course of the year our GMV amounted to EUR 4.5bn (excluding Germany) and our segment revenues to EUR 687 million. I'm incredibly proud that we were able to build the company that it is today through entrepreneurial drive and relentless focus on delivering an amazing experience for our customers.

Yet despite those achievements, we're only scratching the surface of the global opportunity we have ahead of us. While awareness and consumer demand for our services has never been higher, many customers do not order food and other items to their homes yet. And of those who do order food, roughly 90% still call the restaurants for a add directly. While this is certainly true for almost all markets globally, it is even more so for Delivery Hero. Our global footprint is focussed particularly on more early stage markets providing room for growth for the next decades.

While food delivery is and will remain the core pillar of our business, we also follow our customers' demands for an increasing offering of convenience services. Consumers have ever higher expectations of services like ours and because of this we are focusing more and more on broader on-demand needs. We have therefore upgraded our vision accordingly to: **Always delivering amazing experiences** – fast, easy and to your door.

Initially, this expansion of services will be focused on categories like groceries, flowers and pharma. Currently, we operate these services in the Latin America and MENA regions and see promising results. In 2018 we rolled out multi-vertical delivery platforms in 9 countries. We see a strong customer demand and this encourages us to continue to develop those services further. Besides the focus on our customers' needs, this also allows us to utilize our delivery fleets better, which results in even more efficient logistics.

Besides the horizontal expansion to more services for our customers, we're also expanding our efforts to transform the food delivery ecosystem by working more closely with our restaurant partners. We see that, as food delivery matures in some urban areas, some restaurants start to be overwhelmed with the demand from our customers while some more rural towns still have a more limited food delivery offering. We are therefore always looking for new ways to partner with and support our restaurant partners. We are exploring several different approaches globally for that purpose, ranging from ideas to help restaurants utilising their capacity better, to expanding into dedicated delivery kitchens and completely re-thinking how a delivery-focused restaurant should work. I am sure we will have more exciting news to share on this over the next years.

On the corporate development side, we have always made it very clear that we are pragmatic around consolidation and focus on those markets in which we can build strong leadership positions. We have therefore taken strategic decisions to exit those markets in which we didn't see the potential for market leading positions at reasonable investment levels, and focused our investments on markets where we operate market-leading brands.

While the vast majority of our growth is organic, we were also able to strengthen our market position through smaller acquisitions of complementary marketplace operations in various countries. In terms of disposals, the sale of our hungryhouse business closed already in early 2018. Moreover, we also succeeded in divesting our foodora operations in Italy, France, Netherlands and Australia. Finally, we successfully closed the sale of our German operations to Takeaway.com in December 2018. This transaction enables us to strengthen our global footprint, increase our focus on key growth regions and reinforce our leadership positions. We also used this opportunity to upgrade our 2019 investment plan and allocate more

90
OCCASIONS FOR ORDERING
FOOD EVERY MONTH

capital towards investment opportunities across our segments at attractive returns with a net adj. EBITDA impact of negative €250m.

We already see promising initial results in the first quarter of 2019 on these increased investments. These results affirm our strong believe that this is the right path for the company in order to build the most valuable business over the long-term. In this sense, our entrepreneurial mindset today is still the same as it was when the business was founded in 2011 and drives us to pursue the ever expanding opportunities we see.

While the marketplace business still represents roughly 80% of our overall business, our share of own delivery orders is constantly growing. By pursuing our hybrid business model strategy we can add significantly more restaurants to our platform (both with and without their own delivery capabilities) and deliver to our customers what they are demanding in each of the neighborhoods we operate in. The fast growth rate of our own delivery capabilities is driven by our customers' increased demand for fast, highly reliable and traceable order fulfillment – something we aim to provide with every order that we execute ourselves and a principle that is ingrained in our vision. As of today, we deliver more orders than all competitors in our markets combined and have created a clear global leadership in own delivery. I'm immensely proud of our team to have achieved this in such a short period of time.

As the market for food ordering is maturing, shifting more online and improving in service quality, there is truly enormous potential for further growth. Even I continue to be amazed by the size and continued expansion of this market opportunity. Looking at the order penetration in some of our best cities we even see markets a presence of 10+ years in online food delivery continuing to grow at a fast pace. As mentioned above, this leads me to believe that we have barely scratched the surface of what is possible. There are at least 90 occasions for ordering food every month – breakfast, lunch, and dinner every day on 30 days a month – for each and every one of our customers. Even in markets with very high order densities, frequencies do not exceed high single digits per active customer per month. If we just increase the average frequency by a little each year, this will be a huge lever on the opportunity and the TAM that we initially indicated at time of IPO. If we continuously improve our ordering experience, choice of restaurants, affordability, speed of delivery and even add new ordering occasions to our services, I'm sure we will be able to achieve that.

Looking at 2018 we already see great progress on all of these operational elements. To mention just a few of these achievements:

- we grew the number of restaurants by 53% Y-o-Y (excluding Germany) to expand choice for our customers
- we migrated 8 operations onto our global platforms to allow for a more seamless ordering experience
- we improved our restaurant integration with the roll out of our restaurant partner solution globally for improved reliability of order transmission
- we deployed our personalized recommendation in 23 countries to help customers navigate our restaurant selection

Beyond that, I am exceptionally proud of my fellow Heroes for making huge progress in terms of corporate social responsibility, a topic that is very close to my heart. In 2018, we handed out numerous free meals to people in need in order to give back to the community and implemented a volunteering program that saw huge engagement from our employees. Beyond that we started investing into understanding our environmental footprint as an organisation and how we can reduce that. Lastly, we set up a broad program to improve the diversity and inclusion of our work environment. Besides the moral imperative of creating an environment where everyone feels welcome, I also believe it is a business imperative to attract and retain the very best people on our continued growth journey.

With that, I would like to thank you for your trust in our leadership team and ca. 21,000 colleagues who will continue to work hard to deliver and to revolutionize a market with the trillion dollar food opportunity that is still very much in its infancy. 2019 will be another big year for us with even bigger opportunities as we continue to focus on always delivering amazing experiences for our customers.

Yours,
Niklas

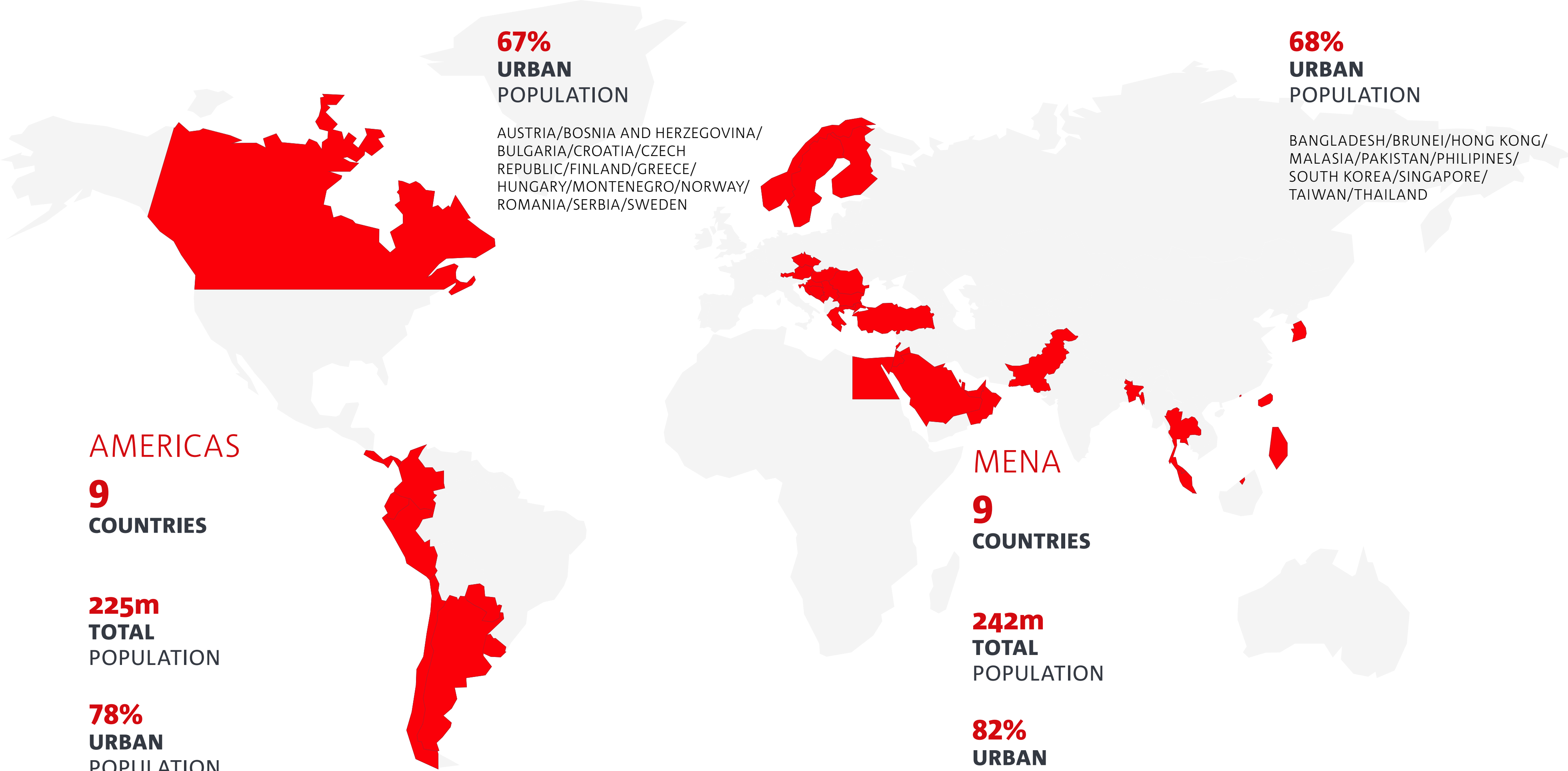
OUR UPGRADED **VISION**

Our successful business performance has continued to be the result of our strong vision and unwavering focus on providing an amazing on-demand experience. We continually invest to improve our food and restaurant selection, but throughout 2018 we also focused on expanding a more holistic ordering service.

As a result, 2018 saw us roll out many new features and additional products, driving trends we saw developing in the delivery sector. This continuous focus on innovation will ensure we are able to provide our customers with the most convenient, personalized ordering experience.

We are particularly proud to hold innovation at the core of our culture, as it is our key strength when it comes to tackling the market opportunity.

our vision to always deliver amazing experiences, is driven by investment in three significant pillars: global leadership, product and technology.



EUROPE

13
COUNTRIES

103m
TOTAL
POPULATION

67%
URBAN
POPULATION

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

ASIA

10
COUNTRIES

663m
TOTAL
POPULATION

68%
URBAN
POPULATION

BANGLADESH/BRUNEI/HONG KONG/
MALASIA/PAKISTAN/PHILIPINES/
SOUTH KOREA/SINGAPORE/
TAIWAN/THAILAND

AMERICAS

9
COUNTRIES

225m
TOTAL
POPULATION

78%
URBAN
POPULATION

ARGENTINA/CANADA/CHILE/COLOMBIA/
ECUADOR/PANAMA/PARAGUAY/PERU/URUGUAY

MENA

9
COUNTRIES

242m
TOTAL
POPULATION

82%
URBAN
POPULATION

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

Source: World Development Indicators, 2018; rounded figures
Excluding countries with minority participation that are not fully consolidated (e.g. Poland) and (planned) divestments e.g. Germany and foodora non-core assets (Australia, France, Italy and Netherlands)

INCREASED MARKET **OPPORTUNITY**

Throughout 2018 we continued to see our market opportunities expand globally due to the fact that many countries we operate in still have low online penetration – a figure which has not changed from the low teen levels we outlined at time of IPO – with the majority of orders still being placed via the telephone.

Being at the forefront of the ongoing channel-shift puts us at a strong competitive advantage, with a much longer growth runway than other food delivery peers.

We have also seen the overall market opportunity expand due to:

1. An increased demand for convenience
2. An increased number of restaurants and cuisines available on our platform
3. Improved food quality and lower prices, driven by more efficient restaurant operations and so called "shared kitchens" and "virtual kitchens"

GLOBAL **LEADERSHIP**

Delivery Hero is a global leader in online food delivery, with a larger reach and greater scale than competitors in all markets of operation. Outside of South Korea, Norway and Canada, we now fulfill three times as many orders than all our competitors combined in our markets of operation. In 2018, we are the #1 leader in 33 of our 41 countries with approximately 80% of GMV comingfrom these leadership countries.

290,000

LISTED RESTAURANTS

Per Q4 2018 we processed on average more than 36 million orders per month – more than 3 times as much as our competitors' orders combined (including Takeaway.com, UberEats, Deliveroo, Grab, Just Eat, Zomato and additional local competitors) in our countries of operation outside of South Korea, Norway and Canada.

In 2018 we substantially expanded our restaurant selection, closing the year with more than 290,000 active restaurants listed across our platforms globally and we operate in more than 4,000 cities.

We were able to reach this figure thanks to building our clear leadership in own-delivery, enabling us to partner with restaurants without their own fleets. Per Q4 2018, our delivery riders delivered more than 7 million orders per month in over 200 cities. Outside of South Korea, Norway and Canada, we now fulfill twice as much own delivery orders than all our competitors combined in our markets of operation[1].

By taking this hybrid approach (combining both marketplace and our own logistical capabilities) we continued to develop highly efficient operations, enabling us to reduce delivery costs. We now have a similar profit contribution per order when we provide first-party delivery or third-party delivery, once our operations are up to scale.

As we continue to improve efficiencies further we will pass saving down to our customers to drive additional frequency and adoption.

[1] Management estimates in Delivery Hero markets. Excluding orders from South Korea, Norway, Canada and our minority holdings Rappi and Glovo.

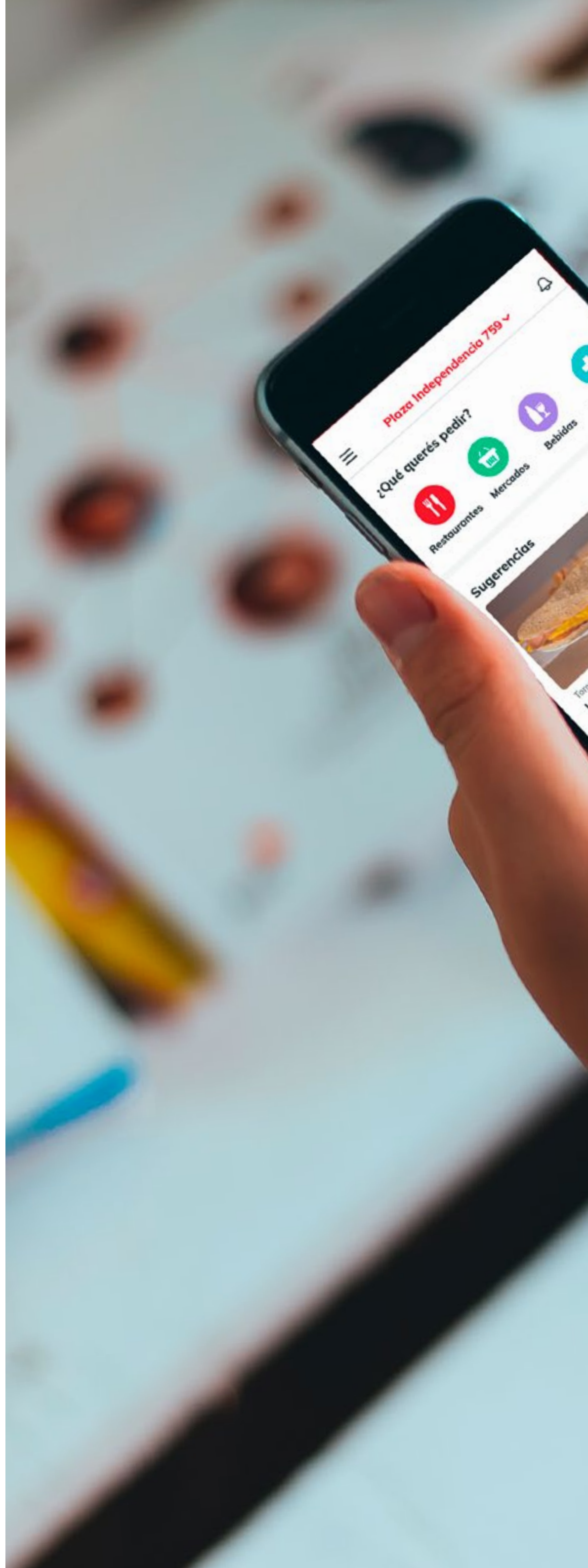
IMPROVED PRODUCT **AND TECHNOLOGY**

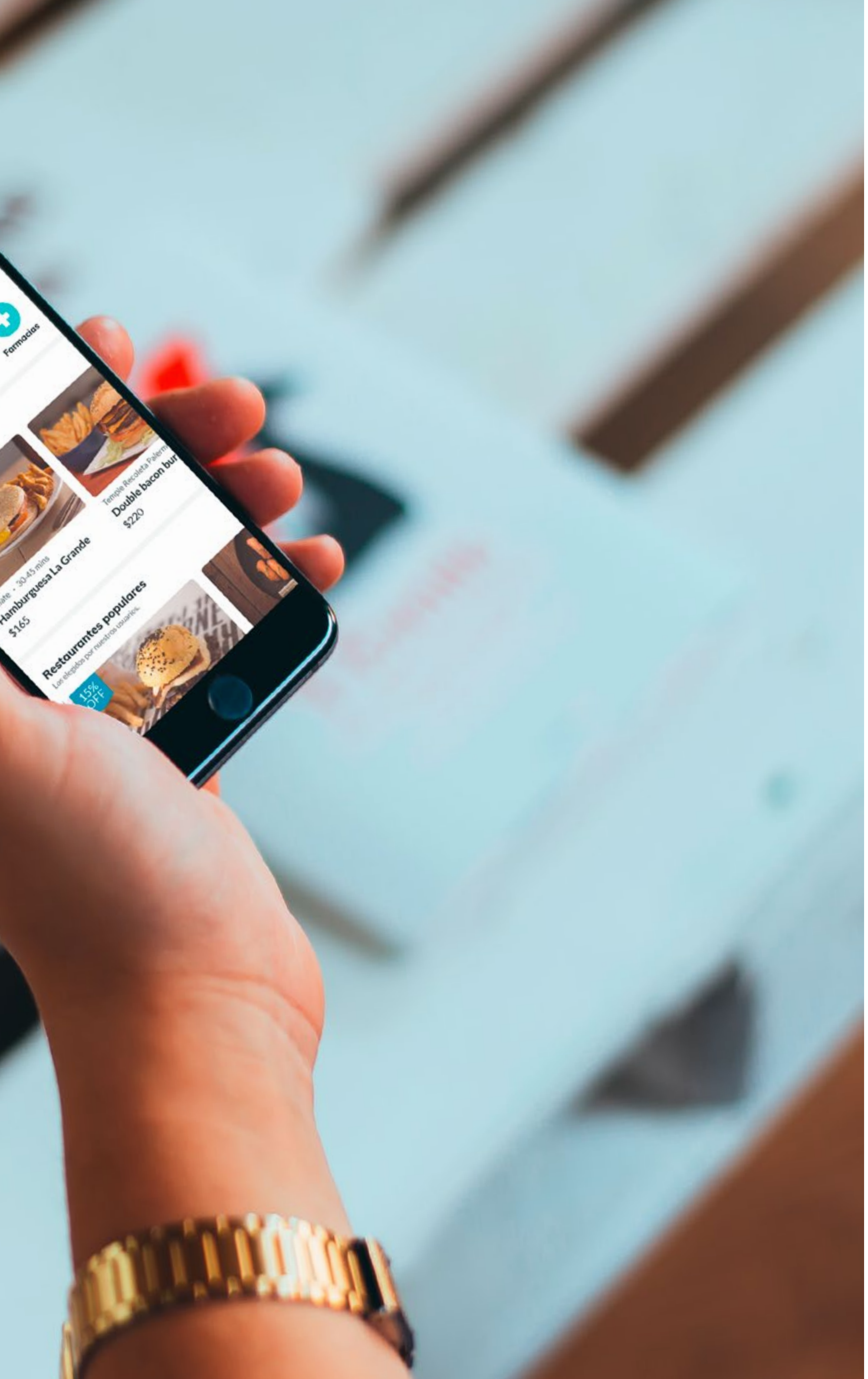
ADDING HIGH FREQUENCY PRODUCTS

One of our major focuses in 2018 was the expansion of our product offering and securing our status as a third generation delivery company. Developments in proprietary technology and executional capabilities allowed us to expand into new verticals such a groceries, pharmacies and flowers and other convenience articles in multiple markets. Throughout 2018 we rolled out multi-vertical delivery platforms in 9 countries.

ADDING VIRTUAL KITCHENS

Although still in the early days, 2018 saw us gain good traction in the concept and shared kitchen space, which we rolled out in selected cities globally. By offering specifically for delivery prepared, good quality food in better quality packaging, these concepts allow us to lever our operational expertise and achieve more efficient cost structures, which benefit customers, restaurants and us as intermediaries.





INNOVATION FOR THE RESTAURANT

We aim to provide our partners with the most innovative technology available (Restaurant Partner Solution – RPS) to enable them to reach their full potential for our mutual advantage. We increase their order volumes, give them access to new customers, improve their efficiency, and add revenue at improved margins. Moreover, restaurants benefit from the data which Delivery Hero is aggregating, allowing them to take better decisions on customer offerings, pricing, location and menu items.

Included in our RPS is our point-of-sale technology. This allows restaurants to enter in their walk-in orders and helps them to better understand their business and drive further efficiencies in the restaurant.

Throughout 2018 we improved our RPS integration, which is now live globally. As we continue to improve RPS coverage, the technology will give us more holistic exposure to data, which, in turn, will enable us to drive further efficiencies and improve both our partners' and customers' experience.

CONTINUOUS INNOVATION

We are driving industry change, and continually iterating our technology. In 2018 we developed voice ordering, which has been integrated into virtual assistants, corporate platforms and our chat applications to further improve customer experience. In 2018, we further focussed on personalization features, which are now deployed in 23 countries.

REPORT OF THE SUPERVISORY BOARD

DEAR SHAREHOLDERS,

The financial year 2018 was a significant and successful year for Delivery Hero SE (the "Company"), and one in which the Company reached several impressive milestones. Thanks to consistent strong growth, the Delivery Hero Group has developed an outstanding, global market position, with the Group now taking over 100 million orders per quarter. Noteworthy, in particular, are the successful conversion of the Company's form to a European joint stock corporation (societas Europaea, SE), being admitted the MDAX for the Deutsche Börse's Prime Standard, the first annual general meeting and the sale of operations in Germany.

CONVERSION INTO AN SE

With the conversion of the Company's legal form into a European joint stock corporation (societas Europaea, SE) on July 13, 2018, the first Supervisory Board of Delivery Hero SE has begun its work. The SE Regulation, the Delivery Hero SE articles of association, and the agreement on the involvement of employees in Delivery Hero SE on April 16, 2018 determined the composition and size of the Supervisory Board. The Delivery Hero SE Supervisory Board is comprised of six members and is represented with three shareholder representatives and three employee representatives. The Supervisory Board's employee representatives were selected by the employees' special negotiation body.

COOPERATION BETWEEN MANAGEMENT AND SUPERVISORY BOARD

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

During the financial year 2018, the Supervisory Board held seven meetings and eleven conference calls. The Supervisory Board adopted fifteen resolutions in writing.

Mr. Patrick Kolek was unable to attend one meeting in person and Ms. Hilary Gosher was unable to attend two meetings in person, but both participated in these meetings by conference call. Mr. Semih Yalcin was unable to attend one conference call meeting, but submitted his vote in writing. In addition, he left one conference call meeting early. All other members of the Supervisory Board attended all meetings and conference call meetings during their term of office.

MEETINGS AND ESSENTIAL RESOLUTIONS OF THE DELIVERY HERO AG SUPERVISORY BOARD

The Supervisory Board of Delivery Hero AG received a training session on the Market Abuse Regulation and the Company structure of stock incorporations by an outside legal counsel on January 29, 2018.

During a conference call meeting on February 5, 2018, the Supervisory Board dealt in particular with the trading update and the policy on non-audit services by the statutory auditor.

In three conference call meetings on March 12, 2018, the Supervisory Board dealt with the exercised options within the framework of the employee long term incentive program and approved the respective capital increases.

In the balance sheet meeting on April 24, 2018, the Supervisory Board examined the annual and consolidated financial statements, including the group management report for the financial year 2017, and discussed them in detail with the auditors. The auditor reported on the main results of the audit. In addition, the Supervisory Board examined the nonfinancial statement for the Group and dealt with the Supervisory Board report. In accordance with the recommendation of the Audit Committee, the Supervisory Board approved the annual financial statements, the consolidated financial statements and the group management report for 2017 during a conference call on April 25, 2018. Thus the annual financial statements were adopted. In addition, the Supervisory Board adopted the agenda for the 2018 annual general meeting. Further, the Supervisory Board approved an investment in Barogo Co., Ltd. with registered seat in Korea, a company specialized in the area of logistics for restaurant chains and food delivery platforms.

During a conference call meeting on May 8, 2018, the Supervisory Board dealt with the quarterly statement for the first quarter and approved the opening of an exercise window for the employee participation program.

During a conference call meeting on May 29, 2018, the Supervisory Board dealt with the exercised options within the framework of the employee long term incentive program.

The Supervisory Board meeting on June 6, 2018, subsequent to the annual general meeting and election of Mr. Janis Zech to the Supervisory Board, addressed potential, additional investments in marketing, restaurant coverage, technology, and product.

Certain Management Board transactions and measures require prior approval from the Supervisory Board on account of statutory provisions or specifications in the Management Board's rules of procedure. The Supervisory Board gave its approval to various acquisitions by way of resolutions in writing, such as the purchase of shares in Deliveras S.A. with registered seat in Greece and Cloud Treats Romania SA. with registered seat in Romania. Both companies operate food delivery platforms. Further, the Supervisory Board approved an increase in the thresholds for transactions and measures of the Management Board, which are subject to the approval of the Supervisory Board and adopted a resolution to adjust the remuneration of the Management Board. In addition, the Supervisory Board approved by way of a resolution in writing a capital increase which was implemented as part of the employee participation program.

MEETINGS AND ESSENTIAL RESOLUTIONS OF THE DELIVERY HERO SE SUPERVISORY BOARD

During its constituent meeting by conference call on July 4, 2018, the Supervisory Board of Delivery Hero SE elected Dr. Martin Enderle as chair and Mr. Patrick Kolek as deputy chair of the Supervisory Board. Additionally, Mr. Niklas Östberg (Chief Executive Officer) and Mr. Emmanuel Thomassin (Chief Financial Officer) were both appointed to the Management Board of Delivery Hero SE until the conclusion of April 30, 2022.

In advance of the meeting on August 1, 2018, the new members of the Supervisory Board of Delivery Hero SE received a session by an outside legal counsel on the Market Market Abuse Regulation and the Company structure of a Societas Europaea (SE).

During the meeting on August 1, 2018, the Supervisory Board of Delivery Hero SE approved additional investments in the areas of marketing, restaurant coverage, technology, and product. In addition, the Supervisory Board approved a capital increase against contribution in kind to settle the acquisition of minority interests. Another focus in addition to the trading update for the half-year report were the recommendations of the German Corporate Governance Code. The Supervisory Board adopted rules of procedure for the Management Board, Supervisory Board, and Audit Committee and the Supervisory Board's competence profile. A target of female representation of 0% for the Management Board and 30% for the Supervisory Board was set for a period of five years each. In addition, the Supervisory Board constituted its committees and elected the committee members. More information about the composition of the Supervisory Board and the committees can be found in the "Board Matters" section and in the corporate governance report on page 20.

During the meeting on September 11, 2018, the Supervisory Board concentrated on the half-year report for the financial year 2018 in particular. Furthermore, the Supervisory Board also discussed the various options that employees may exercise as part of the employee participation program.

During its meeting on November 6, 2018, the Supervisory Board focused on the quarterly statement for the third quarter of the financial year, the internal audit system, the audit plan of the Internal Audit department for the financial year 2019 as well as focus areas for risk and compliance management.

In the conference call meeting on November 19, 2018, the Supervisory Board approved another exercise window within the framework of the employee participation program.

In a conference call meeting for information purposes on December 12, 2018, the Supervisory Board dealt with the sale of the operating business in Germany to Takeaway.com N.V.

In the conference call meeting on December 13, 2018, the Supervisory Board dealt in particular with the budget, the independence of the Supervisory Board members and possible investments.

During two meetings on December 19, 2018, the Supervisory Board approved the sale of German operations (of Delivery Hero Germany GmbH and Foodora GmbH), including the delivery platforms Lieferheld, pizza.de, and Foodora, to Takeaway.com N.V. as well as increases to investments. Moreover, it focused in particular on the independence of several members of the Supervisory Board and adopted the budget for the financial year 2019.

The Supervisory Board approved, among other things, several capital increases that were implemented as part of the employee participation program and which were subject to the approval of the Supervisory Board.

EFFICIENT WORK OF THE SUPERVISORY BOARD'S COMMITTEES

The Supervisory Board constituted four committees in accordance with the advice of the German Corporate Governance Code, namely, an Audit Committee, Remuneration Committee, and Nomination Committee to discharge its duties in a duly manner. A Strategy Committee was also established in relation to the conversion from Delivery Hero AG to Delivery Hero SE. To increase the efficiency of the Supervisory Board's work, each committee was extended by one Supervisory Board member, so that each committee consists of three members. The chairs of each committee regularly reported on the content and result of their meetings to the full Supervisory Board in the following meeting of the Supervisory Board.

The **Audit Committee** held five meetings during the financial year 2018. During these meetings, the Audit Committee regularly focused on accounting structures and processes, internal control, internal auditing, risk management, and compliance and discussed measures with the auditor KPMG and the Management Board to strengthen them further. KPMG participated in all Audit Committee meetings. Further, the Audit Committee dealt comprehensively with the annual and consolidated financial statements, including the group management report for the financial year 2017, and discussed the results of the audit of the annual and consolidated financial statements with the auditor. In addition, the Audit Committee discussed, reviewed and agreed to the half-year financial report and the quarterly statement for the third quarter.

Furthermore, the Audit Committee considered the requirements for nonfinancial reporting (CSR – directive) and the separate nonfinancial statements for the Group and approved the rendering of non-audit services by the auditor KPMG. Further, the Audit Committee adopted a guideline for the provision of non-audit services by the auditor. Similarly, the Audit Committee was involved in the preparation of the Supervisory Board's proposal to the 2018 annual general meeting for the appointment of an auditor for the annual and consolidated financial statements. With Mr. Patrick Kolek as chair of the Audit Committee, the Audit Committee, in line with sections 100 (5) and 107 (4) of the German Stock Corporation Act (Aktiengesetz, AktG), possesses an independent member who has the required level of expertise in accounting or auditing as well as special knowledge and experience in the application of accounting principles and internal control procedures. Mr. Patrick Kolek and Dr. Martin Enderle were prevented from attending one meeting but participated by phone. All other members were present at all further meetings and phone calls during their respective term of office.

During the financial year 2018, the **Remuneration Committee** held two meetings. Focus areas for the committee included the election of a chairman and in particular allocation of options to the Management Board members. For further information regarding Management Board remuneration, reference is made to the compensation report beginning on page 37. Mr. Patrick Kolek was prevented from attending one meeting but participated by phone. All other members were present at all further meetings and phone calls during their respective term of office.

The **Nomination Committee**, which is made up of shareholder representatives exclusively, held two meetings during the financial year 2018. During these meetings, the committee dealt in particular with proposals for the election of a new shareholder representative to the Supervisory Board. Mr. Patrick Kolek was prevented from attending one meeting but participated by phone. All other members were present at all further meetings and phone calls during their respective term of office.

The **Strategy Committee** of Delivery Hero held three meetings and one conference call during the financial year 2018 and focused on the election of a chair of the Strategy Committee, potential Company acquisitions, including in particular the sale of operations in Germany, and the budget for the financial year 2019. Mr. Patrick Kolek was prevented from attending one meeting but participated by phone. All other members were present at all further meetings and phone calls during their respective term of office.

CORPORATE GOVERNANCE

The Supervisory Board discussed various issues on the topic of corporate governance and, together with the Management Board, submitted the declaration of compliance required under section 161 AktG on December 27, 2018. The full declaration of compliance and more extensive explanations of the Company's corporate governance can be found in the Corporate Governance Report beginning on page 22. Readers are referred to the compensation report beginning on page 37 for further information regarding the remuneration structure for the Management and Supervisory Boards.

There were two **conflicts of interest** revealed on the Supervisory Board in the financial year 2018:

— In connection with the determination of the remuneration of the chairman of the Supervisory Board, Dr. Martin Enderle revealed a conflict of interest. Dr. Martin Enderle abstained from voting.

— In connection with a M&A transaction, which was not carried out, Mr. Patrick Kolek revealed a possible conflict of interest. Mr. Patrick Kolek abstained from voting.

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

The Management Board forwarded to the members of the Audit Committee and Supervisory Board the annual and consolidated financial statements for 2018, the 2018 combined management report for Delivery Hero SE and the Group (the “Annual Report Documents”), and the combined separate nonfinancial report immediately after they were set up. The auditor KPMG audited the annual financial statement for Delivery Hero SE and the consolidated financial statements as well as the 2018 combined management report for Delivery Hero SE and the Group, and certified it unconditionally. The Annual Report Documents and the audit findings of the auditor KPMG were examined in detail in the presence of KPMG, during the Audit Committee’s meeting and the Supervisory Board’s balance sheet meeting on April 23, 2019; in particular regarding their lawfulness and compliance with requirements. The auditor KPMG reported on the key findings of the audit, the specified scope for the audit and important circumstances arising during the audit. The Management Board and the auditor KPMG were available for further questions and additional information requested by the Supervisory Board. There were no objections to raise following the Supervisory Board’s final audit result. In accordance with the recommendation of the Audit Committee, the Supervisory Board approved the annual and consolidated financial statements for 2018, the combined management report for Delivery Hero SE and the Group, and the combined separate nonfinancial report; thus the annual financial statements are adopted.

BOARD MATTERS

Mr. Lukasz Gadowski resigned from his position as a member of the Supervisory Board of Delivery Hero AG on December 15, 2017. In his place, the annual general meeting elected Mr. Janis Zech as a new member of the Supervisory Board of Delivery Hero AG on June 6, 2018. Mr. Janis Zech was appointed for the period up to the conclusion of the annual general meeting discharging Supervisory Board actions for the financial year 2019.

The positions of the members of the Supervisory Board of Delivery Hero AG and their committee memberships expired with the conversion of Delivery Hero AG into an SE on July 13, 2018. Of the members belonging to the Supervisory Board at that time, Mr. Georg Graf von Waldersee (chair of the Audit Committee), Mr. Jeffrey Liebermann (deputy chair of the Supervisory Board and member of the Remuneration and Nomination Committees), Mr. Jonathan Green, and Mr. Janis Zech are no longer members of the Supervisory Board of Delivery Hero SE.

Since its conversion on July 13, 2018, the Supervisory Board of Delivery Hero SE consists of Dr. Martin Enderle (chair of the Supervisory Board), Mr. Patrick Kolek (deputy chair), and Ms. Hilary Gosher as shareholder representatives. The employee representatives on the Supervisory Board were Ms. Vera Stachowiak, Mr. Björn Ljungberg, and Mr. Semih Yalcin. Mr. Semih Yalcin left the Supervisory Board of Delivery Hero SE effective April 1, 2019. As a substitute member for Mr. Semih Yalcin, Mr. Christian Graf von Hardenberg joined the Supervisory Board as employee representative on April 1, 2019. The Supervisory Board members’ term of office will end according to schedule at the conclusion of the regular annual general meeting that resolves on the discharge for the financial year 2019.

Due to the Company's conversion of its form, the Supervisory Board of Delivery Hero SE also reconstituted its committees:

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

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

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

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

I would like to extend my special thanks to all members who have left the Supervisory Board after overseeing and supporting the Company's public listing and the first financial year following that. Thanks to their high level of personal engagement, they have left a lasting mark on the Company.

The Supervisory Board would like to thank the Management Board and all the Company's employees around the world for their outstanding achievement in the financial year 2018, which was a year characterized by many important milestones and strong growth. This would not have been possible without the commitment and positive attitude of all our employees.

Berlin, April 23, 2019

For the Supervisory Board

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

CORPORATE **GOVERNANCE**

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

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

The Corporate Governance Statement, the Group Governance Statement and the Corporate Governance Report may be retrieved from the Company’s Internet page at https://ir.deliveryhero.com/websites/delivery/English/4100/corporate-governance-report.html.

DECLARATION OF COMPLIANCE PURSUANT TO SECTION 161 AKTG

The Declaration of Compliance will be made permanently available on the Company’s Internet page at https://ir.deliveryhero.com/websites/delivery/English/4500/declaration-of-compliance.html.

Declaration of Compliance 2018

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

Management Board and Supervisory Board declare:

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

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

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

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

- Pursuant to section 5.4.6 para. 1 sentence 2 (variant 3) of the Code, the positon of the Chair in the committees of Delivery Hero SE shall be taken into consideration when determining the remuneration. The Supervisory Board of Delivery Hero SE has established an Audit Committee, a Remuneration Committee, a Nomination Committee and a Strategy Committee. The Strategy Committee was established at a time when the remuneration for the Chair of the Audit Committee, the Compensation Committee and the Nomination Committee of Delivery Hero SE had already finally been set out in the Articles of Association. For this reason, it is declared that the remuneration for the chair of the Strategy Committee is currently not taken into account. Delivery Hero SE seeks to adjust the compensation for the Chair of the Strategy Committee in the near future.

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

Berlin, in December 2018

Delivery Hero SE

On behalf of the Supervisory Board

Martin Enderle

Dr. Martin Enderle

The Management Board

Niklas Östberg **Emmanuel Thomassin**

CORPORATE GOVERNANCE AND RELEVANT DISCLOSURES PERTAINING TO CORPORATE GOVERNANCE PRACTICES

Corporate governance – standards of good and responsible corporate governance

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

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

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

Internal control system
To ensure the reliability of its bookkeeping and accounting, Delivery Hero SE has set up an accounting-related internal control system. The internal control system's effectiveness is monitored by the Internal Audit department, the Audit Committee, and the Supervisory Board. The internal control system is constantly adapted to the requirements of the rapidly growing Delivery Hero Group.

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

Risk management system
The key objectives of Delivery Hero SE's Risk Management System ("RMS") are to manage and streamline the Group-wide risk management process, to control all risk management related activities and to ensure a comprehensive view on all significant risks of the Group. The RMS is closely aligned with the determination of the Group's strategy and its business objectives, including safeguarding of the Group's assets and the value chain. The "Governance, Risk and Compliance" department reports directly to the Management Board, the Audit Committee, and the Supervisory Board in regard to significant risks. Further information on our Group-wide risk management system can be found in section C of the combined management report.

Internal auditing system
The central task of the Internal Audit department of Delivery Hero SE is to assist the Management Board and Supervisory Board in achieving the goals of the organization. As such, the Internal Audit department is responsible for independently and objectively evaluating the appropriateness and effectiveness of management and monitoring processes and of the internal control and risk management systems. Internal Audit serves to promote responsible corporate governance in accordance with the standards and code of ethics of the Institute of Internal Auditors (IIA) and the Deutsches Institut für Interne Revision (DIIR). The internal audit function is based on an annual risk-based audit plan.

The Internal Audit function provides the Audit Committee of the Supervisory Board with an audit report on a quarterly basis, and the Supervisory Board with an audit report on a half-yearly basis. These reports contain, inter alia, an account of the current status of the various audits under the annual audit plan, significant findings of completed audits, and any outstanding issues relating to the implementation of measures.

Compliance, compliance management, and the Code of Conduct of Delivery Hero SE
For Delivery Hero SE, compliance signifies the fostering of a sustainable corporate culture, of integrity and responsibility, as well as the responsible management of risks.

Delivery Hero SE has developed a compliance management system that aims to prevent corruption, conflicts of interest, and other violations of law committed within the Delivery Hero Group or by Delivery Hero SE, its employees, directors, or executives. The compliance management system comprises a system of measures intended to ensure that business is conducted at all times in full compliance with the law and with internal rules and principles. The compliance philosophy of Delivery Hero SE focuses on preventing, detecting, and reacting appropriately to every type of misconduct.

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

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

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

For further explanations in relation to Compliance please refer to to the combined separate nonfinancial report.

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

Dualistic management and control structure

The conversion of the Company from a German stock corporation into a European public Company (Societas Europaea, SE), which was completed in 2018, expresses Delivery Hero SE's self-image as an internationally oriented Company with European roots. As an SE with its registered office in Germany, the Company is subject to the European and German SE regulations as well as to the German Stock Corporation Act (AktG). Even after the conversion, which became effective with the entry in the commercial register on July 13, 2018, the management and control of the Company will still be carried out via a dual management system. The Management Board and Supervisory Board work closely together for the good of the Company and are in regular contact with one another. The Management Board is the management body; it is responsible for the Company's direction and business management. The Supervisory Board is the Company's control and monitoring body, advising and overseeing the Management Board in its management of the Company's business.

Duties, lines of authority, and composition of the Management Board

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

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

The Management Board discusses the current state of strategy implementation with the Supervisory Board at regular intervals. It informs the Supervisory Board regularly, promptly, and comprehensively in regard to all questions of strategy, planning, business development, risk exposure, risk management, and compliance that are of relevance to the Company.

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

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

Duties, lines of authority, and composition of the Supervisory Board

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

Because the members of the Management Board were appointed only in the last financial year (2018) – and each to a term that ends on April 30, 2022 – the Supervisory Board has not yet developed any guidelines for the succession of Management Board members. The Supervisory Board will, however, develop in the future, jointly with the Management Board, a long-term succession plan to ensure continuous development of the Company.

The Articles of Association of Delivery Hero SE provide that the Supervisory Board consists of six members. At the time of drafting this report, the Supervisory Board of Delivery Hero SE consists of six members, three of whom are employee representatives. Prior to the change of legal form to an SE, the Supervisory Board of Delivery Hero AG also consisted of six members but did not include any employee representatives.

The members of the Supervisory Board in the 2018 financial year were[1]:

— Dr. Martin Enderle (chair)
— Patrick Kolek (member until July 13, 2018; Deputy chair since July 13, 2018)
— Jeffrey Liebermann (member until July 13, 2018)
— Georg Graf von Waldersee (member until July 13, 2018)
— Jonathan Green (member until July 13, 2018)
— Janis Zech (member from June 6, 2018, to July 13, 2018)
— Björn Ljungberg (member since July 13, 2018)
— Semih Yalcin (member from July 13, 2018, to April 1, 2019)
— Hilary Gosher (member since July 13, 2018)
— Vera Stachowiak (member since July 13, 2018)
— Christian Graf von Hardenberg (member since April 1, 2019)

The Supervisory Board has set rules of procedure for itself, which in particular regulate the working method and the division of tasks of the Supervisory Board and its committees. The chair of the Supervisory Board coordinates the work on the Supervisory Board. The Supervisory Board holds at least two meetings per calendar year, with further meetings convened as and when necessary. Meetings held, and resolutions passed, in writing, by telephone, or by means of electronic media are permissible. The Supervisory Board passes its resolutions with a simple majority of members voting on the resolution; if there is a tie, the Chair shall have the casting vote. The Supervisory Board discusses the course of business, strategic planning, and significant investments on a regular basis. The Supervisory Board also regularly reviews the efficiency of its activities. Please refer to the Supervisory Board report for more details of its activities in the 2018 financial year.

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

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

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

The members of the Supervisory Board should collectively possess the knowledge, abilities, and technical experience necessary for proper discharge of their duties – supervising and advising the Management Board. The individual members of the Supervisory Board should possess the knowledge, abilities, and professional qualifications and experience they need to properly and diligently fulfil the duties and responsibilities assigned to them. At least one member of the Supervisory Board must have expertise in the fields of accounting or auditing; the members of the Supervisory Board must, as a whole, also be familiar with the sector in which Delivery Hero SE operates. All members of the Supervisory Board must have sufficient time at their disposal in which to thoroughly discharge the duties of their office. No more than two former members of the Management Board are permitted to serve as members of the Supervisory Board at the same time.

Each member of the Supervisory Board is obliged to act in the Company's interest. They may neither pursue personal interests in their decisions nor exploit for their own benefit business opportunities to which the Company is entitled. No candidates for election to membership on the Supervisory Board are to be proposed to the annual general meeting who are simultaneously serving in positions on bodies of, or performing advisory duties for, significant competitors, or who (potentially) are permanently or frequently subject to a conflict of interest. A Supervisory Board member must disclose possible conflicts of interest to the Supervisory Board. Conflicts of interest that have occured are handled appropriately; the Supervisory Board provides information about them in its report to the annual general meeting. Significant, and not merely temporary, conflicts of interest in the person of a Supervisory Board member are to result in termination of their tenure.

The Supervisory Board shall reflect a well-balanced measure of diversity, particularly in respect of the internationality of its members, their experience and disparate professional histories and backgrounds. The Supervisory Board has set a target for the quota of women on the Supervisory Board (for further details in this regard see page 29 below).

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

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

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

It is the conviction of the Supervisory Board that the composition described ensures independent and efficient advising and supervising of the Management Board. In regard to the current state of implementation for the composition of the Supervisory Board, the following should be noted: the concrete objectives specified by the Supervisory Board for its composition and the desired realization of the profile of skills and expertise were achieved in full in financial year 2018. The independent Supervisory Board members within the meaning of section 5.4.2 GCGC are Dr. Martin Enderle, Patrick Kolek and Hilary Gosher, Vera Stachowiak, Björn Ljungberg, and Christian Graf von Hardenberg. The Supervisory Board verifies at regular intervals that the goals for the composition of the Supervisory Board and realization of the objectives and expertise continue to be achieved.

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

Composition and working methods of the Audit Committee

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

The members of the Audit Committee in the 2018 financial year were:

- Patrick Kolek, chair (member and chair since August 1, 2018)
- Dr. Martin Enderle (member until July 13, 2018 and since August 1, 2018)
- Björn Ljungberg (member since August 1, 2018)
- Georg Graf von Waldersee (member and chair until July 13, 2018)

With the conversion into Delivery Hero SE, Georg Graf von Waldersee retired as chair of the Audit Committee and Patrick Kolek was elected as chair of the Audit Committee of Delivery Hero SE. The chair of the Audit Committee, Mr. Patrick Kolek possesses the expertise required according to sections 100(5) and 107(4) AktG in the fields of accounting or auditing along with special knowledge and experience in the application of accounting standards and internal control procedures. The former chair of the Audit Committee, Mr. Georg Graf von Waldersee, also fulfilled these requirements. In addition, Mr. Patrick Kolek is independent and not a former member of the Company's Management Board. The former chair of the Audit Committee, Mr. Georg Graf von Waldersee, also fulfilled these requirements. The members of the Audit Committee are as a whole familiar with the sector in which Delivery Hero SE operates.

Composition and working methods of the Remuneration Committee

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

The members of the Remuneration Committee in the 2018 financial year were:

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

Composition and working methods of the Nomination Committee

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

The members of the Nomination Committee in the 2018 financial year were:

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

Composition and working methods of the Strategy Committee

The Strategy Committee was newly established by the Supervisory Board following the change of legal form to Delivery Hero SE. It is composed exclusively of shareholder representatives and deals with strategic matters relating to Delivery Hero SE.

The members of the Strategy Committee in the 2018 financial year were:

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

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

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

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

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

Delivery Hero SE attaches great importance to diversity throughout the Company and regards the participation of women at managerial levels as a key aspect of a diverse employment structure. That being so, the Management Board intends to continue pursuing a suitable policy of promoting women to continually increase the proportion of women in management positions. Following the conversion to Delivery Hero SE, the Management Board of Delivery Hero SE has kept these targets of Delivery Hero AG in place. For the first level below the Management Board, the Management Board set target of 0% by June 26, 2022. This notwithstanding, the quota of women currently stands at 17%, meaning that the target has been exceeded. For the second level below the Management Board, the Management Board set target of 18% by June 26, 2022, which has also been exceeded reaching a quota of 23%.

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

Following the conversion to Delivery Hero SE, the Supervisory Board has increased the target for the quota of women on the Supervisory Board from 0% to 30% for the five-year period up to July 30, 2023. Currently, two women sit on the Supervisory Board, which equates to a quota of 33.3%. The Supervisory Board has therefore met its target.

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

DIVERSITY PLAN

Diversity is firmly embedded in the corporate culture of Delivery Hero SE and Delivery Hero Group companies. All dimensions of diversity exist on an equal footing at Delivery Hero SE, be they, for example, age, sex, educational background or profession, origin or religion, or sexual orientation or identity. The employees of Delivery Hero SE come from more than 70 different countries and five continents. The Management and Supervisory Boards of Delivery Hero SE also regard it as their duty to further increase – beyond setting targets for the quota of women on the Management Board and Supervisory Board and in management positions – the various aspects of diversity and to use them productively.

To date, the Company has not pursued a diversity concept of its own in respect of the composition of the Management Board and Supervisory Board. However, the inner manifestation and further development of an open and integrative corporate culture occupies a position of major importance in the daily work of the Management Board and Supervisory Board. In this regard, the Management Board and Supervisory Board intend to work out a diversity plan that addresses key aspects of diversity, defines specific targets for them, and contains provisions for the manner in which they are to be implemented and achieved.

CORPORATE GOVERNANCE PRACTICE AND TRANSPARENCY

Shareholders and the general meeting

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

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

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

D&O insurance

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

Transparent corporate governance and communication

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

Accounting and auditing

The unaudited semi-annual financial report as of June 30, 2018, and the consolidated financial statements as of December 31, 2018, were drawn up according to the International Financial Reporting Standards (IFRS) as applicable in the EU. The consolidated financial statements contain in addition the disclosures that are required according to section 315a (1) HGB. The annual financial statements of Delivery Hero SE for financial year 2018 were drawn up according to the provisions of the German Commercial Code (HGB) and the provisions of the German Stock Corporation Act (AktG).

KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin ("KPMG") was chosen for financial year 2018 as auditor of the annual financial statements and consolidated financial statements. The undersigning auditors for the 2018 annual and consolidated financial statements of Delivery Hero SE are Björn Knorr and Alexander Heidgen.

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

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

Berlin, this April 23, 2019

On behalf of the Management Board:

Niklas Östberg
Chair of the
Management Board, CEO

Emmanuel Thomassin
Member of the
Management Board, CFO

On behalf of the Supervisory Board:

Dr. Martin Enderle
Chair of the Supervisory Board

TAKEOVER-RELATED DISCLOSURES AND EXPLANATORY NOTES BY THE MANAGEMENT BOARD

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

COMPOSITION OF SUBSCRIBED CAPITAL

At the end of the reporting period, the Company's subscribed capital amounted to € 185,930,494.00, which was subdivided into 185,930,494 no-par value bearer shares. In February 2019, a further capital increase was implemented, so that at the time of the publication of this report, the Company's subscribed capital amounts to € 187,504,222.00, which is subdivided into 187,504,222 no-par value bearer shares.

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

RESTRICTIONS THAT CONCERN VOTING RIGHTS OR THE TRANSFER OF SHARES

Restrictions on transfer

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

- In the context of the Company's IPO, a vesting period of twelve months from the first trading day has been agreed with the members of the Management Board and their associated companies regarding a total of approximately one million shares in the Company in a lock-up agreement dated June 5, 2017. The vesting period ended at the conclusion of June 30, 2018.
- Lock-up agreements and corresponding supplementary agreements mean that a total of 2,326,797 shares are subject to a (extended) vesting period of a total of 270 days from the first day of Company shares being traded on the stock exchange. The vesting period ended at the conclusion of March 27, 2018.
- Overall 3,505,500 shares were held in escrow according to a shareholders agreement and several supplementary agreements. Depending on the respective trustor, the agreements contained vesting periods of twelve and twenty-four months. The twelve months vesting period ended at the conclusion of December 31, 2017 and the twenty-four months vesting period ended at the conclusion of December 31, 2018.
- Overall 367,200 shares are held in escrow according to an investment agreement. The agreement contains vesting periods respectively for one third of the shares, which end at the conclusion of June 30, 2018, June 30, 2019 and June 30, 2020.

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

Restriction on voting rights

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

- Pursuant to sections 71b and 71d AktG, there are no voting rights with respect to approx. 78,230 shares in the Company.
- In accordance with section 136 AktG, members of the Management Board are restricted in exercising their voting rights with respect to the 947,512 shares in the Company held by them, or which are held in trust on their behalf.
- There is an agreement between the shareholders who had invested in the Company before the IPO to the effect that they may exercise their voting rights at the first General Meeting following the IPO at which the Supervisory Board will be newly elected in such a way

as to determine the composition and term of office of the Supervisory Board, provided that this General Meeting takes place before the end of 2019. Specifically, the period of office agreed by the shareholders will end when the Supervisory Board is discharged for the second complete financial year following the IPO.
— Pursuant to a Shareholders Agreement, 3,505,500 shares held in escrow are subject to the contractual obligation to uniformly use the voting rights of the shares, held for the respective shareholder in escrow.

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

SHAREHOLDINGS EXCEEDING 10% OF VOTING RIGHTS

At the end of the 2018 financial year, the following direct and indirect holdings in Delivery Hero SE existed, which exceeded the threshold of 10% of the voting rights[2] and which were notified to the Company by means of voting rights notifications in accordance with sections 33, 34 WpHG (sections 32, 22 WpHG old version):

— Naspers Limited with its registered seat in Cape Town, South Africa through MIH Food Holdings B.V. (attributed) and MIH DH Holdings B.V.

Further information on the amount of the holdings listed above can be found in the disclosures on voting right notifications in the notes to the Delivery Hero SE 2018 annual financial statement as well as the “Voting Rights Notifications” item on the Company’s website at https://ir.deliveryhero.com/websites/delivery/English/6400/voting-rights-notifications.html.

SHARES WITH SPECIAL RIGHTS CONFERRING POWERS OF CONTROL

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

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

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

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

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

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

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

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

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

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

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

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

On December 5, 2017, the Management Board (formerly Delivery Hero AG) resolved to use the Authorized Capital/VII to increase the Company's share capital by up to € 10,500,000.00 from € 171,998,900.00 to € 182.498.900,00 by the issuance of up to 10,500,000 new no-par value registered shares. The final number of new shares to be issued was set to 10,500,000 in accordance with the resolution of the Management Board on December 6, 2017 increase and the implementation of the capital increase were entered in the commercial register on December 6, 2017. Following partial use, Authorized Capital/VII amounting to € 14,500,000.00 remained.

On February 21, 2018, the Management Board (formerly Delivery Hero AG) resolved to use Authorized Capital/IV to increase the Company's share capital by up to € 2,603,642.00 from € 182,498,900.00 to a maximum of € 185,102,542.00 by the issuance of up to 2,603,642 new no-par value registered shares against contributions of cash.

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

a) 1,366,311 shares.

The capital increase and its implementation were entered in the commercial register on March 14, 2018. Following partial use, Authorized Capital/IV amounting to € 9,551,889.00 remained.

b) 90,100 shares.

The capital increase and its implementation were entered in the commercial register on March 19, 2018. Following partial use, Authorized Capital/IV amounting to € 9,461,789.00 remained.

On May 29, 2018, the Management Board (formerly Delivery Hero AG) resolved to use Authorized Capital/IV to increase the Company's share capital by up to € 500,266.00 from € 183,955,311.00 to a maximum of 184,455,577.00 by the issuance of up to 500,266 new no-par value registered shares against contributions of cash. The final number of new shares to be issued was set at 500,266 shares in accordance with the resolution of the Management Board of May 30, 2018. The capital increase and its implementation were entered in the commercial register on May 31, 2018. The Authorized Capital/IV still amounts to € 8,961,523.00 after partial utilization at the end of the reporting period.

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

On February 20, 2019, the Management Board resolved to use the Authorized Capital/IV to increase the Company's share capital by up to € 1,521,328.00 from € 185,930,494.00 to a maximum of € 187,451,822.00 by the issuance of up to 1,521,328 new registered shares against cash contribution. The capital increase and the implementation were entered in the commercial register on February 21, 2019. The Authorized Capital/IV still amounts to € 7,440,195.00 after the capital increase.

On February 20, 2019, the Management Board resolved to use the Authorized Capital/IV to increase the Company's share capital by up to € 52,400.00 from € 187,451,822.00 to a maximum of € 187,504,222.00 by the issuance of up to 52,400 new registered shares against cash contribution. The capital increase and the implementation were entered in the commercial register on February 25, 2019. The Authorized Capital/IV still amounts to € 7,387,795.00 after partial utilization at the time of the publication of this report.

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

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

The complete version of these authorizations is set out in the Company's Articles of Association in the version of August 8, 2018. The current version of the Articles of Association of the Company is available in the sub-section "Articles of Association" on the Company's website at https://ir.deliveryhero.com/websites/delivery/German/4400/satzung.html.

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

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

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

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

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

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

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

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

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

(This Compensation report pursuant to §§ 289a(2), 315a(2) HGB constitutes part of the combined Management Report 2018)

The following compensation report complies with the accounting standards for capital market-oriented companies (German Commercial Code, German accounting standards, and International Financial Reporting Standards) along with the recommendations of the German Corporate Governance Code (Deutscher Corporate Governance Kodex) in the version of February 7, 2017 (hereinafter the "DCGK"). The basic features of the compensation system for Executive and Supervisory Board members are described, and information is provided on the remuneration granted and paid out to the members of the Management Board and the Supervisory Board of Delivery Hero SE during the 2018 financial year. In the financial year 2018, the new compensation system was used for the first time after revision and adjustments in connection with the initial public offering in 2017.

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

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

The remuneration system for the members of the Management Board was newly resolved by the Supervisory Board in June 2017 and changed over on January 1, 2018. The new compensation system applies equally to all members of the Management Board. It is aligned with the Company's corporate strategy and is conducive to sustainable corporate development. Because of the marked degree to which the variable compensation is linked to shares under the new compensation system, a broad alignment with the interests of the investors is aimed for. The internal performance target used in addition accords with the Company's development and growth phase. Owing to the risk of total loss under the new stock option plan in the event of a stagnating or falling share price, an upper limit (cap) has been dispensed with to ensure a balanced opportunity/risk profile for the Management Board and to bring its interests as much as possible into harmony with the interests of the shareholders.

The Supervisory Board will regularly review and adjust the compensation system whenever necessary to allow for the Company's further development.

THE STRUCTURE OF THE COMPENSATION SYSTEM

The current compensation system for Management Board members consists of two main components: the non-performance-based base salary and a long-term performance-based compensation component. This means that variable compensation is provided for on a multi-year basis as recommended by the DCGK.

NON-PERFORMANCE-BASED COMPENSATION

Base salary

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

Fringe benefits

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

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

In addition, Mr. Östberg has been granted a personal budget amounting to € 25,000 annually, which he may use, subject to presentation of receipts, to cover the costs he incurs by regularly commuting between his place of residence and place of work.

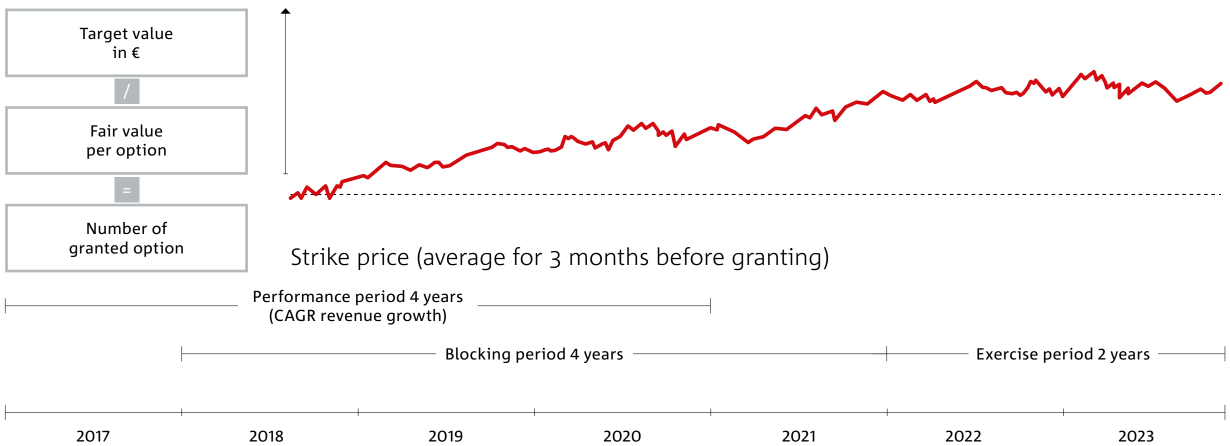
PERFORMANCE-BASED COMPENSATION

Share-based compensation

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

Under the SOP 2017 the beneficiaries receive share option rights that have an individual exercise price that depends on the date on which those rights are granted. The vesting period of the granted options is four years. In part, the granted stock options can be exercised after the first two years of the vesting period ("cliff"). All other options vest during the further two years of the vesting period. The latest point in time for exercising any options is two years after the end of the four-year vesting period ("exercise period"). Such exercise is possible only if the share price is higher than the exercise price at the time of exercise. In lieu of issuing new shares in the event that option rights are exercised, the Company reserves the right of making a cash payment to the beneficiaries, the Company regularly aims at an equity settlement of the vested options. The beneficiary then receives for each option right a cash settlement amounting to the difference between the share price at the time of exercise and the exercise price. Only during the exercise periods specified by the Company is it possible to exercise the option rights. It was not possible to exercise them during the first year after the IPO.

2018 LONG-TERM INCENTIVE PROGRAM (LTIP)



[3] Detailed information about SOP 2017 and as yet outstanding option rights are contained in the section H. 01. of the Consolidated Financial Statements.

Since 2018 the performance-based compensation consists of a new Long-Term Incentive Plan (LTIP) that is settled in shares. Contractually, a target value of stock options in Euro is granted annually. The commitment is binding for four years. To calculate the number of stock options (SOPs) granted in a financial year, the annual target value in Euro is divided by the fair value of an SOP at the grant date. The number of SOP thus calculated is blocked for a period for four years from the date on which they are granted. Subsequently, an exercise period of two years is provided. The members of the Management Board do not receive any shares in the form of "Restricted Stock Units" (RSU), as is customary in the general LTIP.

The performance period, which begins one year before the grant date and runs for three more years from the grant date, amounts in total to four years.

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

There are two exercise windows in each year of the two-year exercise period. The exercise price is equivalent to Delivery Hero's average share price over three months before the granting date. The share price at which the option rights may be exercised remains unlimited in order to support a strong alignment with the interests of the shareholders. Because of the settlement in shares, the lack of a limit on the share price imposes no additional risks or costs on the Company. Hence no maximum value is provided for the SOP. In the event of extraordinary events, however, the Supervisory Board can, in accordance with § 87 (1) sent. 3 AktG, set a limit to ensure the appropriateness of the compensation.

Special compensation

In the current year no one-time special payments were granted. In previous year Mr. Thomassin was granted a special bonus in the amount of € 200,000 to reward his extraordinary efforts in connection with the IPO process. This IPO bonus was being paid in two tranches: 25% were paid after the IPO in 2017 and 75% were paid in 2018.

PENSION COMMITMENTS

No arrangement has been made with the Management Board Members for a Company pension.

PAYMENTS AT THE END OF EXECUTIVE BOARD SERVICE

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

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

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

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

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

The Management Board members' contracts provide a post-contractual non-competition clause for two years. For the duration of this prohibition, a waiting allowance is provided in the amount of 50% of the remuneration last received by the Management Board member concerned. Other remuneration earned during the term of the competition ban is applied against the waiting allowance as far as the waiting allowance would exceed the remuneration last received according to contract once the income from other sources is added to them.

LOANS AND ADVANCES

The Management Board members received no advances or loans in financial year 2018.

DISCLOSURES PURSUANT TO THE REQUIREMENTS OF THE DCGK

The following tables follow the recommendations of the DCGK and show the individual Management Board members' individualised compensation. The table "Granted Benefits" does not show the compensation that was actually paid but rather the target values (the value of the compensation at 100% target achievement) of the compensation components that were granted in financial year 2018. The value of the performance-based, share-based compensation components equates to the fair value at the time of their granting. Besides the target values, minimum and maximum compensation figures also are shown. The table "Payout" shows the compensation actually paid (and hence accruing) in financial year 2018. The values "Base salary" and "Fringe benefits" correspond to the values in the "Granted Benefits" table, as they are paid irrespective of whether the performance targets are achieved.

GRANTED BENEFITS

K EUR	NIKLAS ÖSTBERG CEO 2017	2018	2018 (MIN)	2018 (MAX)	EMMANUEL THOMASSIN CFO 2017	2018	2018 (MIN)	2018 (MAX)
BASE SALARY	181.2	250.0	250.0	250.0	222.5	250.0	250.0	250.0
FRINGE BENEFITS	31.3	25.0	0.0	25.0	0.0	0.0	0.0	0.0
SUM	**212.5**	**275.0**	**250.0**	**275.0**	**222.5**	**250.0**	**250.0**	**250.0**
SPECIAL BONUS	*0.0*	*0.0*	*0.0*	*0.0*	*210.0*	*0.0*	*0.0*	*N.A.*
MULTI-YEAR VARIABLE COMPENSATION	*0.0*	*1,000.0*	*0.0*	*0.0*	*1,344.8*	*500.0*	*0.0*	*N.A.*
VSP 2016	0.0	0.0	0.0	0.0	482.3	0.0	0.0	*N.A.*
SOP 2017	0.0	0.0	0.0	0.0	862.5	0.0	0.0	*N.A.*
LTIP 2018 (4 YEAR PLAN TERM)	0.0	1,000.0	0.0	N.A.	0.0	500.0	0.0	*N.A.*
TOTAL COMPENSATION	**212.5**	**1,275.0**	**250.0**	**275.0**	**1,777.3**	**750.0**	**250.0**	**N.A.**

PAYOUT

K EUR	NIKLAS ÖSTBERG CEO 2017	2018	EMMANUEL THOMASSIN CFO 2017	2018
BASE SALARY	181.2	250.0	222.5	250.0
FRINGE BENEFITS	31.3[2]	25.0[2]	0.0	0.0
SUM	**215.5**	**275.0**	**222.5**	**250.0**
SPECIAL BONUS	*0.0*	*0.0*	*60.0*[1]	*150.0*[1]
MULTI-YEAR VARIABLE COMPENSATION	*0.0*	*0.0*	*0.0*	*0.0*
VSP/SOP 2017	0.0	0.0	0.0	0.0
LTIP 2018 (4 YEAR PLAN TERM)	0.0	0.0	0.0	0.0
TOTAL COMPENSATION	**212.5**	**275.0**	**282.5**	**400.0**

[1] MR. TOMASSIN WAS GRANTED A SPECIAL BONUS OF € 200,000 TO REWARD HIS EXTRAORDINARY EFFORTS IN THE IPO PROCESS. THE SPECIAL BONUS WAS PAID IN TWO TRANCHES: 25% WAS PAID IN PREVIOUS YEAR, THE REMAINING 75% WAS PAID IN THE CURRENT YEAR. IN ADDITION, MR. THOMASSIN WAS GRANTED A ONE-TIME SPECIAL PAYMENT IN THE AMOUNT OF € 10,000 IN THE FIRST QUARTER OF 2017.
[2] THE PERSONAL BUDGET OF MR. ÖSTBERG IS LIMITED TO € 25,000. PRIOR TO MAY 2017, THE PERSONAL BUDGET OF MR. ÖSTBERG WAS NOT LIMITED TO € 25,000.

In the financial year, members of the Management Board became entitled to 4 annual tranches of LTIP with an annual grant of € 1,500k, of which € 1,000k Niklas Östberg and € 500k Emmanuel Thomassin each. Mr. Östberg was not granted any virtual shares or stock options in 2017. During the financial year and in previous year no previously granted compensation components were exercised. There are still outstanding options, which have been granted in previous years but have not yet been exercised and may be exercised during the financial year 2019 or the following years. Mr. Thomassin holds options, which have not yet been exercised, as well.

DISCLOSURES PURSUANT TO THE GERMAN GAAP (“HGB”)

According to the applicable international accounting standards, compensation for the Management Board members in financial year 2018 came to € 2.2 million (previous year: € 1.8 million), of which non-performance-based components account for € 0.5 million (previous year: € 0.4 million) and performance-based components account for € 1.7 million (previous year: € 1.4 million).

The individualised total compensation received by the Management Board members, broken down by non-performance-based and performance-based compensation components, can be seen in the following tables. For the IPO bonus that was actually granted in previous year the amount paid is shown in the corresponding year, while for the multi-year components the fair value at the time of their granting is shown.

2018

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

[1] IN 2018, STOCK OPTIONS WORTH € 1,500K WERE GRANTED (OF WHICH € 1,000K EACH YEAR IS TO NIKLAS ÖSTBERG AND € 500K EACH YEAR TO EMMANUEL THOMASSIN)
[2] NUMBER OF OPTIONS GRANTED, SUBJECT TO THE ACHIEVEMENT OF THE PERFORMANCE TARGET. INFORMATION RELATES TO THE COMMITMENT FOR 2018.
[3] FAIR VALUE AT THE GRANT DATE (DATE OF THE LEGALLY BINDING COMMITMENT).
INFORMATION ON THE VALUATION MODEL CAN BE FOUND IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.

2017

K EUR	NON-PERFORMANCE-BASED COMPONENTS		PERFORMANCE-BASED COMPONENTS				
				VSP/SOP[1]			
ACTING BOARD MEMBERS	BASE SALARY	FRINGE BENEFITS	SPECIAL BONUS	ALLOCATION VALUE[1]	NUMBER OF SHARES/ OPTIONS[2]	FAIR VALUE[3]	TOTAL
NIKLAS ÖSTBERG	181.2	31.3[4]	0.0	0.0	0.0	0.0	212.2
EMMANUEL THOMASSIN	222.5	0.0	60.0	1,344.8	120,000	1,344.8	1,627.3
TOTAL	**403.7**	**31.3**	**60.0**	**1,344.8**	**120,000**	**1,344.8**	**1,839.8**

[1] IN 2016, THE MEMBERS OF THE MANAGEMENT BOARD RECEIVED VIRTUAL SHARES UNDER THE VIRTUAL SHARE PROGRAM (VSP).
IN 2017, UNDER THE STOCK OPTION PROGRAM (SOP 2017), THE OUTSTANDING SHARES WERE CONVERTED INTO OPTION RIGHTS AND NEW OPTIONS WERE GRANTED.
[2] NUMBER OF OPTIONS GRANTED, SUBJECT TO THE ACHIEVEMENT OF THE PERFORMANCE TARGET.
[3] FAIR VALUE AT THE GRANT DATE (DATE OF THE LEGALLY BINDING COMMITMENT).
INFORMATION ON THE VALUATION MODEL CAN BE FOUND IN THE NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS.
[4] PRIOR TO MAY 2017, THE PERSONAL BUDGET OF MR. ÖSTBERG WAS NOT LIMITED TO € 25,000.

The expense from share-based compensation expenses recognized in 2018 amounted to € 1.2 million (previous year: € 7.0 million) for Mr. Östberg and € 0.6 million (previous year: € 2.2 million) for Mr. Thomassin.

In the financial year, a total of 103,156 new stock options in the amount of € 1.0 million was granted under the LTIP to Mr. Östberg. Mr. Thomassin was granted a total of 51,578 new stock options in the amount of € 0.5 million in 2018. The issue date was May 15, 2018, so that the option rights can be exercised in financial year 2022 at the earliest. In the previous year, Mr. Thomassin were granted in total, 120,000 new stock option rights with a value of € 1.3 million. The issue date was March 1, 2017 (60,000) and May 1, 2017 (60,000), so that the option rights can be exercised in financial year 2019 at the earliest. The option rights granted to the Management Board members and outstanding are shown below:

STOCK OPTIONS SOP 2017

	NIKLAS ÖSTBERG		EMMANUEL THOMASSIN	
	WEIGHTED AVERAGE EXERCISE PRICE IN EUR	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE IN EUR	NUMBER OF OPTIONS
OUTSTANDING STOCK OPTIONS AS OF JAN. 1 2017	**5.71**	**846,600**	**9.44**	**270,000**
GRANTED IN THE REPORTING PERIOD	*N.A.*	–	*16.67*	*120,000*
FORFEITED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
EXERCISED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
EXPIRED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
OUTSTANDING STOCK OPTIONS AS OF JAN. 1 2018	**5.71**	**846,600**	**11.67**	**390,000**
GRANTED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
FORFEITED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
EXERCISED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
EXPIRED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
OUTSTANDING STOCK OPTIONS AS OF DEC. 31 2018	**5.71**	**846,600**	**11.67**	**390,000**
EXERCISABLE ON DEC. 31 2018	*N.A.*	–	*N.A.*	–

STOCK OPTIONS LTIP

	NIKLAS ÖSTBERG		EMMANUEL THOMASSIN	
	WEIGHTED AVERAGE EXERCISE PRICE IN EUR	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE IN EUR	NUMBER OF OPTIONS
OUTSTANDING STOCK OPTIONS AS OF JAN. 1	*N.A.*	–	*N.A.*	–
GRANTED IN THE REPORTING PERIOD	*38.30*	*103,156*	*38.30*	*51,578*
FORFEITED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
EXERCISED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
EXPIRED IN THE REPORTING PERIOD	*N.A.*	–	*N.A.*	–
OUTSTANDING STOCK OPTIONS AS OF DEC. 31	**38.30**	**103,156**	**38.30**	**51,578**
EXERCISABLE ON DEC. 31 2017	*N.A.*	–	*N.A.*	–

FORMER MANAGEMENT BOARD MEMBERS' EMOLUMENTS

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

OTHER PROVISIONS

In the event of a temporary incapacity to work occurring because of illness, an accident, or other reason for which the Management Board member is not at fault, Management Board members continue to receive their unreduced remuneration for six months, but no longer than until the term of their employment agreements ends. Mr. Thomassin is to receive for another six months, no longer than until the term of his employment agreement ends, a payment in the amount of 80% of his remuneration.

Both Management Board members are subjects to the Company's directors' and officers' liability insurance with an insured sum within the usual market range. The insurance provides a deductible in the minimum amount of 10% of the claim up to a maximum of 150% of the fixed annual salary, as prescribed by the German Stock Corporation Act.

Payments at the end of Management Board service

In the event that service on the Management Board is terminated early before the applicable performance period of a current SOP tranche ends, the SOP expires without substitute or compensation in the following cases:

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

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

COMPENSATION OF MEMBERS OF THE SUPERVISORY BOARD OF DELIVERY HERO SE

The compensation received by the members of the Supervisory Board is specified in § 15 of the Articles of Association of Delivery Hero SE. The chairman of the Supervisory Board receives an annual fixed salary in the amount of € 75,000, while the deputy chairman receives a fixed salary in the amount of € 20,000. The chairman of the Audit Committee receives a fixed annual salary of € 30,000. The other members of the Supervisory Board receive a fixed annual salary of € 15,000. The Chairman of the Nomination Committee and the Chairman of the Compensation Committee additionally receive a fixed annual remuneration of € 5,000.

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

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

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

	FIXED SALARY		COMMITTEE COMPENSATION		TOTAL COMPENSATION	
EUR	**2018**	**2017**	**2018**	**2017**	**2018**	**2017**
MARTIN ENDERLE	*75,000.00*	*26,821.92*	*9,057.53*	*2,739.73*	*84,057.53*	*29,561.64*
GEORG GRAF VON WALDERSEE (UNTIL 13.07.2018)	–	*3,821.92*	*15,945.21*	*10,126.03*	*15,945.21*	*13,947.95*
PATRICK KOLEK	*17,342.47*	–	*15,090.41*	–	*24,117.81*	–
JEFF LIEBERMANN (UNTIL 13.07.2018)	*10,630.14*	*11,369.86*	*2,126.03*	*1,808.22*	*12,756.16*	*13,178.08*
JONATHAN GREEN (UNTIL 13.07.2018)	*7,972.60*	*8,876.71*	–	–	*7,972.60*	*8,876.71*
LUKASZ GADOWSKI (UNTIL 15.12.2017)	–	*8,219.18*	–	–	–	*8,219.18*
KOLJA HEBENSTREIT (UNTIL 03.06.2017)	–	–	–	–	–	–
JANIS ZECH (FROM 06.06.2018 UNTIL 13.07.2018)	*1,561.64*	–	–	–	*1,561.64*	–
VERA STACHOWIAK (FROM 13.07.2018)	*7,068.49*	–	*838.36*	–	*7,906.85*	–
HILARY GOSHER (FROM 13.07.2018)	*7,068.49*	–	*1,676.71*	–	*8,745.21*	–
SEMIH YALCIN (FROM 13.07.2018)		–	*7,068.49*	–	*7,068.49*	–
BJÖRN LJUNGBERG (FROM 13.07.2018)	*7,068.49*	–	*838.36*	–	*7,906.85*	–
TOTAL	**133,712.33**	**59,109.59**	**52,641.10**	**14,673.98**	**178,038.36**	**73,783.57**

The Supervisory Board member Jonathan Green has waived his compensation. In the financial year of 2018, a total of € 28,053 has been reimbursed for expenses.

NON-FINANCIAL STATEMENT **FOR THE GROUP**

CORPORATE GOVERNANCE, RESPONSIBILITY AND SUSTAINABILITY

Letter from the CEO

Dear shareholders, dear colleagues, dear readers,

Besides delivering great customer experiences and fast growth, it is extremely important to me that we take our corporate responsibility seriously – that includes social as well as environmental and governance questions. To give the topic enough importance, we have included in our ambitious goals for the end of 2019 to build a great corporate responsibility and sustainability program.

In 2018 our main focus was on identifying key issues and setting out a framework for our corporate responsibility and sustainability. For 2018/19 that strategy is set along the following pillars:

— **Giving Back:** To local communities through food donation and volunteering programs
— **The Environment:** Understanding and improving our greenhouse gas footprint and finding ways to package delivered food more sustainably
— **Diversity and Inclusion:** Creating a diverse and inclusive workplace with equal opportunities for everyone

Our brands around the world contribute to this strategy in many different ways and I'm proud of the progress our team has already made. At the same time, I am also certain that a lot remains to be done and we continue to build our capabilities in those areas. I truly believe that for a company to be successful in the long-term it has to lead not only in commercial success but also in taking responsibility for the many other challenges the world faces today.

Please find in the following section an overview of where we stand today on some of these topics and what we plan for the future. I look forward to continuously improving in all of these areas and providing ever more transparency on these issues to our various stakeholders.

Yours,
Niklas

SUSTAINABILITY AT DELIVERY HERO

Sustainable thinking and action based on fixed values and principles – these are essential foundations of Delivery Hero's success. The Company assumes responsibility towards society as a whole and follows the principle of sustainable development. In this way, we contribute to creating stable economic, social and ecological conditions for present and future generations.

In 2018, we will report for the first time in reference with the GRI standards of the Global Reporting Initiative. We intend to expand this reporting in the future and, thus, meet the requirements for transparent sustainability reporting. Our Investor Relations and PR departments can help with any questions you may have about our report. For the first time, we have created a GRI Content Index, which can be found on page 161 et seq.

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

Within the individual aspects, the underlying concepts and due diligence processes are discussed and existing results are reported. In accordance with Section 315b (1) sentence 3 HGB, reference is also made to nonfinancial information in the Combined Management Report on individual aspects. In addition, the NFS reports significant risks in accordance with Section 289c (3) No. 3 and 4 HGB if the information is necessary for an understanding of the course of business, the business result, the position of the Group, and its effects on nonfinancial matters.

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

Business Model

Information on Delivery Hero's business model can be found in the Group Management Report 2018 on page 57.

Risk Management

In order to ensure sustainable business success, it is crucial that Delivery Hero recognizes significant risks and opportunities that can influence the business at an early stage. For this reason, Delivery Hero has established a risk management system that is designed to manage future challenges. The risk management function is performed by the Governance, Risk & Compliance (GRC) department.

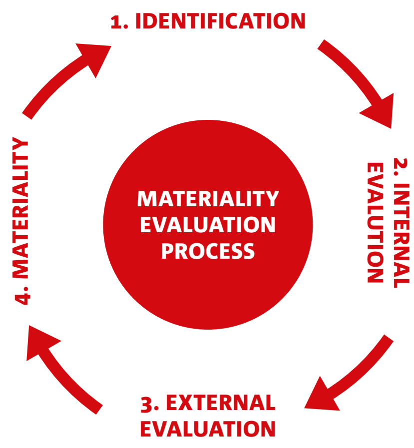
Delivery Hero generally assesses risks from a net perspective after taking risk-mitigating measures into account. In connection with the effects on the five nonfinancial issues, no material risks were identified that are associated with the Company's own business activities or with its business relationships,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

Further information on risk management at Delivery Hero can be found in the risk and opportunities report 2018 on page 72 et seq.

Strategy and Materiality

The materiality analysis, which we carried out during the reporting period, assesses and prioritizes the relevance of social, environmental and governance issues for Delivery Hero and its stakeholders, in order to support the organization's decision-making and strategy development process. From this process, the material topics for Delivery Hero are obtained, which are the ones able to affect the value creation for the Company, and at the same time, are recognized as being important for Delivery Hero's different stakeholders.

The Delivery Hero materiality process followed the following steps:



1. Identification of the topics that are potentially relevant for Delivery Hero which need to be considered in the process of reviewing the materiality matrix identified through an analysis of the context and of the global, sectoral and organizational trends.

2. Internal evaluation of the impact of each of the topics on Delivery Hero's vision, strategy and performance. The impact of the issues should be evaluated taking into consideration their magnitude and probability of occurrence. At this stage, the key stakeholders that need to be involved in the materiality review process are identified.

3. External evaluation of the importance of the topics, from the perspective of key stakeholders, by conducting a consultation process with these stakeholders.

4. Review of the issues' materiality matrix, presenting the most relevant subjects under two dimensions, the key stakeholders' perspective and the organization's perspective.

In 2018, as a result of the process implemented and of the analysis conducted, seven material topics were identified according to the matrix below. These topics differ from the topics defined as material in the last report due to the new materiality analysis.

Besides the material topics identified in this way, Delivery Hero is fully committed to the worldwide observance of human rights in everything we do. We actively oppose forced or compulsory labor of any kind, all other forms of modern slavery, child labor, and human trafficking. Discrimination and inequality in employment and occupation have no place at Delivery Hero either. For us this is an integral and natural part of doing business anywhere in our global markets and we have thus not included this topic separately in the materiality matrix. Furthermore, we will report on the topics of "emissions" and "social responsibility" on a voluntary basis.

NONFINANCIAL ASPECT	MATERIAL TOPIC	PAGE
CROSS-CUTTING ISSUE, AFFECTS ALL NONFINANCIAL ASPECTS	LAWS AND REGULATIONS	51
ENVIRONMENTAL CONCERNS	PACKAGING USE AND DISPOSAL	52
EMPLOYEE CONCERNS	OCCUPATIONAL HEALTH AND SAFETY	54
	EMPLOYEE SATISFACTION	54
	DELIVERY HERO AS AN EMPLOYER	53-54
SOCIAL CONCERNS/ FIGHTING CORRUPTION AND BRIBERY	GENERAL DATA PROTECTION REGULATION[1]	51-52
	DATA LEAKAGE	51-52

[1] This issue concerns both social issues and fighting corruption and bribery.

MATERIALTY MATRIX OF DELIVERY HERO

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

Investors and shareholders

We are commited to growing and increasing the return on investment of our investors.

Annual financial statements, provisional reports, investor meetings, dedicated email communications.

Customer

We are focused on improving our customers lives' by providing amazing and innovative services and good food.

Satisfaction surveys, social media, brand studies (focus groups + surveys)

Employees

We want to motivate and engage our people so they can achieve their maximum.

Engagement survey, performance management process, all-hands/update meetings, supervisory board representation

Restaurant partners and suppliers

We intent to impement high social ethical and environmental standards in all relationships with our partners and suppliers.

Engagement surveys (Restaurant NPS), account management operations, supplier onboarding

Local community

We are determined to improve the communities where we operate and work in.

Volunteering program, conferences

Regulators

We are interested in maintaining an open dialogue with regulators and being compliant with legalisation and regulation.

Dialogue with regulators in local markets

Why is the stakeholder important?

Examples of engagement activities/resources

LAWS AND REGULATIONS

One material topic for Delivery Hero to operate sustainably in the long term is to be compliant with all laws and regulations in the markets we operate. Below we outline some of the ethical and legal standards we hold ourselves accountable to.

Values, principles, standards, and norms of behavior

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

Mechanisms for advice and concerns about ethics

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

DATA PROTECTION AND PRIVACY

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

Scope of Company's publicly available data protection policy

The privacy policies of all platforms in the EU are currently being processed. Upload of the updated version will be implemented by February. The compliance level of our corporate website (deliveryhero.com) is currently not at the required level and will also be revised within the specified period. The privacy policies of the operating companies comply with the requirements of Art. 13 and 14 GDPR. The adjustments to these privacy policies will be marginal.

Rights provided to individuals regarding the control of their data

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

Information Security Policies and System audit frequency

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

Scope of employee training on data security and/or privacy related risks & procedures

Every employee has to complete a compulsory data protection training once a year and pass a test. In addition, department-specific training is carried out to take account of the relevant special requirements and to increase awareness. For example: GDPR specifications for the Hire-2-Retire Process; Privacy by Design and Default for Product and Tech departments, and others.

PACKAGING USE AND DISPOSAL

As one of the focus areas of our sustainability strategy is the environment, we believe that one important topic for our Company is sustainable food packaging.

Materials and sourcing

While Delivery Hero's restaurant partners mostly source their own food packaging materials, Delivery Hero also sells some packaging materials to restaurants and can help educate restaurants about the sustainability of materials used as well as help to provide access to sustainable alternatives to some traditional food packaging options.

Delivery Hero's management approach to the topic is currently decentralised. Those brands/management entities which offer to sell packaging materials to restaurants are responsible for sourcing appropriate packaging material independently. This works well given the highly local nature of our business and the respective different needs of markets. In order to improve this approach further, we are currently working on providing central support with establishing a list of preferred suppliers of sustainable packaging options.

Besides improving the sourcing of materials Delivery Hero resells to our restaurant partners, there are many other initiatives the Company can take to improve the sustainability of food packaging used for deliveries. Some of our brands have implemented opt-out features for takeaway cutlery, thus significantly reducing the number of plastic and single-use cutlery by our restaurants. Furthermore, some of our brands have invested into educating our restaurant partners about sustainable packaging options and which materials to avoid because of their ecological footprints. As this is a key pillar in our corporate responsibility and sustainability framework, we continue to explore other options to contribute to a better food-delivery packaging ecosystem.

DELIVERY HERO AS AN EMPLOYER

One of the keys for Delivery Hero's current and future success is our highly qualified and engaged employee base. Attracting and retaining great talent is essential. We are committed to building a great employee experience and hired a Chief People Officer to the management team of Delivery Hero to help us achieve this.

Employment

Delivery Hero employs thousands of people across the world at a variety of different levels of seniority. Our work with restaurants drives further employment, helping to create jobs in the communities we operate in.

The Company's approach to people operations is both central and decentralised. On a central level the Company has built out centers of expertise in various areas such as compensation and benefits, systems, recruiting that allow us to provide state of the art employee services at a global scale. In parallel, HR leaders in Delivery Hero's local subsidiaries ensure that the employee experience is tailored to local market requirements and we operate in line with local market regulation.

One of the many initiatives to ensure an engaged workforce at Delivery Hero is running regular global employee engagement surveys to inform people policies and measure their effectiveness.

Diversity and equal opportunity

Delivery Hero wants to be a diverse and inclusive Company that provides equal opportunities to all employees and reflects the customers and markets we serve. Through diversity, we can develop the products, platforms and services that engage our broad customer base most effectively, while also motivating and engaging our people. Delivery Hero is therefore committed to creating an equally great workplace for every one of its employees.

We have therefore set up a program that addresses the topic on three levels: tone from the top, people operations processes, and employee engagement.

The tone from the top is being established through an inclusive leadership agenda. Our senior leadership teams are undertaking unconscious bias training, run by an external consultant. We also engaged external support to review both quantitative data and gather qualitative insights. The findings have been presented to our senior leadership team and are informing the further development of our diversity and inclusion program.

On a process level, our people operations teams are committed to creating processes that prevent any systematic biases from manifesting. For this purpose we are constantly reviewing the results of hiring, performance management, promotion and compensation processes from a diversity and inclusiveness perspective. Our clear goal is to pay employees solely based on performance and their respective roles and we take measures to ensure that this is the outcome of our people processes.

We also aim to create an inclusive work environment by enabling flexible work-from-home policies where operationally feasible as well as the opportunity to work in part time roles.

Finally, we are also committed to assessing our physical office space and improve its inclusiveness whenever any changes, renovations or expansions are contemplated.

Besides the above measures driven by senior management and our people operations teams, our employees are also contributing to an inclusive work environment by forming employee groups (e.g. our "women-in-tech" initiative). We fully support these activities and aim to provide more resources and structure to them in the future in order to enable meaningful employee engagement on the topics of diversity and inclusion.

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

The diversity of our governance bodies is disclosed in the corporate governance section of the annual report 2018.

OCCUPATIONAL HEALTH AND SAFETY

As Delivery Hero employs a large number of people, many of which work in our own delivery fleet, occupational health and safety is a topic of major interest to Delivery Hero.

We ensure that all employees are appropriately trained and educated about measures to avoid accidents and provide a safe working environment for everyone. This is done via training both in presence and online during our various onboarding process. For our delivery personnel, this includes trainings on various aspects of road safety, compliance with local traffic regulation and avoidance of accidents.

Any risks or hazards that are identified can be reported both through regular management channels as well as using the whistleblower hotline provided by the Company to ensure that both identified risks as well as incidents will be investigated and future risks prevented.

In many markets we also provide work-related accident insurance to our employees, often going beyond the required local legislation. In the context of implementing these insurance policies, risks are appropriately identified and incidents reported in order to provide transparency for the responsible management.

EMPLOYEE SATISFACTION

Delivery Hero wants to maintain the satisfaction of its employees and use their potential for improvement in order to strengthen identification with the Company in the long term. We always pay attention to the needs of our employees and observe trends and developments in order to maintain a good competitive position in the hard-fought market for qualified employees in the long term. Concrete measures have been developed for this purpose, which are currently either in the planning stage or will be continued on an ongoing basis.

To enable us to respond to the needs of our employees, we conduct ongoing employee surveys. In this way we determine the general level of satisfaction and get a direct picture of our working atmosphere. From the results, we derive concrete measures that should contribute to maintaining or even improving employee satisfaction at a high level in the long term. A continuous improvement of the employee satisfaction is an integral part of our corporate strategy and the entire management team works continuously on designing and implementing appropriate measures.

ADDITIONAL TOPICS

Emissions

Within the framework of our sustainability strategy we also identified the reduction of greenhouse gas emissions as an important objective and hence disclose our management approach below although it was not identified as material according to the analysis described on page 47 et seq.

As global warming is a global issue, we believe that it is every business' responsibility to have awareness of its contribution to the emission of greenhouse gases and explore ways of reducing its impact.

In order to do so for Delivery Hero we have engaged a consultancy to help measure and identify reduction opportunities for our greenhouse gas footprint. As Delivery Hero operates a marketplace business, we differentiate between emissions (Scope 1, 2 and 3) that are directly caused by Delivery Hero, i.e. our own delivery fleets, materials we sell to restaurants, our internal operations and the emissions caused by our partners, e.g. packaging sourced by restaurants from third parties, our restaurant partners delivery activities etc. We thus want to ensure that we have an accurate understanding of which emissions we can operationally reduce as we directly control them and which emissions are created in relation to our activities but without our direct control.

Our management approach to this topic is centralised as calculating an accurate greenhouse gas footprint requires special expertise and we want to ensure a consistent methodology used. Therefore, we have a project team in our central team at Delivery Hero SE level which is collecting data from our local businesses and works with the consultancy to calculate the greenhouse gas footprint (in t CO_2 equivalent). Where accurate data is not available, we use estimations in line with common and accepted approaches. We are currently finalising the calculation of the footprint for some of our legal entities in 2017 and are working on gathering data for the year 2018.

Social responsibility

initiative and the Berliner Tafel food pantry in 2017 and 2018 with donations in kind and in cash. Furthermore, we participated in the "Give & Help Day" of Woloho and youngcaritas. Delivery Hero has provided food for this purpose.

In 2018, Delivery Hero presented the "Hero Award for Social Entrepreneurship" for the second time, which is endowed with € 15,000. The winner was share, a social brand that focuses on the 1+1 principle. For every share protein bar, bottle of water or hand soap that's sold, the company provides one meal, one day's water supply, or one piece of soap to a person in need. In addition, we support share with a mentoring program. Within this program, Delivery Hero experts and managers pass on their expertise in relevant specialist areas to the company. The Hero Award will be continued and presented in 2019.

In addition to our existing activities, we introduced a corporate volunteering program in 2018. Within this program, our employees can support an initiative of their choice in accordance with our guidelines and offer their support without having to take a day off. Such employee engagement is also supported and encouraged on an ongoing basis.

As an operator of food delivery services, the topic of food and nutrition is of particular importance to us. This is why some of our subsidiaries, in cooperation with local organisations and in part with the involvement of our customers, have been committed to donating meals. In 2018, a six-figure number of meals was donated. For the coming year, we plan to continue and even expand this program.

COMBINED **MANAGEMENT REPORT**

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COMBINED MANAGEMENT REPORT

A. GROUP PROFILE

01. BUSINESS MODEL

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

Following the conversion from a German stock corporation (Aktiengesellschaft, AG) to a European public company (Societas Europaea, SE), which became effective with the entry in the commercial register on July 13, 2018, the Company has been trading as Delivery Hero SE with its registered office in Berlin. Further information on the Group structure and segments can be found in the chapters "Group structure" and "Segments".

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

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

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

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

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

02. CORPORATE STRATEGY

Delivery Hero's operational success is a result of the vision and clear focus to create an amazing on-demand experience. While food delivery is and will remain the core pillar of our business, we also follow our customers' demands for an increasing offering of convenience services. Consumers have ever higher expectations of services like ours and because of this we are focusing more and more on broader on-demand needs. We have therefore upgraded our vision accordingly to: **Always delivering amazing experiences – fast, easy and to your door.**

Amazing Food: Ensuring the right quantity, quality and variety of restaurants in every neighborhood
In order to meet the demands of our customers, Delivery Hero first needs to determine what they are looking for, by focusing on three key factors: quantity, quality and variety. Delivery Hero analyzes cuisine type data in a given neighborhood and ensures that a sufficient number of restaurants of each type is available on the platform. Delivery Hero's data-driven approach is actively managing the restaurant offering to optimize the product on a local level and improving choice based on demographic characteristics (for example density) and demand.

The number of restaurants grew 53% in 2018 offering a wide choice to the customers. This expansion is also driven by the continued rollout of own delivery capacities that allows Delivery Hero to connect restaurants to the platform that customers did not have access to before.

Amazing Ordering: Ensuring the ordering experience is convenient, inspirational, simple and personalized
Delivery Hero is passionate about taking the customers' ordering experience to the next level. Each day Delivery Hero focuses on simplifying and personalizing the product.

In 2018, Delivery Hero continued to focus on key product improvements especially around personalization and recommendation features which were rolled out to 23 countries by the end of the year. Delivery Hero was able to lever on millions of data points from customers in the 41 countries of operation. Artificial intelligence backed systems and advanced technology allows Delivery Hero to improve the ordering experience with every order that Delivery Hero processes.

Amazing Service: Ensuring that food is delivered quickly, reliably, and can be tracked in real time
Delivery Hero strives to provide fast and reliable service to the customers with real-time updates. Delivery Hero tightly manages all steps in the food delivery lifecycle, including transmission, delivery and post-order services. Delivery Hero is deeply integrated with the operations of the restaurant partners, which allows Delivery Hero to learn the cooking times of the dishes and ensure the food is ready exactly at the time the delivery rider arrives at the restaurant, all to improve speed, reliability and food quality.

Delivery Hero works to improve the delivery experience to the customers by providing the restaurant with a proprietary "Restaurant Partner Solution (RPS)" technology that allows for better management of the delivery process and improves the efficiency of Delivery Hero's own delivery operations. For full transparency to the customers Delivery Hero improved the reliability of the live tracking and status update feature.

Moreover, in 2018 Delivery Hero continued to roll out the restaurant and rider technologies globally.

Third Generation Delivery Company: Innovation as Part of the DNA
Delivery Hero is particularly proud to hold innovation at the core of its culture, as it is the key strength when it comes to tackling a trillion-dollar food delivery market opportunity, that is still very much in its infancy.

As a result, 2018 Delivery Hero saw a roll out of many new features and additional products, driving trends that were developing in the delivery sector. This continuous focus on innovation will ensure that Delivery Hero is able to provide the customers with the most convenient, personalized takeaway experience.

The bigger consumer demand for on-demand type of services encouraged Delivery Hero to extend the product offering beyond the core online food ordering business model. In 2018, Delivery Hero took the decision to become a third-generation delivery company. Driving those innovations will allow the platform to reach new levels of customer frequencies and retention rates.

Own Delivery
In 2018, Delivery Hero scaled delivery capabilities globally. By the end of 2018, Delivery Hero's riders were delivering over 7 million own delivery orders per months at improved efficiencies. Furthermore, Delivery Hero now offers delivery in over 200 cities globally.

Once up to scale, Delivery Hero observes a similar gross profit contribution per order when Delivery Hero provides own delivery services for third-party delivery.

Shared & Virtual Kitchens
Delivery Hero has continued to test shared and virtual kitchens in selected cities globally. Shared and virtual kitchens allow Delivery Hero to lever further the operational expertise and breadth of data in order to reach new levels of restaurant efficiencies and economics versus the traditional brick and mortar type of restaurants.

Eventually, Delivery Hero will get to a point where the customer can have food delivered in higher quality and at lower costs. This proposition will give further leeway for growth by underpinning customer ordering behavior.

Delivery of Additional Convenience Items
Delivery Hero has also developed technology and execution capabilities that allow the delivery of other on-demand items such as groceries, flowers etc. This offering is driven by increased consumer demand for on-demand services. Delivery Hero continues to roll out these capabilities in selected markets. As a result, Delivery Hero has seen an increase in order by adding additional convenience items.

Based on customer demand and feedback Delivery Hero is able to obtain valuable insights relevant for the introduction of additional verticals to the product offering.

03. GROUP STRUCTURE

The parent company Delivery Hero SE (previously Delivery Hero AG) (the "Company") was founded with its headquarters in Berlin in 2011 and has since expanded its presence in local markets worldwide with various brands. Delivery Hero Group comprises 126 companies as of reporting date (previous year: 137 companies). For further details, refer to section D. 01. of the Consolidated Financial Statements. Delivery Hero exercises either direct or indirect control over all subsidiaries.

04. SEGMENTS

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

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

The services and order platforms are aligned to local market circumstances and the respective competitive situation.

The MENA segment includes Turkey, the Asia segment includes Australia, while Canada is part of the Americas segment.

Europe
In Europe, Delivery Hero operates with both business models – marketplace as well as own delivery.

In Germany, the Group was represented with the brands pizza.de, Lieferheld and foodora. On December 20, 2018 the Company signed a transaction document with Takeaway.com N.V. ("Takeaway.com") pursuant to which Delivery Hero sold its German food delivery businesses, including all three brands to Takeaway.com N.V. (the "Transaction"). The Transaction was completed on April 01, 2019. The German businesses are reflected in the performance of the segment Europe until December 31, 2018 (refer to section A. 02. and D. 03. e) of the Consolidated Financial Statements).

In Europe the Group is further represented in Austria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Finland, Greece, Hungary, Montenegro, Norway, Romania, Serbia and Sweden with their local brands.

In order to further strengthen our market positions, Delivery Hero made strategic investments in the Greek market by acquiring Deliveras S.A. ("Deliveras") in January 2018 and in Hungary with the acquisition of EURÓ Magyarország Kft. ("pizza.hu") in May 2018 (refer to section I of the Consolidated Financial Statements). Further, in July 2018 Delivery Hero Group strategically invested into the Romanian market by acquiring Cloud Treats Romania SA ("HipMenu" and "HipDelivery"), an online food delivery marketplace in Romania offering both, marketplace and own delivery services to end customers.

The sale of the hungryhouse business in United Kingdom to Just Eat was completed on January 31, 2018 for a consideration of £ 240 million (€ 272.5 million). In the course of further market consolidation measures, the Group sold its business in Switzerland and Italy and divested its foodora businesses in France and Netherlands.

MENA
Operating activities in the MENA segment significantly contribute to the number of orders and the gross merchandise volume of the Group. In the MENA segment, Delivery Hero is represented in the markets of Bahrain, Egypt, Jordan, Kingdom of Saudi Arabia (KSA), Kuwait, Oman, Qatar, Turkey and the United Arab Emirates (UAE) with their local brands.

Delivery Hero has a strong position in many countries of the MENA region. In Turkey, the most mature of our food delivery market in the MENA segment, the Group is represented with the Yemeksepeti brand which was founded in 2001 and has been part of the Delivery Hero Group since 2015.

In 2018, the Carriage group which was acquired in June 2017 and operates in Bahrain, KSA, Kuwait, UAE and Qatar, is reflected for the first time in the MENA segment for a complete 12 month period.

Asia
The Group has a strong presence in South Korea where the Group operates the Yogiyo, Baedaltong and Foodfly brands. While Yogiyo is a classic website for online food ordering, Baedaltong operates a click-to-call business. This is designed like an industry directory for restaurants that connect users directly with the restaurant via a website. Foodfly is a food delivery platform with its own delivery service that was added to the portfolio in October 2017 as part of the acquisition of Fly & Company, Inc.

Further Asian markets in which Delivery Hero Group is present comprise various young markets with high growth potential such as Bangladesh, Hong Kong, Malaysia, Pakistan, the Philippines, Singapore, Taiwan and Thailand. Many of these businesses are operating an own delivery model, few are mixed models which cater both own delivery and marketplace services.

The Australian business which was operating under the foodora brand was closed in the third quarter 2018.

Americas
In the Americas segment, nine geographical markets are part of the Delivery Hero portfolio, including Canada, where the Group is represented with the foodora brand.

In Latin America, Delivery Hero operates primarily the brands PedidosYa and Clickdelivery, which have been part of the Group since 2014. PedidosYa was founded in 2008 and connects customers and restaurants in Argentina, Bolivia, Chile, Panama, Paraguay and Uruguay. Clickdelivery operates in Columbia, Ecuador and Peru.

In the third quarter of 2018 the Group sold its Brazilian business to iFood. Furthermore, acquisitions of smaller businesses in Bolivia (“Netcomidas”) and Ecuador (“Megabite”) as well as of restaurant contracts in Argentina from iFood were executed in 2018.

05. MANAGEMENT SYSTEM

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

The Management Board steers the Group both at a segment level (i.e. Europe, MENA, Asia and the Americas) and consolidated group level. The key financial performance indicators monitored are Total Segment Revenues and Adjusted EBITDA[1].

Delivery Hero also uses various nonfinancial performance indicators to manage the Group:

- **Orders[2]** is a key performance indicator that drives revenue and growth. In 2018 orders of the segments increased by 37.8%. Excluding German businesses on a like-for-like basis[3] orders grew in 2018 year-on-year by 48.8%.
- **Gross Merchandise Value[4]** (GMV) is directly influenced by the number of orders and has an instant impact on revenues. It is one of the key elements controlled by our Management. In 2018 GMV of the segments increased by 33.3%. On like-for-like basis GMV grew in 2018 year-on-year by 42.3%

	FY 2018	FY 2017 (LFL)[1]	CHANGE (LFL)[1]
GROUP			
ORDERS (MILLION)	369.4	248.3	48.8%
GMV (EUR MILLION)	4,454.4	3,130.8	42.3%

[1] LFL – LIKE-FOR-LIKE

[1] Performance measure not defined by International Financial Reporting Standards (IFRS).Adjusted EBITDA is defined as earnings 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, (v) expenses for the achievement of capital market capability, and (vi) other non-operating expenses and income, especially the result from disposal of tangible and intangible assets, the result from the sale and abandonment of subsidiaries, allowances for other receivables, and non-income taxes.

[2] Orders represent orders made by end consumers in the period indicated. Orders for our Korean click-to-call operations (similar to a restaurant-specific business directory where customers click on a button that will connect them directly with the restaurant via telephone) have been estimated based on the number of phone calls made by users to restaurants through these click-to-call platforms in the relevant period that lasted 25 seconds or longer multiplied by 60%.

[3] “Like for like” excludes the contributions from the German operations and hungryhouse reported in discontinued operations in 2018 and 2017 and presents the results from the divested businesses in India and foodora non-core (Australia, France, Italy, Netherlands) as if the divestments had occurred on January 1, 2017.

[4] GMV refers to gross merchandise value, which means the total value of orders (including VAT) transmitted to restaurants. GMV for our click-to-call operations (similar to a restaurant-specific business directory where customers click on a button that will connect them directly with the restaurant via telephone) have been estimated based on the estimated number of orders multiplied by the average basket size for the orders placed through our Korean non-click-to-call online marketplaces during the same period.

06. RESEARCH AND DEVELOPMENT

Our vision of creating an amazing takeaway experience is contingent on constant innovation and technological development in all areas of the customer experience. Consequently, innovation and technology is focusing on the enhancement of the value for the platform users by providing more personalized offers, order tracking and visibility, as well as facilitating discovering of new restaurants as well as dishes and enhancement of payment solutions.

Innovation and technology is further aiming to enhance the value of our restaurant partners by improving the forecast of demand and supply, inventory management and enabling a faster and better delivery and offering-tailored marketing solutions. Innovation and technology is additionally focussing on the further automatization of operations, e.g. enhancing processes in customer care, billing and rider onboarding.

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

Delivery Hero's research and development activities continue to concentrate on the development and enhancement of local technology and platforms in order to provide highly localized solutions combined with an approach of innovations by a central support function in:

- data and analytics
- logistics, including fleet management and driver/rider scheduling
- marketing, CRM and campaign automation
- restaurant order transmission, driver tracking and POS integration; and
- Consumer experience.

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

In 2018, R&D expenses of the total Group (including discontinued operations) amounted to about € 42.2 million (previous year: € 29.0 million). This corresponds to 5.5% (previous year: 5.0%) of revenue. Development costs of € 5.1 million were capitalized (previous year: € 1.8 million), this represents 12.1% (previous year: 6.2%) of total development costs of the year. Amortization of capitalized development costs amount to € 3.1 million (previous year: € 2.6 million). Third party research and development services are used only to a minor extent.

At the end of the financial year, 906 people were employed in our R&D activities. This represents 3.6% of total employees.

B. ECONOMIC REPORT

01. MARKET AND INDUSTRY ENVIRONMENT

a) Macroeconomic situation

Global growth remains robust but has somewhat softened in the second half of 2018, as manufacturing activity and trade have shown signs of moderation. The ongoing withdrawal of monetary policy accommodation in advanced economies has led to some tightening of global financing conditions[5]. As a consequence, global economic growth is expected to not further accelerate but remain flat at 3.7% for 2019 according to latest forecasts of the International Monetary Fund (IMF)[6].

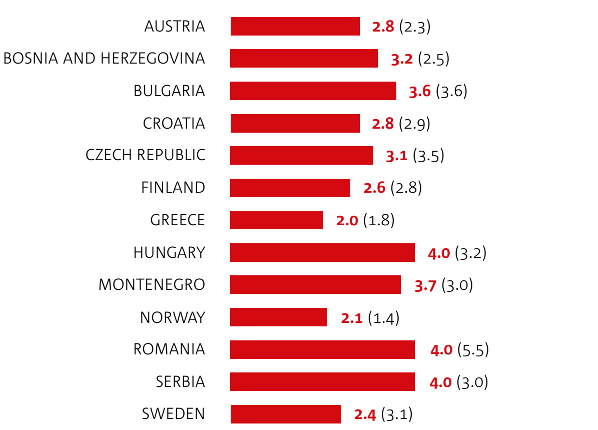
However, we are seeing a positive GDP development in the majority of our 41 countries of operation[7]. While the overall growth expectation is flat, differences in the outlook across countries and regions are notable. The IMF forecasts positive real GDP growth for all of Delivery Hero's markets in Europe, MENA and Asia. In the Americas segment, a positive real GDP growth development is expected as well for every country of operation except for Argentina[5].

Compared to the GDP growth rates of 2017, Saudi Arabia, Kuwait and several other emerging markets have returned to economic growth after slight growth declines in the past. On the other side, growth was revised down compared to 2017 for some countries i.e. Argentina and Turkey, reflecting country-specific factors, inflationary tendencies and geopolitical tensions[5].

[5] The World Bank Group (2018): Global Outlook June 2018
[6] International Monetary Fund, World Economic Outlook, October 2018: Challenges to Steady Growth
[7] Excluding foodora own-delivery countries (Canada, Norway), countries without legal entities (Panama and Paraguay), countries with minority participation that are not fully consolidated (e.g. Poland) and (planned) divestments in foodora non-core assets (Australia, France, Italy and Netherlands)

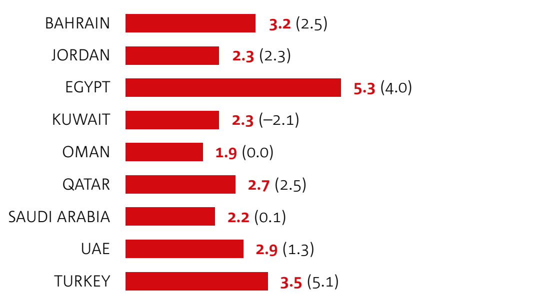
GDP Development 2018 Europe

% (2017)



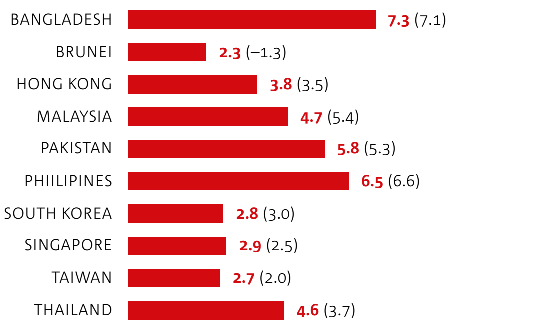
GDP Development 2018 MENA

% (2017)



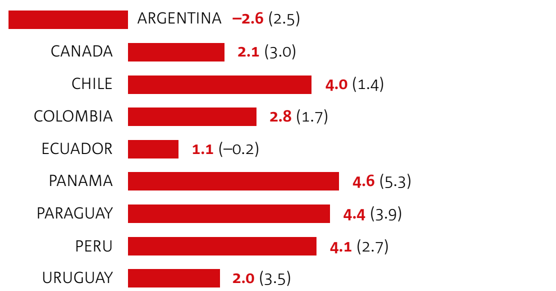
GDP Development 2018 Asia

% (2017)



GDP Development 2018 Americas

% (2017)



Source: International Monetary Fund, World Economic Outlook, October 2018

Since Delivery Hero has significant operations in countries outside of the Eurozone, a substantial portion of its sales, earnings and liabilities are denominated in currencies other than the Euro. Delivery Hero is therefore exposed to fluctuations in the values of these currencies relative to the Euro. In the financial year 2018 Delivery Hero noted volatility and devaluation of some currencies such as the Turkish Lira and the Argentinian Peso.

Furthermore, since Q3 2018, Americas revenue and GMV as well as their respective growth rates were impacted by the Argentinian operation qualifying as a hyperinflationary economy under IAS 29 beginning September 1, 2018 (refer to section B. 14. b) of the Consolidated Financial Statements). No other country of operation has been qualified as hyperinflationary to date.[8]

Regarding foreign exchange rates, the euro depreciated within 2018 against two currencies to which Delivery Hero has a significant exposure: Turkish Lira (TRY) and Argentinian Peso (ARS). Against the following currencies the Euro appreciated within 2018: South Korean Won (KRW), United States Dollar (USD), Kuwaiti Dinar (KWD) and Saudi Riyal (SAR). Please refer to the following calculated movement rates of the euro against these currencies from January to December 2018[9]:

- KRW –4.12%
- TRY +27.53%
- USD –8.21%
- KWD –7.01%
- SAR –8.20%
- ARS +76.18%

[8] Company information: Q3 2018 Trading Update
[9] Calculated from FactSet data on annual end of period foreign exchange rates per euro (EUR)

b) Sector development
We have a large geographic footprint with operations in attractive markets in Europe, MENA, Asia and Americas. According to market studies, the total food market amounts to € 7.5 trillion[10].

Due to the positive outlook for the market for online food ordering & delivery, we believe that our business model is in a favorable position. The advantages can be attributed to some mega-trends that will drive additional growth for decades to come:

— Online & mobile engagement
— On-demand & last mile logistics
— Lifestyle, urbanization & convenience

In 2018, we found that the global food industry continues to thrive, evolve and innovate; and that at a faster pace than originally expected. This assessment is also supported by current independent studies[11].

The higher consumer demand for on-demand type of services encouraged us to extend our service offering beyond our core business model that is the delivery of food. In 2018 we took the strategic decisions to move towards a third-generation delivery company.

Whilst Delivery Hero's first phase of disruption was initially the transition of orders from over the phone to online, own delivery capabilities have then expanded the total addressable market opportunity for food delivery by offering a wider selection and often higher quality of restaurants.

By continuously investing in logistics, we are looking for ways to maximize the efficiency of our rider network. This has seen the focus expand to targeting non-food delivery to capture a greater share of the consumer's wallet. While our core business remains the delivery of food, we see much upside in investing in additional verticals and shared kitchens.[12]

02. BUSINESS PERFORMANCE

a) Performance
In 2018 revenue of the Group increased to € 665.1 million[13] (previous year: € 453.7 million). This increase is mainly attributable to strong organic growth across all segments, supplemented by the acquisition of the Carriage group in June 2017.

Total segment revenue increased significantly by 45.6% (excluding Germany on a like-for-like basis 64.6%), orders increased by 37.8% (excluding Germany on a like-for-like basis 48.8%) and GMV grew by 33.3% (excluding Germany on a like-for-like basis 42.3%) between 2018 and 2017. The target of a significant organic increase in orders, GMV and revenues was fully met in 2018. Total segment revenue, amounted to € 792.4 million including the German operations classified as discontinued operations (€ 105.4 million), thus exceeded the target of a significant growth of total segment revenue that was announced in the Annual Report 2017 and subsequently specified in the Half-Yearly Report 2018 (between € 760 million and € 780 million) and further narrowed in Q4 2018 (between € 780 million and € 785 million).

For 2018 a significant improvement of the negative adjusted EBITDA and the negative adjusted EBITDA margin compared with 2017 was expected with breakeven on adjusted EBITDA level on a monthly basis by the end of the fourth quarter 2018.

As reported in the Half-Yearly Report 2018 Delivery Hero modified the adjusted EBITDA target by up to € 80.0 million. These were planned to be invested additionally in marketing, restaurant coverage as well as in product and technology. Consequently, considering this modification, the 2018 negative adjusted EBITDA was expected to be noticeable higher and the negative adjusted EBITDA margin to be on the same level as 2017 (negative 17% including Germany). To reach breakeven on an adjusted EBITDA basis in December 2018 was no longer expected.

[10] Euromonitor International; Economies and Consumers; Global Food Market represents Consumer Expenditure on Food and Catering, value at fixed 2016 exchange rates; data as of 2016.

[11, 12] UBS (2018): "is the kitchen dead?" for respective Footnote in part of footnote explanations on the bottom of the page.

[13] First time adoption of IFRS 15: Effective January 1, 2018 revenue is presented net of discounts. Prior period information is not adjusted. Discounts in 2017 amounted to € 26.5 million that are reflected in customer acquisition costs of marketing expenses.

The 2018 negative adjusted EBITDA of the segments amounted to € 141.6 million (previous year: negative € 94.2 million[14]) and was € 47.4 million higher as in the previous year. The negative adjusted EBITDA margin of the segments for 2018 is 18%.

b) Acquisitions and Investments

The largest acquisitions of businesses during this reporting period consist of Deliveras S.A., Greece ("Deliveras") in January 2018, EURO Magyarorszag Kft. ("Pizza HU") in May 2018, and Cloud Treats Romania ("HipMenu") in July 2018, food delivery platforms based in Greece, Hungary and Romania respectively. In the second half of the year, smaller acquisitions in Bolivia ("Netcomidas"), Ecuador ("Megabite") and Uruguay (Motwer S.A.) were done. The total consideration for the acquisitions was € 26.8 million.

Further, Delivery Hero acquired minority shares in Rappi Inc. Delaware ("Rappi") and Glovoapp 23 S.L Spain ("Glovo"), both on demand delivery service-based companies with investments amounting to total € 138.1 million ($ 163.9 million) for Rappi and € 55.2 million (net of cash € 51.2 million) for Glovo. Both are included in the consolidated statements at-equity.

During the year some more minority investments were executed, the largest being for € 10.1 million in Barogo, a logistics company in Korea.

[14] Excluding German operations reclassified to discontinued operations.

c) Discontinued operations and divestments

On December 20, 2018 the Company signed a transaction document with Takeaway.com N.V. pursuant to which Delivery Hero sold its German food delivery businesses to Takeaway.com. Accordingly, the German businesses are classified as discontinued operations in 2018 and 2017 (refer to section A. 02. and D. 03. e) of the Consolidated Financial Statements). The Transaction was completed on April 1, 2019. For the measurement of segment performance the German businesses are included in the segment Europe until December 31, 2018.

On January 31, 2018, Delivery Hero closed the sale of its hungryhouse Group, UK. The gain resulting from these discontinued operations contributed € 261.3 million to the net loss for the full year 2018.

During the year the group disposed its subsidiaries in Italy, Brazil and Switzerland. The gain from such disposals amounted to € 8.2 million. The group also closed its operations in France, Netherlands and Australia during 2018.

03. NET ASSETS, FINANCIAL POSITION AND RESULTS OF OPERATIONS

a) Financial performance of the Group

Business activities presented as discontinued operations are not subject to the following discussion of net assets, financial positions and result of operations (unless otherwise stated). The comparative information is adjusted accordingly (refer to section A. 02. of the Consolidated Financial Statements).

Consolidated statement of profit or loss and other comprehensive income

The 2018 Group result developed as follows:

CONTINUING OPERATIONS

EUR MILLION	2018	ADJUSTED 2017	CHANGE EUR MILLION	CHANGE %
REVENUE	665.1	453.7	211.4	46.6
COST OF SALES	−318.0	−173.6	−144.4	83.2
GROSS PROFIT	**347.2**	**280.1**	**67.0**	**23.9**
MARKETING EXPENSES	−313.9	−258.2	−55.8	21.6
IT EXPENSES	−54.3	−41.1	−13.2	32.1
GENERAL ADMINISTRATIVE EXPENSES	−217.2	−218.3	1.1	−0.5
OTHER OPERATING INCOME	10.0	25.0	−14.9	−59.8
OTHER OPERATING EXPENSES	−9.2	−6.8	−2.5	36.6
IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS	−4.3	−14.6	10.3	−70.8
OPERATING RESULT	**−241.7**	**−233.8**	**−7.9**	**3.4**
NET INTEREST COST	2.8	−17.9	20.7	>100
OTHER FINANCIAL RESULT	18.8	−74.0	92.8	>100
SHARE OF THE PROFIT OR LOSS OF ASSOCIATES ACCOUNTED FOR USING THE EUQITY METHOD	−38.6	0.9	−39.5	>100
EARNINGS BEFORE INCOME TAXES	**−258.8**	**−324.9**	**66.1**	**−20.3**

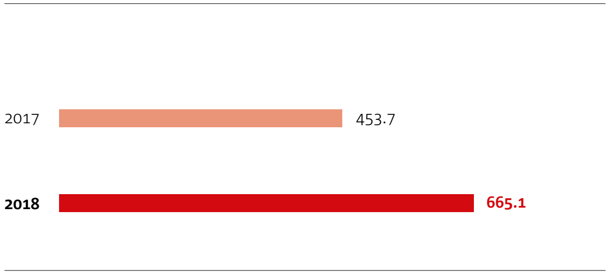
Adjusted EBITDA of the segments reconciles to earnings before income taxes as follows:

CONTINUING OPERATIONS

EUR MILLION	2018	2017	CHANGE EUR MILLION	CHANGE %
ADJUSTED EBITDA OF THE SEGMENTS	**−141.6**	**−94.2**	**−47.4**	**50.3**
RECLASSIFICATION TO DISCONTINUED OPERATIONS	*41.4*	*11.0*	*30.4*	*>100*
ADJUSTED EBITDA EXCLUDING DISCONTINUED OPERATIONS	**−100.2**	**−83.2**	**−17.0**	**20.4**
CONSOLIDATION ADJUSMENTS	*−12.3*	*−13.3*	*1.0*	*−7.5*
ITEMS EXCLUDED FROM SEGMENT PERFORMANCE	*−20.0*	–	*−20.0*	*>100*
MANAGEMENT ADJUSTMENTS	*−44.1*	*−32.8*	*−11.3*	*34.3*
EXPENSES FOR SHARE-BASED COMPENSATION	*−17.2*	*−69.5*	*52.3*	*−75.2*
OTHER RECONCILIATION ITEMS	*−0.2*	*9.4*	*−9.6*	*>100*
AMORTIZATION AND DEPRECIATION	*−47.7*	*−44.3*	*−3.5*	*7.8*
NET INTEREST AND OTHER FINANCIAL RESULT	*−17.1*	*−91.1*	*74.0*	*−81.3*
EARNINGS BEFORE INCOME TAXES	**−258.8**	**−324.8**	**66.0**	**−20.3**

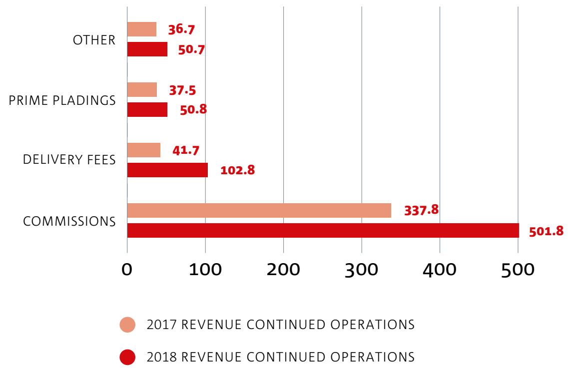
Development of revenue

GROUP REVENUE
EUR MILLION



The Delivery Hero Group increased its revenue in 2018 to € 665.1 million (previous year: € 453.7 million). Revenue in 2018 includes discounts of € 41.0 million, that are deducted from revenue in accordance with IFRS 15. Besides organic revenue growth due to a strong increase in orders, continuing investments primarily in marketing and the expansion of the Group's own delivery services as well as the newly acquired businesses in 2017 and 2018 contributed to this increase.

GROUP REVENUE BY TYPE[1]
EUR MILLION

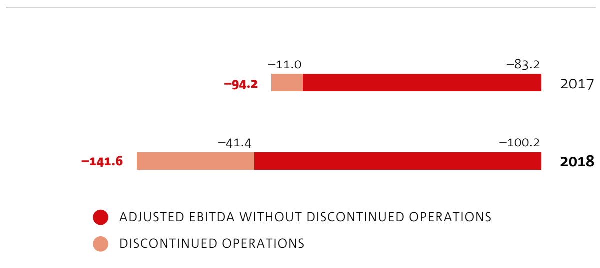


[1] without consideration of discounts.

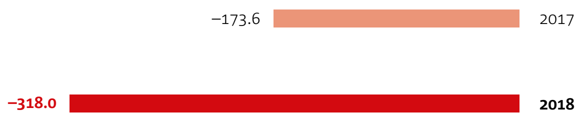
Commissions revenues increased to € 460.8 million (previous year: € 337.8 million) representing 69.3% of total revenue.

Development of adjusted EBITDA

ADJUSTED EBITDA OF THE SEGMENTS
EUR MILLION



COST OF SALES
EUR MILLION



MARKETING EXPENSES
EUR MILLION

Delivery expenses (€ 258.3 million, previous year: € 125.7 million) represent 81.2% (previous year: 72.9%) of cost of sales in 2018 (€ 318.0 million, previous year: € 173.6 million) resulting in a disproportional increase of cost of sales (83.2%) to the increase of revenue year-on-year. This development is due to the expansion of the delivery business in 2018, especially in MENA and the Americas. Delivery expenses comprise own delivery personnel expenses (€ 95.7 million, previous year: € 48.8 million) and external riders and other operating delivery expenses (€ 162.6 million, previous year: € 76.9 million). In addition, Fees for payment services increased by € 9.6 million due to a higher online payment share.

Gross profit margin in 2018 was 52.2% (previous year: 61.7%). The decline is mainly attributed to the continuous roll-out of own delivery services in 2018. Further the application of IFRS 15, effective January 1, 2018, resulted in the deduction of vouchers provided to orders from gross revenue and decreased gross profit margin. Eliminating the effect from first time adoption of IFRS 15 the 2018 gross profit margin would be 56.4%.

Marketing expenses increased by € 55.8 million year-on-year to € 313.9 million. They mainly include expenses for customer acquisition of € 148.6 million (previous year: € 135.5 million) and expenses relating to restaurant acquisition of € 91.7 million (previous year: € 62.5 million). This increase reflects the increased competition in certain markets as well as the continuous roll-out of our delivery operations.

IT expenses increased by € 13.2 million to € 54.3 million. They mainly comprise personnel expenses. Most of our IT expenses are invested in research and development of our local platforms and central support functions to enhance the value for our partner restaurants and to further improve the customer experience (2018: about € 36.2 million; previous year: about € 29.0 million).

General administrative expenses amounted to € 217.2 million in 2018 (previous year: € 218.3 million). Although in 2018 expenses for share-based compensation decreased to € 17.2 million (previous year: € 69.5 million), this was compensated by personnel related general administrative expenses that increased to € 96.8 million (previous year: € 62.3 million). This is primarily due to acquisition related earn-out arragements of € 30.1 million (previous year: € 15.7 million) and the general growth of the administrative functions post IPO.

Other operating income of € 10.0 million (previous year: € 25.0 million) include primarily gains from the disposal of subsidiaries. The decrease was due to the one-time disposal gains of € 20.3 million for the divestment of foodpanda India in December 2017.

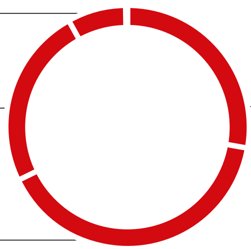
The other operating expenses amounted to € 9.2 million in 2018 (previous year: € 6.8 million). The increase was primarily the result from the wind ups and liquidations of subsidiaries in 2018.

The decrease in impairment losses on trade receivables and contract assets to € 4.3 million (2017: € 14.6 million) resulted mainly from one-off effects in 2017.

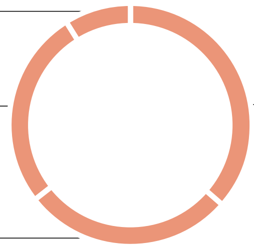
Development of adjusted EBITDA of the Segments
In 2018 the negative adjusted EBITDA of the segments excluding discontinued operations deteriorated to negative € 100.2 million (previous year: negative € 83.2 million). The increase of the negative adjusted EBITDA is mainly a result of the additional investments in own delivery services, reflected in a disproportional increase in cost of sales, as well as marketing and IT.

b) Business development by segment
The key financial performance indicators for managing the Group on segment level are revenue and adjusted EBITDA. While Revenue is indicative of the Group's ability to grow and to provide attractive service offerings to its customers, adjusted EBITDA indicates the Groups ability to become profitable.

SEGMENT REVENUE 2018
EUR MILLION



SEGMENT REVENUE 2017
EUR MILLION



Until December 31, 2018 revenue, adjusted EBITDA, order and GMV from German businesses classified as discontinued operations is included in the segment presentation.

From the measurement of the 2018 segment performance excluded are operations of foodora Australia, France, Italy and Netherlands, that were abandoned or sold during the reporting period but were not classified as discontinued operations in accordance with IFRS 5. Comparative information is not restated.

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

EUR MILLION	2018	2017	CHANGE EUR MILLION	CHANGE %
EUROPE	221.3	198.8	22.5	11.3
MENA	316.4	153.3	163.1	>100
ASIA	192.5	144.8	47.8	33.0
AMERICAS	62.1	47.4	14.8	31.2
SEGMENT REVENUE	**792.4**	**544.2**	**248.2**	**45.6**
RECLASSIFICATION TO DISCONTINUED OPERATIONS	105.4	90.0	15.4	17.1
SEGMENT REVENUE EXCLUDING DISCONTINUED OPERATIONS	**687.0**	**454.2**	**232.8**	**51.2**
RECONCILIATION EFFECTS	19.2[1]	−0.5	19.6	>100
DISCOUNT	−41.0	0.0[2]	N.A	N.A
GROUP REVENUE	**665.1**	**453.7**	**211.4**	**46.6**

[1] RECONCILIATION EFFECTS INCLUDE GROSS REVENUE (BEFORE VOUCHER DEDUCTION) OF OPERATIONS ABANDONED OR SOLD DURING THE REPORTING PERIOD WICH ARE NOT IN THE SCOPE OF IFRS 5. IN 2018 THESE DIVESTMENTS INCLUDE AUSTRALIA, FRANCE, ITALY AND NETHERLANDS.
[2] FIRST TIME ADOPTION OF IFRS 15 EFFECTIVE JANUARY 1, 2018. GROUP REVENUE IS PRESENTED NET OF DISCOUNTS. 2017 INFORMATION IS NOT ADJUSTED. DISCOUNTS IN 2017 AMOUNTED TO € 26.5 MILLION THAT ARE REFLECTED IN CUSTOMER ACQUISITION COSTS OF MARKETING EXPENSES. MANAGEMENT ACCOUNTS UNDERLYING THE SEGMENT REVENUE PRESENTED GROSS BEFORE DISCOUNTS.

EUR MILLION	2018	2017	CHANGE EUR MILLION	CHANGE %
EUROPE	−56.8	−45.5	−11.3	24.8
MENA	18.1	23.9	−5.8	−24.2
ASIA	−51.9	−47.1	−4.8	10.2
AMERICAS	−50.9	−25.4	−25.5	>100
ADJUSTED EBITDA OF THE SEGMENTS	**−141.6**	**−94.2**	**−47.3**	**50.2**
RECLASSIFICATION TO DISCONTINUED OPERATIONS	41.4	11.0	30.3	>100
ADJUSTED EBITDA EXCLUDING DISCONTINUED OPERATIONS	**−100.2**	**−83.2**	**−17.0**	**20.5**
CONSOLIDATION ADJUSMENTS	−12.3	−13.3	1.0	−7.5
ITEMS EXCLUDED FROM SEGMENT PERFORMANCE	−20.0	–	−20.0	>100
MANAGEMENT ADJUSTMENTS	−44.1	−32.8	−11.3	34.3
EXPENSES FOR SHARE-BASED COMPENSATION	−17.2	−69.5	52.3	−75.2
OTHER RECONCILIATION ITEMS	−0.2	9.4	−9.6	>100
AMORTIZATION AND DEPRECIATION	−47.7	−44.3	−3.5	7.8
NET INTEREST AND OTHER FINANCIAL RESULT	−17.1	−91.1	74.0	−81.3
EARNINGS BEFORE INCOME TAXES	**−258.8**	**−324.8**	**66.0**	**−20.3**

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

Items excluded from segment performance in 2018 relate to operations divested during the reporting period of € 20.0 million (previous year: nil).

Management adjustments relate to costs for services relating to business transactions and financing rounds of € 40.1 million (previous year: € 22.3 million), costs for reorganization measures of € 3.9 million (previous year: € 5.1 million), costs for the implementation of information technologies of € 0.1 million (previous year: € 0.5 million) and expenses for the realization of capital market viability of € 0.0 million (previous year: € 5.0 million).

Other reconciliation items include non-operating income and expenses. In 2018, this item included in particular gains from the disposal of subsidiaries of € 4.4 million (previous year: € 19.5 million), impairment of other assets and other receivables of € 0.5 million (previous year: € 0.5 million) as well as non-income-tax of € 5.5 million (previous year: € 6.2 million).

NUMBER OF ORDERS

MILLION	2018	2017	CHANGE MILLION	CHANGE %
EUROPE	92.6	73.3	19.3	26.3
MENA	190.6	123.1	67.5	54.8
ASIA	82.6	67.6	15.0	22.2
AMERICAS	36.0	27.5	8.5	30.9
TOTAL	**401.8**	**291.5**	**110.3**	**37.8**

GMV

EUR MILLION	2018	2017	CHANGE EUR MILLION	CHANGE %
EUROPE	1,377.1	1,160.5	216.6	18.7
MENA	2,099.9	1,369.9	730.1	53.3
ASIA	1,213.7	924.4	289.3	31.3
AMERICAS	406.3	369.5	36.8	10.0
TOTAL	**5,097.0**	**3,824.3**	**1,272.8**	**33.3**

Europe

The revenue of the Europe segment increased to € 221.3 million (plus 11.3%) and the number of orders grew to 92.6 million (plus 26.3%). Eliminating the effect from the German businesses classified as discontinued operations as well as the discontinued foodora businesses in France, Italy and Netherlands (Like-for-Like), revenue increased by 29.6% to € 115.9 million (previous year LfL: € 89.5 million) and orders grew by 41.4% to 60.3 million (previous year LfL: 42.6 million).

The negative adjusted EBITDA increased by € 11.3 million to negative € 56.8 million. The adjusted EBITDA margin has increased from negative 22.9% in 2017 to negative 25.7% in 2018. Eliminating the effect from the German businesses classified as discontinued operations as well as the discontinued foodora businesses in France, Italy and Netherlands, the negative adjusted EBITDA improved on a like-for-like basis from € 3.8 million in 2017 to € 3.0 million.

MENA

In 2018, the MENA segment continued to grow strongly in revenue (106.4%) to € 316.4 million (previous year: € 153.3 million) and in orders to 190.6 million (previous year: 123.1 million). The carriage group acquired in June 2017, significantly contributed to these increases. The appreciation of the Euro against Turkish Lira softened the increase in segment revenue.

The adjusted EBITDA in our MENA segment decreased from € 23.9 million in 2017 to € 18.1 million in 2018. The adjusted EBITDA margin decreased from 15.5% in 2017 to 5.8% in 2018, which resulted from the further roll-out of own delivery services as well as further investments in sales and marketing. The Carriage Group, acquired in June 2017, which provides own delivery services also affected the negative development of the adjusted EBITDA margin in the MENA segment.

Asia

During the year 2018, Asia segment has developed positively with an increase in segment revenue by 33.0% to € 192.5 million. Orders grew in line by 22.2% to 82.6 million. Eliminating the effect from the disposal of our Indian and Australian operations (Like-for-Like) revenue increased by 51.2% to € 192.5 million and orders grew by 49.9% to 82.6 million. Positive revenue and order development are driven by strong growth in Korea and Singapore markets. Segment revenue increase is also driven by higher non-commission revenue streams, predominantly delivery fees.

The negative adjusted EBITDA increased by 10.2% to negative € 51.9 million (previous year: negative € 47.1 million). The adjusted EBITDA margin in 2018 was 27% (previous year: negative 33%). On Like-for-Like basis the negative adjusted EBITDA increased from € 28.4 million in 2017 to negative € 51.9 million in 2018. The increase in adjusted EBITDA in 2018 resulted in particular from investments in own delivery services and marketing.

Americas

In 2018, revenue in the Americas segment increased by 31.2% to € 62.1 million (previous year: € 47.4 million) and the number of orders grew by 30.9% to 36.0 million (previous year: 27.5 million). Besides the growth in commission revenue, revenue from premium placements and revenues for delivery fees also increased in comparison with the previous period.

Adjusted EBITDA increased by 100.4% to negative € 50.9 million in 2018 (previous year: negative € 25.4 million) and consequently the negative adjusted EBITDA margin increased from negative 53.6% to negative 81.9% in 2018, representing particularly the ongoing investment in own delivery service and customer acquisition activities.

c) Financial Position

The Delivery Hero group treasury function manages the liquidity requirements for Delivery Hero SE and its consolidated subsidiaries. The primary goal of financial management is the timely provision of liquidity to the Group's subsidiaries, meeting the Group's payment obligation in due course and efficiently consign excess funds in banks. Financial management is based on 36 months cash forecast for the Group and a detailed monthly liquidity plan for the operating entities of the Group. Cash inflow from disposal of assets and capital increases are administrated by Delivery Hero SE. They will be allocated to subsidiaries and provided for strategic measures as needed. During the reporting period, the Group was able to meet its payment obligations at any time.

The financial position of the Group is shown on the basis of the following condensed statement of cash flows:

EUR MILLION	**2018**	2017
CASH AND CASH EQUIVALENTS AS OF JAN. 1[1]	*640.9*	*230.9*
CASH FLOWS FROM OPERATING ACTIVITIES	*−164.6*	*−209.7*
CASH FLOWS FROM INVESTING ACTIVITIES	*−37.1*	*−117.5*
CASH FLOWS FROM FINANCING ACTIVITIES	*10.6*	*748.8*
EFFECT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS	*−10.1*	*−10.5*
NET CHANGE IN CASH AND CASH EQUIVALENTS	*−191.1*	*420.6*
CASH AND CASH EQUIVALENTS AS OF DEC. 31[1]	**439.8**	**640.9**

[1] *CASH INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE DECEMBER 31, 2018: € 75.7 MILLION (DECEMBER 31, 2017: € 13.6 MILLION).*

Cash flow from operating activities (continued and discontinued operations) was still negative at € 164.6 million, due to many group entities not yet reaching break-even and the emphasis on growth throughout 2018.

The improved operating cash flow in 2018 is mainly due to an improvement in working capital as a result of higher online-payment share and an enhanced collection management.

Cash flows from investing activities (continued and discontinued operations) amounted to negative € 37.1 million. It includes the cash inflows from divestment of hungryhouse (€ 238.5 million). Cash outflows mainly included payment for the acquisition of shares of Deliveras S.A, EURÓ Magyarország Kft., Cloud Treats Romania and Motwer S.A (together € 26.8 million (net of cash € 18.7 million)), minority invest-ments in Rappi Inc. (€ 138.1 million), Glovoapp23 S.L. (€ 51.2 million), as well as investments in intangible assets (€ 19.7 million) and property, plant and equipment (€ 29.6 million).

Cash flows from financing activities (continued and discontinued operations) of € 10.6 million (previous year: € 748.8 million) resulted in particular from capital increases in connection with the exercise of equity settled stock options during the year 2018. In the year 2017 financing activities were substantially affected by Naspers funding round, IPO proceeds as well as repayment of shareholder loans.

As of December 31, 2018 cash and cash equivalents include the cash balances for discontinued op-erations of € 75.7 million (previous year: € 13.6 million).

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

d) Net assets

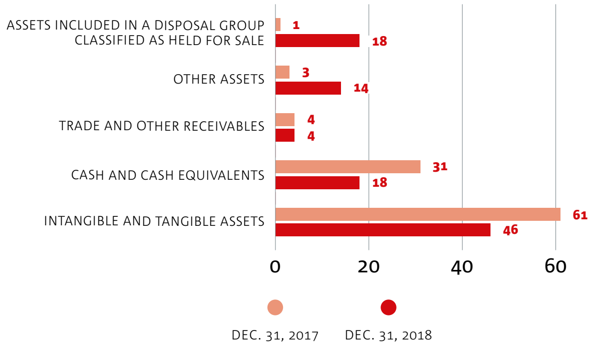
The Group's balance sheet is structured as follows:

EUR MILLION	DEC. 31, 2018	%	DEC. 31, 2017	%	CHANGE
NON-CURRENT ASSETS	1,129.2	56.3	1,283.6	62.7	−154.4
CURRENT ASSETS	875.8	43.7	764.6	37.3	111.2
TOTAL ASSETS	**2,005.0**	**100.0**	**2,048.2**	**100.0**	**−43.2**

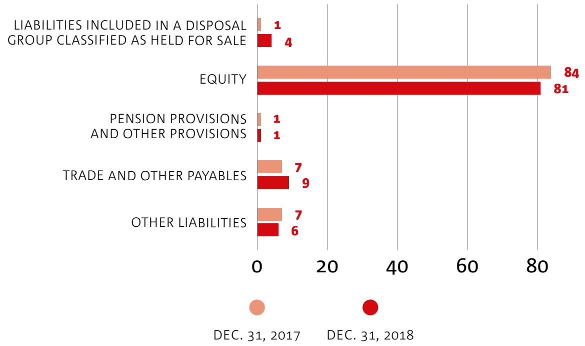
EUR MILLION	DEC. 31, 2018	%	DEC. 31, 2017	%	CHANGE
EQUITY	1,615.0	80.6	1,720.8	84.0	−105.8
NON-CURRENT LIABILITIES	62.6	3.1	105.2	5.1	−42.6
CURRENT LIABILITIES	327.4	16.3	222.2	10.8	105.2
TOTAL LIABILITIES AND EQUITY	**2,005.0**	**100.0**	**2,048.2**	**100.0**	**−43.2**

The Group's total assets remained on a constant level as of December 31, 2018 compared to the previous year. The movement from non-current assets to current assets is mainly attributable to the reclassification of the assets for the German operating businesses (€ 276.9 million) to current assets held for sale. The increase in current assets was partially offset by the decrease of cash and cash equivalents (€ 151.0 million).

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



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



Non-current assets remain the largest portion of the balance sheet with 56.3% as of December 31, 2018 (previous year: 62.7%). They mainly comprise intangible assets of € 878.0 million (previous year: € 1,222.6 million), thereof goodwill € 570.4 million (previous year: € 713.5 million), trademarks € 187.7 million (previous year: € 367.7 million) and customer base € 86.2 million (previous year: € 126.0 million). Goodwill of € 17.7 million resulted mainly from the acquisition of the Deliveras S.A., Pizza HU and HipMenu in 2018. The decrease in intangible assets (€ 344.6 million) resulted primarily from the reclassification of the brand and trademarks as well as goodwill from the German operating businesses to assets held for sale.

The significant increase in current assets in 2018 is mainly due to the reclassification of non-current assets of the German operating businesses to assets held for sale which are classified as current.

In 2018 equity is primarily reduced by foreign currency translation losses of € 87.3 million (previous year: € 98.8 million) mainly attributable to the appreciation of Euro against the Turkish Lira.

As of the reporting date, non-current liabilities mainly include deferred tax liabilities of € 41.8 million (previous year: € 81.7 million), recognized upon acquisition accounting of previous business combinations.

The increase in current liabilities is primarily due to the growth of our businesses as well as a higher online-payment share and the related increase in restaurant liabilities that increased by about € 30.1 million year-on-year.

e) Overall assessment

The Management Board assesses the financial position, financial performance and earnings situation as positive. Total segment revenue of € 792.4 million exceeded expectations in 2018.

At the expense of the adjusted EBITDA target for 2018, Delivery Hero announced in Q3 2018 an investment program targeted to support continuing growths in future years and strengthen market leadership positions. Accordingly the adjusted EBITDA margin target for 2018 was lowered towards the level of 2017 (negative 17%) and the goal of a significant improvement of adjusted EBITDA was abandoned. With an adjusted EBITDA margin of negative 18% of the segments 2018 ended close to the prior year level and in line with the adjusted target for 2018. The negative adjusted EBITDA of the segments in 2018 was € 141.6 million (previous year: negative € 94.2 million).

04. EMPLOYEES

The average number of employees within our continued operations increased from 9,072 in 2017 to 16,627 in 2018. This change occurred primarily in the areas of delivery and sales, mainly a result of the expansion of own rider personnel. As of December 31, 2018, Delivery Hero employed 20,608 staff (previous year: 10,633).

C. RISK AND OPPORTUNITY REPORT

01. RISK POLICY PRINCIPLES AND RISK STRATEGY

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

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

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

a) Risk policy principles

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

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

b) Risk strategy

The main goal of Delivery Hero's risk strategy is not necessarily to avoid all present and future risks, but to assess risk with regards to costs and benefits and to preserve risk transparency. As we are engaged in an innovative and emerging business with relatively high inherent risks that rewards with a potentially high return, we are more willing to accept risks and even seeking certain risks to achieve our goals within the defined and pursued strategy (risk appetite).

Materiality thresholds

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

Delivery Hero distinguishes between two types of materiality thresholds:

- Reporting thresholds for the identification and assessment of risks. If exceeded, the risks have to be included in the Group's enterprise risk assessment and our regular reporting process. The reporting threshold, considered to have an insignificant financial impact, is defined as follows: Group revenue x 1% x 0.5 (€ 3.3 million).

- Materiality limits/escalation criteria for ad-hoc reporting: If exceeded during the monitoring phase, risks have to be immediately reported to the Risk Manager, the Management Board or the Supervisory Board, depending on the risk level (low, medium, high). The materiality limit/escalation criteria for ad-hoc reporting, corresponding to a medium financial impact, is defined as follows: Group revenue x 2.5% (> € 16.6 million).
- Local entities apply the same formulas with local revenue input for determining risks to be reported to GRC.

02. GROUP-WIDE RISK MANAGEMENT SYSTEM (RMS)

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

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

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

a) Risk identification

Risks are identified by all employees of Delivery Hero, by our nominated risk owners throughout the different departments and by local and global risk managers. This happens through data analyses, process reviews, interviews and actual events.

b) Risk assessment

After identification, the risk owners, supported by local risk managers, assess their individual risks based on the evaluation criteria described below. Those criteria are applicable to all subsidiaries of Delivery Hero to ensure

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

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

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

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

Reporting
Monitored risks are periodically reported to management

that all risks are assessed uniformly in order to ensure comparability.

Risks are assessed with respect to two dimensions:

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

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

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

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

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

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

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

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

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

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

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

RISK MATRIX AND FINANCIAL IMPACT SCALE OF DELIVERY HERO

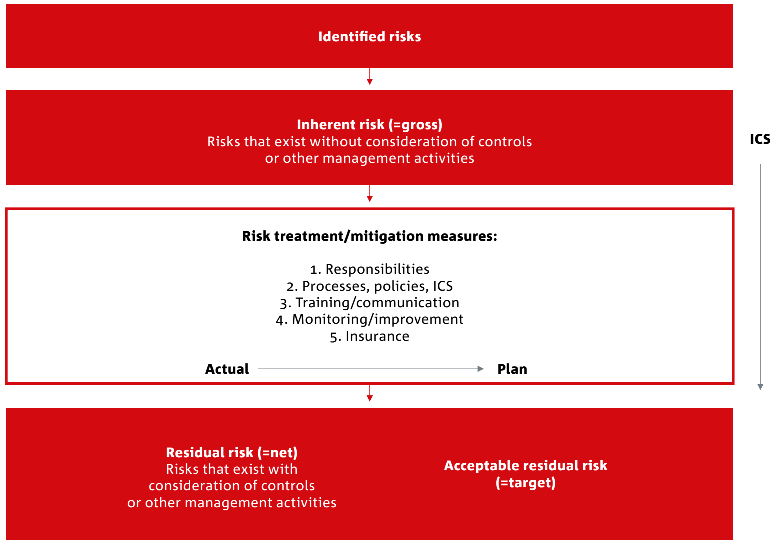
		Likelihood				
		(1–20%)	(> 40–60%)	(>40–60%)	(>60–80%)	(>80%)
Impact	Critical (€ >66.5 million)	Medium	Medium	High	High	High
	High (€ 33.3–66.5 million)	Medium	Medium	Medium	High	High
	Medium (€ 16.6–33.3 million)	Low	Medium	Medium	Medium	High
	Low (€ 3.3–16.6 million)	Low	Low	Medium	Medium	Medium
	Insignificant (€ <3.3 million)	Low	Low	Low	Medium	Medium

Gross versus net risk

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

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

DIFFERENCES BETWEEN GROSS AND NET RISK



c) Risk treatment

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

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

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

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

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

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

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

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

I. Quarterly risk & compliance committee meeting

II. Regular updates to the Audit Committee

III. On-demand updates to the Supervisory Board

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

03. SYSTEM OF INTERNAL FINANCIAL REPORTING CONTROLS

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

These processes and the relevant risk for the financial reporting are analyzed and documented. A control matrix contains all controls, including a description of the control, type of control, frequency with which it is carried out. We have implemented standardized monthly reporting and review procedures for subsidiary financial statements. These are subject to a multi-level monthly review process on regional and Group level to ensure consistency and correctness across the Group. Our global accounting manual provides detailed accounting instructions for all key components of the financial statements to the Group's finance teams. The identification of risks for the consolidated financial statements further involves the observations of the Group's internal audit function, the results of statutory audits and the risk assessment of the Group accounting function. Based on the assessment of complexity and the involvement of judgement within the application of accounting policies, the accounting for selected complex reporting topics, e.g. business combinations and share-based compensation arrangements, is centrally administered to comply with the Group's reporting requirements. Risks are further mitigated by the cross functional exchange among central functions, in particular between Legal, Strategy, Group Accounting and Group Controlling. Identified risks are continuously monitored and reassessed. Based on this assessment and in accordance with requirements of the respective International Financial Reporting Standards, the risks are reflected and disclosed in the Group's Consolidated Financial Statements. The system of internal controls is subject to regular reviews by the GRC department and/or risk-based assessments performed by internal audit.

04. INTERNAL AUDIT SYSTEM

Internal audit within Delivery Hero SE is an independent function that reports functionally to the Audit Committee of the Supervisory Board and administratively to the CFO. Internal audit adheres to the principles of the Institute of Internal Auditors (IIA) code of ethics: Integrity, Objectivity, Confidentiality, and Competency. On an annual basis, internal audit prepares an internal audit plan taking into consideration risks identified by the risk management system, the internal control system, and the compliance system. This risk-based audit plan is approved by the Audit Committee of the Supervisory Board.

05. RISK REPORT AS OF DECEMBER 31, 2018

In 2018 the Group was exposed to several risks. Although most risks were considered known, the risk assessment has changed for some of them. In particular, the remarkable currency fluctuations in some of our major markets, with Argentinean Peso meeting the criteria for being considered hyperinflationary in the third quarter 2018 and the substantial devaluation of the Turkish Lira throughout 2018, changed the risk exposure from transactions in these currencies. Competitive pressure in some of our markets required additional investments in order to preserve and grow our market position. Further, the strong growth of the Delivery Hero Group raised organization risks that required mitigation measures, including fraud prevention.

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

a) Strategic risks
The online food delivery market is continuing to grow very fast, supported by the internet penetration and use of smartphones worldwide.

Our success depends crucially on our ability to maintain our strong position in the markets we are active. If we are unable to protect leading market positions, our service may be exposed to pricing pressure and sales decline. We operate in a competitive environment and our business model is vulnerable to short-term changes. Our customers could be persuaded to use the platforms of competitors who may operate businesses with complementary service offerings and different pricing models. New delivery platforms that cover a wide variety of product categories such as groceries could affect the market shares of the players in the food delivery industry.

The industry environment continues to be highly competitive and the competitors tend to be more aggressive. As of today, Delivery Hero is subject to competitive pressure in various countries, from other aggregators as well as own delivery models and large chains and brands. Large global players (e.g. Amazon, UberEeats), as well as new well-funded market entrants (e.g. Grab) continue entering the food delivery space and restaurant chains continue to invest in direct sales channels, both over the phone and online. Delivery Hero is focusing on increasing its restaurant base and on the enhancement of end customer loyalty, by strongly investing in a seamless customer experience. The risk of increasing competitive pressure is considered high.

Technological changes and disruptive technologies may affect our current business model, if we are not able to keep up with technological developments. New generations of consumers and restaurants might expect different technological applications and solutions. The risk is considered high.

As we operate in many countries, including emerging and developing markets, we are subject to economic, political and legal risks in these countries. Unexpected regulatory- or capital market- requirements as well as changes in applicable laws may require Delivery Hero to flexibly adapt processes in its markets. Furthermore, turbulences in the financial markets, the economic and institutional stability of the Eurozone, an expansive monetary policy of large central banks worldwide and an unresolved debt problem in numerous industrial and developing countries result in considerable risks for our business. The risk of economic, political, legal and financial risks is considered medium.

Generally, a non-growing economy in one of our operating markets could cause a reduction of online food ordering as purchasing power may decrease. A static economy is one of the factors increasing the counterparty risk, as receivables from our restaurant partners could be harder to collect. Increasing unemployment rates may impact our order volume growth, since online food delivery is more popular among people who spend more time at their workplace than at home and have less time to cook. The risk of static economies among the Group is low.

To identify such strategic risks in a timely manner, we promote local entrepreneurship to enable our local management teams (who know their markets best) to react quickly to individual market changes. In addition, we promote the strategical and technological cooperation between local and central team to leverage from our global organization. These actions do not mitigate the risk. If needed mitigating actions are established based on the individual facts and circumstances identified.

b) Operational risks

As an online company, Delivery Hero operates websites, platforms, payment solutions and other data processing systems, which we use to collect, maintain, transmit and store information about our partner restaurants, customers and suppliers. They all rely on the security of our systems and that their data are handled properly and are not misused. Any breaches would result in material reputational damage. Therefore, we use our best efforts to maintain and continuously improve our data security measures. However, cyberattacks in particular remain the biggest inherent risk of our business model. As the nature and characteristics of cyber-attacks are constantly evolving, the risk that new security gaps can only be closed with a time lag exists.

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

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

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

Country specific and economic requirements, including employment legislation and social security, increase the complexity of the rider management as part of the own delivery services. The constant analysis of regulatory developments is needed to find the best approach in advancing the logistics business. Non-compliance with regulatory requirements may lead to higher rider costs and possible non-compliance fines. This also includes the risk of unavailability of rider personnel restraining the further expansion of the logistic services. This risk is considered as medium.

c) Compliance risks

Government regulations and legal uncertainties may place administrative and financial burdens on our business. As the internet continues to revolutionize commercial relationships on a global scale and the use of the internet and mobile devices in everyday life becomes more prevalent, new laws and regulations relating to the internet and the e-commerce sector in particular may be adopted. These laws and regulations may affect many aspects of our business such as the collection, use and protection of data from website visitors and related privacy issues, online payment services, pricing, anti-bribery, tax, commission rates charged to our partner restaurants, content, copyrights, trademarks, origin, distribution and quality of goods and services.

Delivery Hero is in many countries of its Europe segment subject to the EU Payment Services Directive II which covers online-based payment services and provides a uniform regulation of payments via the internet and mobile phones. It increases customer protection and the requirements for user authentication. In particular, the Payment Services Directive II prevents European companies without a banking or payment services license to collect and hold bank account payments resulting from online transactions on behalf of others (e.g. restaurants in Delivery Hero's business model). This forces us to either outsource the provision of payment services to third parties, to discontinue our online payment services, or to apply for a banking or payment services license. An evaluation and modification of relevant processes is done under consideration of external advice. The adoption or modification of such regulations could adversely affect our business by increasing compliance costs, including noncompliance fines and administrative burdens. The risk from payment service regulations is considered as high.

Privacy-related regulation of the internet could interfere with our strategy to collect and use personal information as part of our marketing efforts and operations. With the General Data Protection Regulation (Regulation 2016/679/EU of the European Parliament and Council of April 27, 2016, the "General Data Protection Regulation"), which came into force on May 25, 2018, data controllers have more obligations when it comes to handling personal data. Due to different interpretation possibilities of the General Data Protection Regulation (GDPR) with regard to marketing activities as well as the use of new and innovative technologies or processes, the risk exists that regulatory authorities and judicature may represent an interpretation of the legislative language that deviates from our understanding. Regarding GDPR, we have reviewed our data processing activities critically, particularly for compliance with principles of data processing and adjusted security measures as defined by Art. 25 and Art. 32 GDPR. Additionally, the Group has established specific processes to ensure compliance with reporting requirements with respect to data protection law. The non-compliance with applicable regulations can result to fines and other sanctions. The risk is considered as high.

Restaurants in our European segment are subject to numerous food labeling regulations, such as the EU Regulation on the provision of food information to consumers, and the German Ordinance on Food Additives Approval ("Zusatzstoff-Zulassungsverordnung"). Our online marketplaces in the European Union are subject to those regulations. Among others the regulations provide for labeling requirements with regard to the name of the food, the list of ingredients, particularly those known to cause allergies or intolerances, the net quantity of the food and the use by date. Compliance with these regulations by our partner restaurants requires the awareness of the ingredients and allergen content of their dishes. We are dependent on the accuracy of the relevant information being furnished to our marketplaces by our partner restaurants. In order to support our partner restaurants, we worked on several process improvements and trainings, including consultation of nutrition experts. Food labeling requirements are inherent to our service offering and therefore rated as high.

d) Financial risks

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

Risk management in relation to the use of financial instruments

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

Liquidity risk

Liquidity risk is the potential inability to meet the Group's financial obligations due to the lack of financial resources. Liquidity risks may arise in the form of limited access to financing opportunities as a result of the general market situation, rising refinancing costs including the risk of the DH Group credit rating being downgraded. The exposure to the liquidity risk is closely monitored on group level using daily liquidity reports and regular cash forecast reports to ensure adequate distribution of funds and early identification of additional funding needs. In 2018 funding of operations was secured by cash received in company sales (e.g. hungryhouse), excess cash from prior year's public share offering and additional funding received in the context of capital increases. In 2019 DH entered into a revolving credit facility of € 125 million to further secure the liquidity of the group. Furthermore, we encountered transactions subsequent to December 31, 2018 that positively affected the liquidity of the Group (refer to section I. Subsequent events of the Consolidated Financial Statements). The liquidity risk is assessed as medium.

Financial market risk

Since our operations are conducted in many different currencies, we are exposed to risks from changes in foreign currency exchange rates. Driven by our geographic footprint and investing activities outside the European Monetary Union, such risks are caused by fluctuations or devaluations of currencies as well as foreign exchange controls or governmental measures that impact our ability to convert currencies and repatriate dividends, if any. Currency exchange risks and movements in foreign exchange rates between the Euro and the currencies of the local markets may materially impact the results of our operations due to translation effects. The Group's entities are exposed to currency risk in particular with regard to intercompany loan obligations denominated in foreign currencies and intercompany receivables and payables. Adverse translation effects are caused by the translation of financial results of our consolidated subsidiaries prepared in their respective functional currencies into Euro, our reporting currency, in the course of preparing the Group's consolidated financial statements. The foreign currency exposure includes, among others, the Turkish Lira, the Argentinian Peso, the Korean Won, the US Dollar, Saudi-Riyal and Kuwaiti Dina, volatility of foreign exchange rates and depreciations of currencies against the Euro are especially noted for Turkish Lira and Argentinian Peso. Beginning with the third quarter of 2018 it was concluded that Argentina's economy is highly inflationary. From thereon Argentina is reported as a hyperinflationary economy under IAS 29 (refer to section B. 14. of the Consolidated Financial Statements). No other country has been qualified as hyperinflationary to date. We are closely monitoring foreign currency devaluations and are reassessing the associated financial risks. Material mitigating actions were not actively taken. Currency risks are considered medium.

The following table shows the effects on profit or loss that would result if the foreign currencies had appreciated or depreciated by 10% as of the reporting date.

	DEC. 31, 2018		DEC. 31, 2017	
CHANGES IN EUR MILLION	+10%	−10%	+10%	−10%
USD-EUR	−23.0	23.0	0.2	−0.2
EUR-KRW	9.7	−9.7	7.7	−7.7
EUR-TRY	−4.5	4.5	−2.8	2.8
KWD-SAR	4.5	−4.5	0.9	−0.9
KWD-AED	3.9	−3.9	0.1	−0.1
SAR-BHD	−3.5	3.5	0.0	0.0
EUR-SGD	3.4	−3.4	0.4	−0.4
EUR-KWD	2.7	−2.7	0.1	−0.1
EUR-TWD	1.5	−1.5	0.0	0.0
BHD-AED	1.3	−1.3	0.0	0.0
QAR-KWD	1.2	−1.2	0.0	0.0
EUR-MYR	1.1	−1.1	0.0	0.0
EUR-PKR	1.0	−1.0	0.5	−0.5
EUR-PHP	1.0	−1.0	0.7	−0.7
EUR-GBP	0.0	0.0	3.2	−3.2

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

Default risk

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

06. OPPORTUNITY REPORT

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

Macroeconomic development

Every person that owns a phone is a potential customer, regardless of whether orders are made online or offline. We believe that growth opportunities in our markets will be driven by several fundamental tailwinds, including increasing online and mobile customer engagement and last-mile logistics capabilities, as well as shifts in customer behavior due to changes in life-style, urbanization and convenience. This trend is particularly driven by a generation of millennials that heavily relies on smartphones for everyday transactions, overall convenience and represents the growing on-demand culture. Additionally, technology evolves and fundamentally changes consumption habits.

Other market developments

Not only did the number of our customers grow, this past year has also seen a high increase in order frequency per person. We expect this trend to continue in the upcoming years and predict a large growth rate of order frequency.

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

We envision growth opportunities by focusing on and investing in markets where we are leading players and markets where we see a potential to become market leaders with a reasonable investment level. Delivery Hero operates in more than 41 countries, which provides us with a substantially larger growth opportunity in comparison with our peers, lower operational and financial risks, and a better opportunity in terms of the significant investments in technology.

Logistics
Innovation in delivery, including demand forecasting models, fleet management and route optimization will enable us to cost optimize our own delivery business. As a result of the investments we made in our logistics services, our deliveries have continuously increased. We expect that the near future will see a steady rise in the use of our delivery services by restaurants worldwide.

Our mature logistics infrastructure and management enable us to deliver other on-demand products, expanding our market to the non-food sector (e.g. groceries or flowers) in the future. Finally, alternative delivery options, including automated guided vehicles and drones, may complement the delivery options and increase the coverage of our services.

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

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

Technology
The group continues to integrate global application solutions into local platforms and aim standardization. We are convinced that this approach will further simplify our complex IT landscape and reduce maintenance. This will also have a positive effect on IT development expenses. In addition, by advancing the automatization of operations we expect to improve pace and service quality in areas like customer care, billing and rider onboarding in the near term.

Personnel opportunities
Delivery Hero has a wealth of talented professionals worldwide which enables us to grow at speed whilst maintaining best practices. We are able to dedicate our best resources to challenges we may face in any country.

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

D. SUBSEQUENT EVENTS AND OUTLOOK

01. SUBSEQUENT EVENTS

On February 28, 2019 Delivery Hero Group announced that it entered into an agreement with Zomato Media Pvt. Ltd. ("Zomato") to buy its food delivery business in the United Arab Emirates (UAE) through its fully owned subsidiary Talabat Middle East Internet Services Company LLC ("Talabat"). The agreement encompasses the acquisition of restaurant contracts as well as the conclusion of a service and license agreement. The consideration for the acquisition amounts to $ 172.0 million. Besides this consideration a contingent payment depending on the future performance of the business was agreed. The maximum contingent payment amounts to $ 44.0 million.

The acquisition will add approx. 1.2 million monthly orders and approx. $ 2 million monthly revenue to Delivery Hero's MENA business and will strengthen its leadership position in the UAE. The acquisition was fully funded by an acquisition facility. On April 1, 2019 the facility was fully repaid.

Moreover, Delivery Hero participated in Zomato's latest funding round by investing $ 50.0 million into Zomato's global business to become a Top 10 shareholder and also entered into a material operational partnership agreement.

On April 1, 2019 the sale of Delivery Hero's German food delivery operations to Takeaway.com was concluded. The total consideration Delivery Hero has received amounts to (i) approx. 5.7 million ordinary shares in Takeaway.com, (ii) approx. 3.8 million warrants convertible into ordinary shares of Takeaway.com at zero cost and (iii) approx. € 508 million of cash. The total consideration (subject to customary price adjustments) at time of closing amounts to € 1.15 billion. The total consideration is net of cash, i.e. Delivery Hero keeps the net cash position of its German food delivery operations. Post exercise of the warrants, the share component represents approx. 15.5% of the total issued and outstanding share capital of Takeaway.com. As of December 31, 2018 the German operations are classified as disposal group classified as held for sale (refer to section D. 03. e).

As a result of the transaction, the mandate of Semih Yalcin, employee representative in Delivery Hero's supervisory board ended. His successor is Christian Graf von Hardenberg, Chief Technology Officer of Delivery Hero.

On April 4, 2019 the Company has decided to enter into a multi-year equity collar agreement in relation to 3.2 million of its shares in Takeaway.com, which it received in connection with the sale of its German food delivery to Takeaway.com.

The objective of the collar transaction is to provide protection on approximately one third of the shares Delivery Hero received in Takeaway.com. The equity collar will also allow Delivery Hero to participate in part of any further share price appreciation of this portion of the Takeaway.com shareholding. Delivery Hero has elected for cash settlement of the collar over time by default.

To facilitate the transaction, Morgan Stanley will sell up to 3 million of such shares in Takeaway.com through an accelerated bookbuild offering. The cash raised from the placement will be released to Delivery Hero to allow for increased strategic flexibility for opportunistic M&A transactions. Delivery Hero has committed to a 90-day lock-up with respect to additional Takeaway.com shares following the pricing of the offering.

02. OUTLOOK

i. Macroeconomic and industry outlook

In October 2018, the IMF issued in its World Economic Outlook a global economic growth prognosis of 3.7% for 2019, a moderate decline by 0.2 percentage points compared to prior growth expectations. In some economies, growth may have reached its peak. For developed economies, such as the Euro area, projections have been revised down, reflecting a softer market in early 2018. Emerging market growth prospects are negatively impacted by a higher yield environment as well as escalating trade tensions. However, the outlook for some oil exporting countries in MENA has strengthened. Main risk factors for global growth are increasing trade tensions and political uncertainties which could result in tighter financial market conditions, cause disruptive portfolio adjustments or sharp exchange rate movements.[15]

The highly fragmental global food service market continues to provide further growth opportunities[16]. Delivery Hero's Total Addressable Market (TAM) is estimated to be greater than previously indicated € 70 bn 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:

[15] WEO from October 2018, IMF
[16] Euromonitor, Independent Consumer Foodservice

— Online & mobile engagement,

— On demand & last mile logistics,

— Life-style, urbanization & convenience[17].

This assessment is also supported by current independent studies.

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

ii. Company expectations

In 2018, on total segment level Delivery Hero has achieved an order, GMV and revenue growth of 37.8%, 33.3% and 45.6%, respectively. Excluding Germany on like-for-like Basis the order-, GMV- and revenue-growth was 48.8%, 42.3% and 64.6% respectively. For 2019, the Company has set up a comprehensive investment program, covering marketing, restaurant coverage, technology and product capabilities, which we believe will enable us to significantly increase orders and GMV compared to 2018.

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

The investment program will positively affect the 2019 revenue growths but also contribute to incremental revenues in the years starting 2020. For 2019 Delivery Hero expects to achieve total segment revenues between € 1,080 million and € 1,150 million. The measures under the investment program will affect the Group's adjusted EBITDA in 2019. Accordingly, we expect the 2019 adjusted EBITDA of the segments between negative € 270 million and negative € 320 million. For the MENA segment, we anticipate generating € 70 million of adjusted EBITDA in 2019. During the second half of 2019 we expect the Europe segment to breakeven on an adjusted EBITDA basis.

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 financial statements were prepared.

E. OTHER DISCLOSURES

01. TAKEOVER-RELATED INFORMATION PURSUANT TO SECTIONS 289a (1) AND 315a (1) OF THE GERMAN COMMERCIAL CODE (HGB)

Takeover related information pursuant to sections 289a (1) and 315a (1) of the German Commercial Code (HGB) presented in section Corporate governance report – Takeover-related disclosures and explanatory notes by the management board of the 2018 annual report are incorporated by reference into this Combined management report.

02. COMPENSATION REPORT PURSUANT TO SECTIONS 289a (2) AND 315a (2) OF THE GERMAN COMMERCIAL CODE (HGB)

The compensation report pursuant to sections 289a (2) and 315a (2) of the German Commercial Code (HGB) presented in section Corporate governance report – Compensation report of the 2018 Annual report is incorporated by reference into this Combined management report.

03. CORPORATE GOVERNANCE CODE

The Management and Supervisory Boards of Delivery Hero SE have issued a statement of conformity pursuant to the German Corporate Governance Code (section 161 of the German Stock Corporation Act (AktG)), which was published on the website of Delivery Hero AG in December 2018 (https://ir.deliveryhero.com).

04. NONFINANCIAL REPORT

The combined separate nonfinancial report of Delivery Hero SE and the Group prepared in accordance with sections 315b, c and 289b to e of the German Commercial Code (HGB) is included in the Annual Report 2018 in section "Nonfinancial report" and is published on the website of Delivery Hero SE (https://ir.deliveryhero.com).

05. TREASURY SHARES

For information of the treasury shares held as of the reporting date in accordance with section 160 (1) no. 2 of the German Stock Corporation Act (AktG) we refer to section III. Notes to the individual balance sheet items – Equity of the notes to the 2018 financial statements of Delivery Hero SE published on the website of Delivery Hero SE (https://ir.deliveryhero.com).

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

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

01. BUSINESS MODEL

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

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

With the merger agreements dated March 8, 2018 and the approvals of the same day, the wholly-owned subsidiaries 9Cookies GmbH, SSC Volo GmbH and Foodora Holding GmbH were merged with Delivery Hero SE.[18] The acquisition of the assets took effect on January 1, 2018. The acquiring legal entity, Delivery Hero SE, has continued the carrying amounts of the merged legal entities. The merger was registered with the Company on April 25, 2018 in the Commercial Register Berlin Charlottenburg.

Due to the merger, the amounts in the balance sheet as at December 31, 2018 are not comparable with those at December 31, 2017 and in the 2018 income statement not comparable with the previous year's amounts.

With registration in the commercial register on July 13, 2018, the conversion of Delivery Hero AG into Delivery Hero SE, a European stock corporation, became effective.

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

[18] SSC Volo GmbH merged with Foodora Holding GmbH.

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

a) Results of operations

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

			CHANGE	
EUR MILLION	**2018**	2017	ABSOLUTE	%
REVENUE	55.6	35.8	19.8	55.6
OTHER OPERATING INCOME	281.9	34.5	247.4	>100
OTHER OWN WORK CAPITALIZED	1.5	0.6	0.9	>100
MATERIAL EXPENSES	−5.9	−0.2	−5.7	>100
PERSONNEL EXPENSES	−79.0	−101.4	22.4	−22.1
OTHER OPERATING EXPENSES	−168.7	−88.9	−79.8	89.8
DEPRECIATION, AMORTIZATION AND IMPAIRMENTS	−110.7	−74.1	−36.6	49.4
NET INTEREST RESULT	16.9	−3.5	20.4	>100
INCOME FROM INVESTMENTS	3.3	7.3	−4.0	−54.2
EARNINGS BEFORE TAXES (EBT)	**−5.0**	**−190.0**	**185.0**	**97.4**
TAXES	−2.0	−0.6	−1.4	>100
NET LOSS	**−7.0**	**−190.6**	**183.6**	**−96.3**

The increase in revenue in 2018 was mainly attributable to higher services recharges to Group subsidiaries.

In 2018 other operating income increased by € 247.4 million as compared to the previous year. The increase mainly resulted from the sale of the hungryhouse group which contributed € 204.9 million to other operating income. In addition, other operating income contains of € 38.1 million recharged cost incurred on behalf of Group subsidiaries (previous year: € 12.5 million) as well as € 12.9 million realized and unrealized foreign currency gains (previous year: € 6.6 million).

The € 5.7 million increase in material expenses compared to the previous year resulted mainly from the purchase of restaurant merchandise and equipment, which was purchased as part of shared service center functions for the Group subsidiaries. These were purchased in the previous year by SSC Volo GmbH. SSC Volo GmbH has been merged with Delivery Hero SE in 2018.

Personnel expenses decreased by € 22.4 million as compared to the previous year. The decrease by € 54.2 million resulted mainly from less expenditures for share-based compensation, which increased in 2017 due to the number of awards granted following the acquisition of minorities (roll-over) preceding the IPO as well as valuation effects. Offsetting this effect, an increase in the number of employees resulted in a € 35.5 million increase in personnel expenses, also driven by the merger of SSC Volo GmbH.

Other operating expenses increased by € 79.8 million to € 168.7 million in 2018, consisting pri-marily of losses resulting from the mergers of SSC Volo GmbH and Foodora Holding GmbH of € 65.8 million, loss from disposal of DS XXXVI Italy S.r.l. of € 8.8 million, liquidation of Ceraon B.V. of € 3.1 million, higher expenses for IT and licenses of € 13.8 million (previous year: € 4.7 million) as well as higher expenses for marketing of € 18.3 million (previous year: € 2.7 million). The increase is partially offset by reduced expenses from foreign currency losses of € 4.6 million (previous year: € 13.4 million) and for consulting services of € 19.9 million (previous year: € 46.3 million).

Depreciation, amortization and impairments includes amortization of intangible assets of € 3.1 million (previous year: € 1.4 million), depreciation of property, plant and equipment of € 2.0 million (previous year: € 0.9 million), impairment of interests in affiliated companies of € 28.7 million (pre-vious year: € 46.6 million) and impairment on loans of € 58.4 million (previous year: € 24.7 million) and on trade receivables in the amount of € 18.6 million (previous year: € 0.7 million).

Mainly Impairment of shares in affiliated companies, loans to affiliated companies and receivables from affiliated companies in 2018 related to the following companies: Inversiones CMR S.A.S., Food Delivery Holding 15 S.à r.l., Foodora Finland Oy, Foodora AB, Volo Netherlands B.V. Foodo-ra France SAS and Ranila Online Services Private Ltd. In 2017 impairments related to 9Cookies GmbH, Inversiones CMR S.A.S., Food Delivery Holding 15 S.à r.l., Foodora Australia Pty ltd. and Restaurant Partner Polska Sp.z.o.o.

Income from the sale of the hungryhouse group contributed significantly to the improvement in the annual result in 2018. Increased personnel expenses relating to employee salaries and operating losses in connection with the mergers of the companies SSC Volo GmbH and Foodora Holding GmbH had a compensatory effect.

Net loss includes expenses for research and development activities in 2018 of € 19.3 million (previous year: € 6.2 million). Furthermore, development costs of € 2.1 million were capitalized in 2018 (previous year: € 0.6 million).

Delivery Hero SE expects a significant improvement in net result for 2019 due to expected higher other operating income from the sale of the German business.

b) Financial position

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

EUR MILLION	2018	2017
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	403.0	0.8
CASH FLOWS FROM OPERATING ACTIVITIES	–38.1	–157.5
CASH FLOWS FROM INVESTING ACTIVITIES	–261.7	–209.9
CASH FLOWS FROM FINANCING ACTIVITIES	5.6	770.5
NET CHANGE IN CASH AND CASH EQUIVALENTS	–294.2	403.1
EFFECT OF MOVEMENTS IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS	2.6	–0.9
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**111.4**	**403.0**

The negative cash flow from operating activities mainly resulted from usual business payments, for example personnel expenses and consultancy expenses, which are only partially passed on to the companies in the Group as a result of the Group-wide cost allocation concept.

The cash flow from investing activities mainly includes payments for investments (mainly in Rappi Inc. and GlovoApp23 S.L.) and payments for long-term loans to subsidiaries totaling € 498.6 million. Cash inflows of € 238.5 million resulted from the sale of the hungryhouse Group.

The positive cash flows from financing activities resulted mainly from cash receipts resulting from capital increases in connection with the exercise of equity settled stock options.

As of December 31, 2018, the Company had unused credit lines from third parties amounting to € 0.0 million (previous year: € 75.0 million). On January 29, 2019, a new credit line of € 125.0 million was granted.

c) Net assets

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

	DEC. 31, 2018		DEC. 31, 2017		
	EUR MILLION	SHARE (%)	EUR MILLION	SHARE (%)	CHANGE (%)
ASSETS					
NON-CURRENT ASSETS	2,421.4	91.42	2,034.4	78.46	19.0
CURRENT ASSETS	222.8	8.41	555.8	21.44	−59.9
PREPAID EXPENSES	4.4	0.17	2.6	0.10	66.7
TOTAL ASSETS	**2,648.6**	**100.00**	**2,592.9**	**100.00**	**2.2**
LIABILITIES					
EQUITY	2,563.3	96.78	2,511.4	96.86	2.1
PROVISIONS	22.0	0.83	11.8	0.46	86.4
LIABILITIES	62.2	2.35	67.1	2.59	−7.4
DEFERRED INCOME	1.1	0.04	1.3	0.05	−10.3
DEFERRED TAX LIABILITIES	0.0	0.00	1.3	0.05	>100
TOTAL EQUITY AND LIABILITIES	**2,648.6**	**100.00**	**2,592.9**	**100.00**	**2.2**

The total assets of Delivery Hero SE increased by 2.2% in 2018. This increase resulted primarily from inflow of funds from the Company's capital increases. This increase results primarily from inflow of funds from the capital increases used by the Company in the context of its financing activities with its affiliated companies.

Non-current assets as of December 31, 2018 primarily consisted of shares in affiliated companies (€ 1,686.3 million, previous year: € 1,605.3 million), Investments (€ 206.2 million, previous year: € 9.0 million) and loans to affiliated companies (€ 500.4 million: previous year: € 410.0 million).

Current assets as of December 31, 2018 consisted primarily of cash and cash equivalents of € 111.4 million, (previous year: € 403.0 million) as well as receivables and other assets in the amount of € 106.2 million (previous year: € 152.7 million).

Equity as of December 31, 2018 increased to € 2,563.3 million (previous year: € 2,511.4 million) mainly resulting from capital increases from share-based compensation as well as the contribution in kind of non-controlling interests of € 59.0 million. On the contrary, equity decreased by € 7.0 million from the net loss of the period. The equity ratio was 96.8% and has changed only slightly compared to the previous year (previous year: 96.9%).

The increase in provisions in 2018 by € 10.2 million resulted from provisions for not received invoices (€ 15.1 million, previous year: € 5.6 million).

The liabilities as of December 31, 2018 (€ 62.2 million) relate mainly to fixed interest-bearing loan made to Delivery Hero group companies of € 54.2 million (previous year: € 53.0 million), thereof € 34.5 million denominated in USD (previous year: € 41.0 million). The decline in liabilities compared to the previous year is attributable to payments received of € 7.0 million as part of the sales agreement of the hungryhouse Group and has been reported in the balance sheet.

d) Overall assessment

The management assessed the Company's net assets, financial position and results of operations as positive due to the improvement of the financial positions, capital contributions and the increased volume of services provided to Group subsidiaries. Although the company continued to incur losses, these were within the forecasted range.

During the year 2018, the Company further strengthened its headquarter functions by merging with SSC Volo GmbH. The central service offerings were extended, providing more services to the subsidiaries to facilitate the sharing of technological advantages in many markets to pursue new business opportunities. In 2019, the Company foresees to continue to grow the central team to further consolidate the Group's platform landscape.

Berlin, April 23, 2019

Niklas Östberg
Chief Executive Officer

Emmanuel Thomassin
Chief Financial Officer

CONSOLIDATED **FINANCIAL STATEMENTS**

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS

EUR MILLION	NOTE	DEC. 31, 2018	DEC. 31, 2017
NON-CURRENT ASSETS			
INTANGIBLE ASSETS	F. 01.	878.0	1,222.6
PROPERTY, PLANT AND EQUIPMENT	F. 02.	38.8	23.4
OTHER FINANCIAL ASSETS	F. 03.	49.8	31.4
OTHER ASSETS	F. 05.	0.3	0.3
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD	D. 03. C)	162.3	5.9
		1,129.2	**1,283.6**
CURRENT ASSETS			
INVENTORIES	F. 07.	3.1	2.4
TRADE AND OTHER RECEIVABLES	F. 04.	85.1	88.8
OTHER ASSETS	F. 05.	54.5	17.6
INCOME TAX RECEIVABLES	F. 14.	2.2	0.4
CASH AND CASH EQUIVALENTS	F. 08.	364.1	627.3
ASSETS INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	D. 03. E)	366.8	28.1
		875.8	**764.6**
TOTAL ASSETS		**2,005.0**	**2,048.2**

EQUITY AND LIABILITIES

EUR MILLION	NOTE	DEC. 31, 2018	DEC. 31, 2017
EQUITY			
SHARE CAPITAL/SUBSCRIBED CAPITAL	F. 09. A) AND B)	185.9	182.5
CAPITAL RESERVES	F. 09. C)	2,688.2	2,661.3
RETAINED EARNINGS AND OTHER RESERVES	F. 09. D)	−1,256.7	−1,124.5
TREASURY SHARES	F. 09. E)	−0.1	0.0
EQUITY ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT COMPANY		1,617.4	1,719.3
NON-CONTROLLING INTERESTS		−2.3	1.5
		1,615.0	**1,720.8**
NON-CURRENT LIABILITIES			
PENSION PROVISIONS	F. 10.	2.7	1.9
OTHER PROVISIONS	F. 11.	6.2	3.6
TRADE AND OTHER PAYABLES	F. 12.	8.6	2.8
OTHER LIABILITIES	F. 13.	3.2	15.2
DEFERRED TAX LIABILITIES	F. 06.	41.8	81.7
		62.5	**105.2**
CURRENT LIABILITIES			
OTHER PROVISIONS	F. 11.	4.9	21.2
TRADE AND OTHER PAYABLES	F. 12.	172.0	135.1
OTHER LIABILITIES	F. 13.	68.4	41.9
INCOME TAX LIABILITIES	F. 14.	7.3	10.1
LIABILITIES INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE	D. 03. E)	74.8	13.9
		327.4	**222.2**
TOTAL EQUITY AND LIABILITIES		**2,005.0**	**2,048.2**

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

EUR MILLION	NOTE	2018	ADJUSTED 2017[1]
CONTINUING OPERATIONS			
REVENUE	G. 01.	665.1	453.7
COST OF SALES	G. 02.	−318.0	−173.6
GROSS PROFIT		**347.2**	**280.1**
MARKETING EXPENSES	G. 03.	−313.9	−258.2
IT EXPENSES	G. 04.	−54.3	−41.1
GENERAL ADMINISTRATIVE EXPENSES	G. 05.	−217.2	−218.3
OTHER OPERATING INCOME	G. 06.	10.0	25.0
OTHER OPERATING EXPENSES	G. 07.	−9.2	−6.8
IMPAIRMENT LOSSES ON TRADE RECEIVABLES AND CONTRACT ASSETS	G. 07.	−4.3	−14.6
OPERATING RESULT		**−241.7**	**−233.8**
NET INTEREST COST	G. 08.	2.8	−17.9
OTHER FINANCIAL RESULT	G. 09.	18.8	−74.0
SHARE OF THE PROFIT OR LOSS OF ASSOCIATES ACCOUNTED FOR USING THE EUQITY METHOD	D. 03. E)	−38.6	0.9
EARNINGS BEFORE INCOME TAXES		**−258.8**	**−324.9**
INCOME TAXES	G. 10.	−18.3	−7.5
NET LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS		**−277.1**	**−332.4**
NET INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS		234.8	−15.7
NET LOSS		**−42.2**	**−348.1**

EUR MILLION	NOTE	2018	ADJUSTED 2017[1]
OTHER COMPREHENSIVE INCOME (NET)			
ITEMS NOT RECLASSIFIED TO PROFIT OR LOSS:			
REMEASUREMENT OF NET LIABILITY (ASSET) ARISING ON DEFINED BENEFIT PENSION PLANS	F. 09. E)	−0.4	−0.3
ITEMS RECLASSIFIED TO PROFIT OR LOSS IN THE FUTURE:			
EFFECT OF MOVEMENTS IN EXCHANGE RATES	F. 09. E)	−93.0	−98.5
OTHER COMPREHENSIVE INCOME		**−93.4**	**−98.8**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**−135.6**	**−446.9**
NET LOSS FOR THE PERIOD ATTRIBUTABLE TO:			
SHAREHOLDERS OF THE PARENT		−38.2	−345.1
NON-CONTROLLING INTERESTS		−4.0	−2.9
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
SHAREHOLDERS OF THE PARENT		−131.6	−443.0
NON-CONTROLLING INTERESTS		−4.0	−3.9
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS IN EUR		−1.47	−2.09
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUED AND DISCONTINUED OPERATIONS IN EUR		−0.21	−2.19

[1] *ADJUSTED REFER TO SECTION A.02 AND D.03.E).*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

[1] *ADJUSTED BY € 0.1 MILLION FOR IFRS 9 ADOPTION.*
[2] *INCLUDES NON-CASH ADJUSTMENT TO CAPITAL RESERVE OF € −0.7M FOR PREVIOUS TRANSACTION COSTS.*

JAN. 1, 2017 – DEC. 31, 2017

	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
NOTE	*F. 09. A) AND B)*	*F. 09. C)*	*F. 09. D)*	*F. 09. D)*	*F. 09. D)*	*F. 09. E)*			
BALANCE AS OF JAN. 1, 2017	**0.5**	**1,582.8**	**−587.6**	**−93.7**	**−0.2**	**–**	**901.8**	**−9.6**	**892.2**
NET LOSS	–	–	*−345.1*	–	–	–	*−345.1*	*−2.9*	*−348.1*
OTHER COMPREHENSIVE INCOME	–	–	–	*−97.6*	*−0.3*	–	*−97.8*	*−1.0*	*−98.8*
TOTAL COMPREHENSIVE INCOME	**–**	**–**	**−345.1**	**−97.6**	**−0.3**	**–**	**−443.0**	**−3.9**	**−446.9**
TRANSACTIONS WITH OWNERS – PAYMENTS RECEIVED AND CHANGE IN NON-CONTROLLING INTERESTS									
CAPITAL INCREASES	*182.0*	*948.0*	–	–	–	–	*1,130.0*	–	*1,130.0*
EQUITY-SETTLED SHARE-BASED PAYMENTS	–	*113.7*	–	–	–	–	*113.7*	–	*113.7*
ACQUISITION OF NON-CONTROLLING INTERESTS WITHOUT CHANGE OF CONTROL	–	*16.7*	–	–	–	–	*16.7*	*15.1*	*31.8*
TRANSACTIONS WITH OWNERS	*182.0*	*1,078.4*	–	–	–	–	*1,260.5*	*15.1*	*1,275.6*
BALANCE AS OF DEC. 31, 2017	**182.5**	**2,661.3**	**−932.7**	**−191.3**	**−0.5**	**–**	**1,719.3**	**1.5**	**1,720.9**

CONSOLIDATED STATEMENT OF CASH FLOWS

EUR MILLION	NOTE	2018	2017
1. CASH FLOWS FROM OPERATING ACTIVITIES			
NET LOSS		−42.2	−348.1
INCOME TAX (NET)		5.4	2.1
INCOME TAX PAID (−)		−13.6	−7.9
AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	F. 01./F. 02.	57.9	54.7
INCREASE (+)/DECREASE (−) IN PROVISIONS	F. 10.	−11.5	4.4
NON-CASH EXPENSES (+)/INCOME (−) FROM SHARE-BASED PAYMENTS	G. 05.	17.2	71.0
OTHER NON-CASH EXPENSES (+) AND INCOME (−)		25.5	−24.1
GAIN (−)/LOSS (+) ON DISPOSALS OF FIXED ASSETS		0.5	0.6
GAIN (−)/LOSS (+) ON DECONSOLIDATION	D. 03. D)	−270.0	−20.0
INCREASE (−)/DECREASE (+) IN INVENTORIES, TRADE RECEIVABLES AND OTHER ASSETS		−2.7	−51.8
INCREASE (+)/DECREASE (−) IN TRADE AND OTHER PAYABLES		71.6	41.9
INTEREST AND SIMILAR INCOME (−)/ INTEREST AND SIMILAR EXPENSE (+)	G. 08./ G. 09.	−2.7	66.5
CASH FLOWS FROM OPERATING ACTIVITIES		**−164.6**	**−210.6**
2. CASH FLOWS FROM INVESTING ACTIVITIES			
PROCEEDS (+) FROM THE DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT		0.7	1.4
PAYMENTS (−) FOR INVESTMENTS IN PROPERTY, PLANT AND EQUIPMENT	F. 02.	−29.6	−16.6
PROCEEDS (+) FROM DISPOSAL OF INTANGIBLE ASSETS		0.3	0.1
PAYMENTS (−) TO ACQUIRE INTANGIBLE ASSETS	F. 01.	−19.7	−6.5
PAYMENTS (−) FOR INVESTMENTS IN FINANCIAL ASSETS		−15.6	2.0
PAYMENTS FOR (−)/PROCEEDS (+) FROM LOANS TO THIRD PARTIES		−1.3	−0.8
NET PAYMENTS (−) FOR ACQUISITIONS	B. 02. B)	−18.7	−93.6
NET PROCEEDS (+) FROM SALE OF SUBIDIARIES OR DISCONTINUED OPERATIONS	D. 03. E)	232.6	−5.4
PURCHASE OF EQUITY INVESTMENTS	F. 08.	−190.6	0.0
INTEREST RECEIVED (+)		4.8	2.0
CASH FLOWS FROM INVESTING ACTIVITIES		**−37.1**	**−117.5**
3. CASH FLOWS FROM FINANCING ACTIVITIES			
PROCEEDS (+) FROM CAPITAL CONTRIBUTIONS	F. 09.	12.0	1,128.4
PROCEEDS (+) FROM LOANS AND BORROWINGS		0.1	25.0
REPAYMENTS (−) OF LOANS AND BORROWINGS		−1.3	−393.4
INTEREST PAID (−)		−0.2	−11.2
CASH FLOWS FROM FINANCING ACTIVITIES		**10.6**	**748.8**
4. CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD			
NET CHANGE IN CASH AND CASH EQUIVALENTS		−191.1	420.6
EFFECT OF EXCHANGE RATE MOVEMENTS ON CASH AND CASH EQUIVALENTS		−10.1	−10.5
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD[1]	F. 08.	640.9	230.9
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD[1]		**439.8**	**640.9**

[1] *CASH INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE DECEMBER 31, 2018: € 75.7 MILLION (DECEMBER 31, 2017: € 13.6 MILLION).*

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

A. GENERAL INFORMATION

01. Company information

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

Delivery Hero SE (former Delivery Hero AG) 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 conversion from Delivery Hero AG (HRB 187081 B) into a Societas Europaea (SE) became effective with entry in the commercial register on July 13, 2018.

The consolidated financial statements and the combined management report were authorized for issue by the Management Board on April 23, 2019.

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

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

The consolidated financial statements are prepared in Euro.

This is the first set of consolidated financial statements of DH Group in which IFRS 15 and IFRS 9 have been applied. Changes to significant accounting policies are described in section C.

During 2018 the economy in Argentina has been considered to become hyperinflationary. Accordingly, the Group applied the hyperinflationary accounting requirements of IAS 29 – Financial Reporting in Hyperinflationary Economies to it's Argentinian operations. As the presentation currency of the consolidated financial statements is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level or exchange rates in the current year.

On December 20, 2018 the Company signed a transaction document with Takeaway.com N.V. ("Takeaway.com") pursuant to which Delivery Hero sold its German food order and delivery businesses, including all three brands to Takeaway.com (the "Transaction"). In accordance with IFRS 5 the German business is classified as a discontinued operation, comparative information in the consolidated statement of profit or loss and other comprehensive income is restated, balance sheet information as of December 31, 2017 remain unadjusted (we refer to section D. 03. e) of the Consolidated Financial Statements). Accordingly the comparison of the balance sheet information as of December 31, 2018 and 2017 is affected by this presentation. The Transaction was completed on April 1, 2019.

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

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

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

B. ACCOUNTING POLICIES

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

01. Methods of consolidation

a) Subsidiaries

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

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

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

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

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

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

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

b) Associates

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

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

02. Currency translation

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

Transactions in foreign currencies are translated into the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at each reporting date. Foreign exchange gains and losses are generally recognized in profit or loss. The foreign currency differences arising from the translation of available-for-sale equity investments (until December 31, 2017) are recognized in OCI until the investment is impaired or derecognized. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation are recognized in OCI in the consolidated financial statements.

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

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

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

03. Recognition of revenue

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

For the online marketplace services DH Group entities act as an agent. In some arrangements, Delivery Hero also offers delivery services. The DH Group entities carry out the delivery services as principal. For advertising services DH Group entities act also as principal.

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

The consideration for the online marketplace services with and without delivery primarily comprise commission fees. Further included in the consideration are online payment fees if the orderer elects the online payment option and subscription fees. If an additional delivery fee is charged directly to orderers this is also included in the consideration. The payments are collected via online payment providers, as cash or via invoices to the restaurants. For services performed over time, at each reporting date, the revenue is recognized in the amount to which the DH Group entity has a right to invoice. Since the advertising services are mainly provided as a series of distinct monthly services, this provides a faithful depiction of the transfer of the services.

Invoices are generated on a weekly, bi-weekly or monthly basis based on individual contractual agreement. The payment terms vary between 2 and 90 days. Any discounts are treated as a reduction of revenue. If the transaction price includes a variable amount, the transaction price is estimated and recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

As explained in Note C – Changes in significant accounting policies, in the comparative period the revenue was recognized in accordance with the previously effective IAS 18 Revenue. Under IAS 18 revenue was recognized when the significant risks and rewards of ownership were transferred to the customer, recovery of the consideration was probable, the associated costs and possible return of goods could be estimated reliably, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably. Note C also explains the changes between previous and current revenue recognition principles.

04. Property, plant and equipment

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

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

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

USEFUL LIFE IN YEARS

	2018	2017
OPERATING AND OFFICE EQUIPMENT	2–15	2–15
LEASEHOLD IMPROVEMENTS	3–17	3–17

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

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

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

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

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

Amortization is based on the following useful lives:

USEFUL LIFE IN YEARS

	2018	2017
SOFTWARE	2–5	2–3
TRADEMARKS	3–25	5–25
CUSTOMER AND SUPPLIER RELATIONSHIPS	3–10	3–10

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

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

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

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

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

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

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

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

07. Inventories
Inventories of the Group consist mainly of branded and unbranded packages, bags and other items that are provided to restaurants.

Inventories are carried at cost, which is determined on the basis of direct production costs and production-related overheads. Inventories are carried at the lower of cost and net realizable value as of each reporting date. Cost includes all costs of purchase, production and other costs that are incurred in bringing the inventories to their present location and condition. The first-in, first-out method (FIFO) is used to measure cost. Net realizable value is the estimated selling price less estimated costs of completion and estimated costs necessary to make the sale.

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

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

b) Deferred income taxes
Deferred taxes are recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable income. Furthermore, deferred tax assets are recognized for tax loss carryforwards.

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

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

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

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

09. Financial instruments

a) Financial assets
Policies applicable from January 1, 2018
Initial measurement of financial assets
At initial recognition, the Group measures a financial asset at its fair value plus, in the case of financial assets not measured at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of a financial asset measured at fair value through profit or loss are recognized in profit or loss. Trade receivables are initially measured at the transaction price.

Classification of financial assets

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

Financial assets measured at amortized cost

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

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

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

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

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

Cash and cash equivalents

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

Fair value through profit or loss financial assets (FVTPL)

When a financial asset does not fall in any of the above-mentioned categories, a financial asset is classified as "at fair value through profit or loss" and measured at fair value with changes in fair value recognized in profit or loss as "finance gain" or "finance loss".

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

Impairment of financial assets

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

In DH Group, the impairment requirements apply to financial assets measured at amortized cost, lease receivables in the scope of IAS 17 and contract assets as defined in IFRS 15.

Trade receivable and contract assets

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

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

Other financial assets

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

- For financial assets for which there has not been a significant increase in credit risk since initial recognition, the Group recognizes credit losses which represent the life time shortfalls that would result if a default occurs in the 12 months after the reporting date or a shorter period if the expected life of a financial instrument is less than 12 months.
- For those financial assets for which there has been a significant increase in credit risk since initial recognition, a loss allowance reflects credit losses expected over the remaining life of the financial asset.

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

Policies applicable before January 1, 2018

Financial assets of DH Group comprised loans and receivables, available-for-sale financial assets, financial assets at fair value through profit or loss and cash and cash equivalents.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. They are included in current assets as long as their maturities do not extend beyond 12 months after the reporting date. Otherwise they are classified as non current assets.

Loans and receivables are initially recognized on the date when they are originated at their fair value plus any directly attributable transaction costs. They are subsequently measured at amortized cost using the effective interest method.

Impairment of loans and receivables is recognized if there is evidence of financial difficulties of borrowers and the carrying amount of the financial asset exceeds the present value of estimated future cash flows discounted using the original effective interest rate. The impairment on trade receivables is recognized using a provision matrix. Impairment losses are recognized in profit or loss and are reflected in an allowance account. When the Group considers that there are no realistic prospects of recovery of the financial asset, the financial asset is written off. If the impairment loss subsequently decreases, the previously recognized impairment loss is reversed through profit or loss.

Available-for-sale financial assets

The available-for-sale financial assets of the Group are represented by unquoted equity investments. Equity investments are initially recognized on the trade date at their fair value plus any directly attributable transaction costs. They are subsequently measured at fair value through OCI, unless their fair value cannot be determined reliably, in which case they are measured at cost. If there is evidence that available-for-sale financial assets are impaired, the impairment loss is recognized in profit or loss, measured as the difference between the acquisition cost and the current fair value. The impairment loss on an equity investment is not subsequently reversed through profit or loss.

Financial assets at fair value through profit or loss

The financial assets through profit or loss comprise separated embedded derivatives. Such instruments are measured at fair value through profit or loss.

Cash and cash equivalents

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

b) Financial liabilities

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

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

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

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

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

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

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

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

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

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

10. Employee benefits

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

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

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

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

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

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

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

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

If a share-based program is reclassified from cash-settled into equity-settled, the amount of the liability reflecting the fair value of the granted awards at the reclassification date to the extent the services were received is reclassified into capital reserves.

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

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

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

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

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

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

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

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

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

14. Judgment and use of estimates

In the application of accounting policies and the preparation of the consolidated financial statements, management makes decisions based on judgment and estimates. This applies particularly to the following cases:

a) Judgments

Revenue recognition

DH Group classifies its provision of online food ordering services via internet platforms as agent activity, as DH entities do not act as the main supplier, are not exposed to storage risk, cannot influence the pricing of counterparties and receive commission as remuneration.

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

Goodwill allocation

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

Determination of significant influence

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

Classification of share-based payments as equity settled

DH Group classifies its share-based payments awards which enable the Group to settle in equity shares or in cash as equity-settled awards. The Group assesses that it intends and has an ability to settle by means of equity instruments and therefore does not have a present obligation to settle in cash (refer to section H. 01.).

b) Assumptions and estimation uncertainty

Hyperinflation accounting

In Argentina reliable official data about nationwide consumer price index (CPI) changes are unavailable for certain periods to which IAS 29 may be applicable. Based on the current consensus in the Argentine accounting profession, the financial information of the Group's Argentine subsidiaries are restated based on a historic cost approach using the nationwide CPI from January 1, 2017 ongoing and the nationwide wholesale price index (WPI) for financial data up to December 31, 2016, except for the two months of November and December 2015 for which the City of Buenos Aires CPI is used.

LEVEL OF PRICE INDEX

	CHANGE DURING REPORTING PERIOD	CHANGE DURING PREVIOUS PERIOD
NATIONAL CPI	*47.6%*	*24.8%*

Recognition and measurement of other provisions

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

Scope for recognizing deferred tax assets

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

Goodwill impairment testing

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

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

Amortization of intangible assets with finite useful lives

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

Measurement of fair values

A number of the Group's accounting policies require the measurement of fair values for both financial and non-financial assets and liabilities. Significant measurement uncertainties are specifically relevant for the measurement of assets and liabilities in business combinations (refer to section D. 02.), the disposal group held for sale (refer to section D. 03. e), share-based payments (refer to section H. 01.) and financial instruments (refer to section H. 02.).

Significant valuation estimates are reported to the Group's audit committee. Further information on the assumptions and estimates made are listed in the individual disclosures. All assumptions and estimates are based on the conditions prevailing and assessments at the reporting date.

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

a) Changes in significant accounting policies

IFRS 15 and IFRS 9 have been initially applied from January 1, 2018 and the effects of adopting the new standards are described below. Several other new standards are also effective from January 1, 2018, but they do not have a material effect on the Group's consolidated financial statements.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much, and when revenue is recognized. It replaces the existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programs.

DH Group applied the modified retrospective method. Accordingly, the comparative period is presented in line with previous rules.

Under IFRS 15, revenue is recognized when a customer obtains control of the goods and services. The amount and timing of revenue recognition in the Group remained the same as under the previous rules with the following exception. Under IFRS 15, the Group will treat all discounts and vouchers to users of its platforms as consideration payable to the customer and consequently as a deduction from revenue. Previously such discounts and vouchers were treated as marketing expenses. The change is accounted for prospectively and does not impact the financial statements at the date of transition to IFRS 15 as of January 1, 2018. The corresponding deduction from revenue of continued operations for 2018 amounted to € 41.0 million.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets and financial liabilities and replaces IAS 39 Financial Instruments: Recognition and Measurement. Changes in accounting policies resulting from the adoption of IFRS 9 were applied retrospectively, except as described below.

The Group did not to restate comparative information for previous periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets resulting from the adoption of IFRS 9 were recognized in retained earnings as at January 1, 2018.

The impact, net of tax, of transition to IFRS 9 at January 1, 2018 was a loss of € 0.1 million resulting from recognition of expected credit losses which was included in the retained earnings. The total impairment loss reported in 2018 amounts to € 4.3 million (previous year: € 4.5 million). The decrease is primarily the result of the further expansion of online payments as well as offsetting arrangements with the restaurants.

Classification

Applying the new classification requirements to the financial assets outstanding at January 1, 2018, the financial assets that were measured at amortized cost in accordance with IAS 39 were also measured at amortized cost in accordance with IFRS 9. This is because these financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and the contractual terms of these instruments represent solely payments of principal and interest on the principal amount outstanding. Equity instruments that were classified as available-for-sale in accordance with IAS 39 and were measured at cost because the fair value could not be reliably measured are now classified at fair value through profit or loss. The fair values of these equity instruments were represented by their cost at January 1, 2018 because there was no sufficient more recent information available.

Impairment

IFRS 9 replaced the "incurred loss" model in IAS 39 with a forward-looking "expected credit loss" (ECL) model. This model requires considerable judgement as to how changes in economic factors affect ECLs, which is determined on a probability-weighted basis. In the Group, the new impairment model applies to financial assets measured at amortized cost and to contract assets.

The Group measures ECLs on its trade receivables and contracts assets using a provision matrix. The new provision matrix was estimated based on the historical credit loss experience adjusted where appropriate for effects of the current conditions and the forecasts of future developments.

The Group measures the loss allowances of other financial assets on either of the following bases:

- 12-months ECLs (ECLs that result from possible default events within the 12 months after the reporting date); and
- lifetime ECLs (ECLs that result from all possible default events over the expected life of a financial instrument).

Lifetime ECL measurement applies if the credit risk of a financial asset at the reporting date has increased significantly since initial recognition, and 12-month ECL measurement applies if it has not.

Financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39 all fair value changes of liabilities designated as at FVTPL were recognized in profit or loss, whereas under IFRS 9 these fair value changes are presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

The Group has not designated any financial liabilities as at FVTPL. Therefore, there are no effects on the financial liabilities of the Group from adoption of IFRS 9.

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

The following new standards and amendments to standards are effective for annual periods beginning on or after January 1, 2019. The Group has not adopted any of the new or amended standards early in preparing these consolidated financial statements.

STANDARD	TO BE APPLIED FROM	EFFECTS
IFRS 16 LEASES	*JANUARY 1, 2019*	*REFER TO ANALYSIS BELOW*
IFRIC 23: UNCERTAINTY OVER INCOME TAX TREATMENTS (1.1.2019)	*JANUARY 1, 2019*	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENTS TO IFRS 9: PREPAYMENT FEATURES WITH NEGATIVE COMPENSATION	*JANUARY 1, 2019*	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENTS TO IAS 28: LONG-TERM INTERESTS IN ASSOCIATES AND JOINT VENTURES	*JANUARY 1, 2019 (IASB)**	*NO SIGNIFICANT EFFECT EXPECTED*
ANNUAL IMPROVEMENTS TO IFRS CYCLE 2015 – 2017: AMENDMENTS TO IFRS 3, IFRS 11, IAS 12 AND IAS 23	*JANUARY 1, 2019 (IASB)**	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENT TO IAS 19: PLAN AMENDMENT, CURTAILMENT OR SETTLEMENT	*JANUARY 1, 2019 (IASB)**	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENTS TO REFERENCES TO THE CONCEPTUAL FRAMEWORK IN IFRS STANDARDS	*JANUARY 1, 2020 (IASB)**	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENT TO IFRS 3: DEFINITION OF A BUSINESS	*JANUARY 1, 2020 (IASB)**	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENT TO IAS 1 AND IAS 8: DEFINITION OF MATERIAL	*JANUARY 1, 2020 (IASB)**	*NO SIGNIFICANT EFFECT EXPECTED*
IFRS 17: INSURANCE CONTRACTS	*JANUARY 1, 2021 (IASB)**	*NO SIGNIFICANT EFFECT EXPECTED*
AMENDMENTS TO IFRS 10 AND IAS 28: SALE OR CONTRIBUTION OF ASSETS BETWEEN AN INVESTOR AND ITS ASSOCIATES OR JOINT VENTURES	–	*NO SIGNIFICANT EFFECT EXPECTED*

* *NOT YET ENDORSED BY THE EUROPEAN UNION.*

IFRS 16 Leases

Delivery Hero is required to adopt IFRS 16 Leases from January 1, 2019. The Group has assessed the estimated impact that initial application of IFRS 16 will have on its consolidated financial statements, as described below. The actual impact of adopting the standard on January 1, 2019 may change because:

- the Group has not finalised the testing and assessment of controls over its new IT systems; and
- the new accounting policies are subject to change until the Group presents its first financial statements that include the date of initial application.

IFRS 16 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases. IFRS 16 replaces existing lease guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

Leases in which the Group is a lessee

The Group will recognise new assets and liabilities for its operating leases of office space, vehicles and other assets (refer to section H. 09.). The nature of expenses related to those leases will now change because the Group will recognise a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Previously, the Group recognised operating lease expense on a straight-line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

Based on the information currently available, the Group estimates that it will recognise additional lease liabilities and corresponding rights of use of € 86.2 million as at January 1, 2019.

Leases in which the Group is a lessor

The Group will reassess the classification of sub-leases in which the Group is a lessor. No significant impact is expected for other leases in which the Group is a lessor.

Transition

The Group plans to apply IFRS 16 initially on January 1, 2019, using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognised as an adjustment to the opening balance of retained earnings at January 1, 2019, if applicable, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply IFRS 16 to all contracts entered into before January 1, 2019 and identified as leases in accordance with IAS 17 and IFRIC 4. Further it is planned to measure the right-of-use asset at an amount equal to the lease liability at the date of initial application.

D. SCOPE OF CONSOLIDATION

01. Changes in the Group

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

NUMBER OF CONSOLIDATED SUBSIDIARIES

	2018	2017
JANUARY 1	**137**	**136**
ADDITIONS	*15*	*17*
DISPOSALS (INCLUDING MERGERS AND LIQUIDATIONS)	*27*	*16*
DECEMBER 31	**125**	**137**

The additions in 2018 partly relate to the acquisitions across the Europe, Asia and Americas segments (refer to section D. 02.). Additional to these acquisitions 9 entities were founded and added to the consolidation scope in 2018. In 2017, particularly the acquisition of the Carriage group affected the number of consolidated entities.

Disposals in 2018 mainly result from the sale of the hungryhouse group as well as our operations in Brazil, Italy and Switzerland. Additional liquidations and mergers following group internal restructuring measures also led to disposals in 2018.

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

NUMBER OF EQUITY-ACCOUNTED COMPANIES[1]

	2018	2017
JANUARY 1	**2**	**2**
ADDITIONS	*3*	*2*
DIVESTITURE/CONSOLIDATION	*0*	*2*
DECEMBER 31	**5**	**2**

[1] *INVESTMENT IN TAKEEATEASY.BE SA, BELGIUM ELIMINATED FROM PRESENTATION AS IN BANKRUPTCY.*

In 2018 Delivery Hero acquired shares in the on-demand multi-vertical delivery platforms Rappi Inc. (“Rappi”), USA (as of December 31, 2018, 19.5%), and Glovoapp23 S.L. (“Glovo”), Spain (as of December 31, 2018, 16.0%) as well as Sweetheart Kitchen Operations GmbH, Germany (as of December 31, 2018, 40.0%), a cloud kitchen solution which are accounted for at-equity.

02. Acquisitions

During the year 2018, the Group acquired Deliveras S.A., Greece (“Deliveras”), EURÓ Magyarország Kft., Hungary (“Pizza.hu”), Cloud Treats Romania S.A (“HipMenu” and “HipDelivery”) and Motwer SA (“Alan”) which are presented below:

EUR MILLION	FAIR VALUES AT DATE OF ACQUISITION
INTANGIBLE ASSETS	*10.5*
PROPERTY, PLANT AND EQUIPMENT	*0.1*
TRADE AND OTHER RECEIVABLES	*0.5*
CASH AND CASH EQUIVALENTS	*0.5*
PROVISIONS AND LIABILITIES	*–0.5*
TRADE PAYABLES	*–1.2*
DEFERRED TAX LIABILITIES	*–0.8*
NET ASSETS	**9.1**
CONSIDERATION TRANSFERRED	**26.8**
GOODWILL	**17.7**

As at January 31, 2018, Delivery Hero Group acquired Deliveras, a food delivery platform based in Athens. The entity operates a food delivery marketplace – offering vendor delivery services to end-customers. The acquisition of 100% of the shares in Deliveras represents a strategic investment in the Greek market. The shares acquired are representative of the voting rights.

As at May 4, 2018, the Group acquired Pizza.hu, a food delivery platform based in Hungary. The entity operates a food delivery marketplace – offering vendor delivery services to end customers. The acquisition of 100% of the shares in Pizza.hu represents the increased market potential in the Hungarian market. The shares acquired are representative of the voting rights.

As at July 19, 2018, the Group acquired Cloud Treats Romania SA., a food delivery platform based in Cluj, Romania. The entity operates under a mixed model offering both marketplace and own delivery services to end customers. The acquisition in 100% shares of HipMenu represents a strategic investment in the Romanian market. The shares acquired are representative of the voting rights.

At November 5, 2018, the Group acquired 100% stake in Motwer SA. ("Alan"), a company owning "Alan Technology" software. Alan is exclusively used for providing application solutions powered by proprietary engine. This will support DH Group in automating various communication processes for customer care, rider management as well as other personnel related services.

During the year, the Group also had some smaller asset deals in Americas where it acquired Netcomidas.com in Bolivia and MegaBite in Ecuador, both online food delivery platforms.

The fair value of total consideration for all the acquisitions in 2018 is € 26.8 million which includes contingent considerations of € 6.1 million. The contingent consideration depends on the future performance of the businesses; the maximum amount of the contingency also being restricted to € 7.8 million. In connection with these business combinations, no significant transaction costs were incurred.

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

None of the intangible assets have an indefinite useful life.

Goodwill, which consists primarily of not separable components such as positive business prospects, is not deductible for tax purposes.

Combined trade receivables from third parties with a gross value of € 0.5 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 € 0.7 million

If the acquisitions had been consolidated as of January 1, 2018 the entities would have contributed € 2.9 million to revenue and a net loss of € 2.9 million.

Acquisitions in the previous year

On June 14, 2017, Delivery Hero Group acquired Carriage group with entities in several countries of the MENA region. The provisional accounting for the acquisition in accordance with IFRS 3.45 as of that date remained unchanged as presented below:

EUR MILLION	FAIR VALUES AT DATE OF ACQUISITION
INTANGIBLE ASSETS	*5.2*
PROPERTY, PLANT AND EQUIPMENT	*1.0*
TRADE AND OTHER RECEIVABLES	*0.7*
OTHER ASSETS	*0.2*
CASH AND CASH EQUIVALENTS	*3.1*
PROVISIONS AND LIABILITIES	*–0.7*
TRADE PAYABLES	*–3.6*
DEFERRED TAX LIABILITIES	*–0.8*
NET ASSETS	**5.0**
CONSIDERATION TRANSFERRED	**84.8**
GOODWILL	**79.8**

Further, Delivery Hero Group had acquired Fly & Company Inc. Korea on October 10, 2017 and Appetitos24 group, Panama on October 2, 2017. These were individually considered to be insignificant and therefore presented in aggregate. The provisional accounting for these acquisitions in accordance with IFRS 3.45 as of that date also remained unchanged as presented below:

EUR MILLION	FAIR VALUES AT DATE OF ACQUISITION
INTANGIBLE ASSETS	0.6
PROPERTY, PLANT AND EQUIPMENT	0.0
TRADE AND OTHER RECEIVABLES	0.6
OTHER ASSETS	0.1
CASH AND CASH EQUIVALENTS	1.5
PROVISIONS AND LIABILITIES	−0.6
TRADE PAYABLES	−1.3
DEFERRED TAX LIABILITIES	−0.1
NET ASSETS	**0.9**
CONSIDERATION TRANSFERRED	**13.4**
GOODWILL	**12.4**

03. Disclosures on participations pursuant to IFRS 12

a) Subsidiaries

On December 31, 2018 DH Group had 125 fully consolidated subsidiaries.

Refer to section H. 10. for a complete list of the Group's subsidiaries.

b) NCI

As of December 31, 2018 the Group has material NCI (37%) in its Hungerstation subsidiary (Kingdom Saudi Arabia (KSA)).

The following tables provide summarized financial information before intra-group elimination:

SUMMARIZED STATEMENT OF FINANCIAL POSITION OF HUNGERSTATION LLC

EUR MILLION	DEC. 31, 2018	FAIR VALUES AT DATE OF ACQUISITION
CURRENT		
ASSETS	10.8	7.4
LIABILITIES	25.1	11.8
CURRENT NET ASSETS/NET DEBT	−14.3	−4.4
NON-CURRENT		
ASSETS	122.6	117.9
LIABILITIES	0.8	0.3
NON-CURRENT NET ASSETS	121.8	117.6
TOTAL NET ASSETS	**107.5**	**113.2**

SUMMARIZED STATEMENT OF COMPREHENSIVE INCOME OF HUNGERSTATION LLC

EUR MILLION	2018	2017
REVENUE	81.4	23.9
EARNINGS BEFORE INCOME TAXES	−8.3	−4.6
INCOME TAXES	−2.0	2.2
EARNINGS AFTER TAXES	−10.3	−2.4
OTHER COMPREHENSIVE INCOME	−11.2	−15.9
TOTAL COMPREHENSIVE INCOME	**−21.5**	**−18.4**
COMPREHENSIVE LOSS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	−2.4	−1.1

SUMMARIZED STATEMENT OF CASH FLOWS OF HUNGERSTATION LLC

EUR MILLION	2018	2017
CASH GENERATED FROM OPERATIONS	1.0	1.2
NET CASH GENERATED FROM OPERATING ACTIVITIES	1.0	1.2
NET CASH FLOWS FROM INVESTING ACTIVITIES	−1.4	−1.1
NET CASH FLOWS FROM FINANCING ACTIVITIES	−0.1	2.5
NET CHANGE IN CASH AND CASH EQUIVALENTS	−0.5	2.6
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	3.3	0.9
EFFECT OF EXCHANGE RATE MOVEMENTS IN CASH AND CASH EQUIVALENTS	0.0	−0.2
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**2.8**	**3.3**

Accumulated non-controlling interests of Hungerstation, KSA amounts to € −2.4 million as of December 31, 2018 (December 31, 2017: € 1.1 million).

As of December 31, 2017 the Group had material NCI (16%) in its subsidiary RGP Korea Ltd. that was considered acquired based on the put option right of the minority shareholder in the third quarter of 2017. Thus, for RGP Korea Ltd. no minority interest is shown as of December 31, 2017 and 2018. (refer to section H. 02. a).

c) Associated companies

As of December 31, 2018 DH Group has interest in five associates of which two are material (2017: None material) to the Group. Both of these associates are accounted for under the equity method and are presented below:

1. Rappi:

During the year 2018, DH Group invested € 138.1 million ($ 163.9 million) for a minority stake of 19.5% in Rappi, a Delaware, USA based Corporation. Rappi is the parent company of a leading on-demand and multi vertical delivery service platform in Latin America providing restaurant, grocery and other delivery services.

The Group has determined that it exercises as the investees' largest shareholder significant influence due to meaningful representation on the board of directors of the investee and accordingly applies the equity method of accounting.

Below is the summarized financial information for Rappi based on its consolidated financial statements prepared in accordance with IFRS, adjusted for fair value adjustments at acquisition and differences in accounting policies:

SUMMARIZED STATEMENT OF FINANCIAL POSITION OF RAPPI

EUR MILLION	**2018**
NON CURRENT ASSETS	*376.2*
CURRENT ASSETS	*220.5*
NON CURRENT LIABILITIES	*–7.9*
CURRENT LIABILITIES	*–25.8*
NET ASSETS (100%)	*563.0*
GROUP'S SHARE OF NET ASSETS (19.5%)	*109.8*
CARRYING AMOUNT OF INTEREST IN ASSOCIATE	**109.8**
REVENUE (100%)	*46.6*
PROFIT FROM CONTINUING OPERATIONS (100%)	*–138.0*
OTHER COMPREHENSIVE INCOME (100%)	*–4.1*
TOTAL COMPREHENSIVE INCOME (100%)	**–142.1**
GROUP'S SHARE OF TOTAL COMPREHENSIVE INCOME (19.5%)[1]	**–28.3**

[1] DH GROUPS SHARE IN RAPPI SLIGHTLY FLUCTUATED THROUGHOUT THE YEAR DUE TO MULTIPLE FUNDING ROUNDS. THE REPORTED SHARE OF 19.5% IS AS AT YEAR END. THE WEIGHTED AVERAGE SHARE FOR THE ENTIRE YEAR WAS 19.9%.

2. Glovo

In July 2018, DH Group invested € 51.2 million for a minority stake of 15.0% in Glovo, a limited liability company registered in Barcelona, Spain. Glovo is a leading on-demand and multi vertical delivery service platform providing restaurant, grocery and other delivery services, operating majorly across Europe and Latin America.

Later in September 2018, the group sold its operations in Italy to Glovo in lieu of shares, thereby increasing the overall holding to 16.0%. The Group has determined that it exercises as the investees' largest shareholders significant influence due to meaningful representation on the board of directors of the investee and accordingly, applies the equity method of accounting.

Below is the summarized financial information for Glovo based on its consolidated financial statements prepared in accordance with IFRS, adjusted for fair value adjustments at acquisition and differences in accounting policies:

SUMMARIZED STATEMENT OF FINANCIAL POSITION OF GLOVO:

EUR MILLION	2018
NON CURRENT ASSETS	254.9
CURRENT ASSETS	81.5
NON CURRENT LIABILITIES	–13.3
CURRENT LIABILITIES	–39.5
NET ASSETS (100%)	283.6
GROUP'S SHARE OF NET ASSETS (16.0%)	45.4
ELIMINATION OF UNREALISED PROFIT ON DOWNSTREAM SALES	–
CARRYING AMOUNT OF INTEREST IN ASSOCIATE	**45.4**
REVENUE (100%)	75.2
PROFIT FROM CONTINUING OPERATIONS (100%)	–90.4
OTHER COMPREHENSIVE INCOME (100%)	1.8
TOTAL COMPREHENSIVE INCOME (100%)	**–88.6**
ADJUSTED TOTAL COMPREHENSIVE INCOME FOR INVESTMENT PERIOD (100%)	**–61.7**
GROUP'S SHARE OF TOTAL COMPREHENSIVE INCOME (16.0%)	**–9.8**

The table below includes in aggregate financial information of individually immaterial associates and joint ventures:

FOR INDIVIDUALLY IMMATERIAL ASSOCIATES:

EUR MILLION	2018	2017
CARRYING AMOUNT OF INTERESTS	6.0	5.9
SHARE OF PROFIT/LOSS ATTRIBUTABLE TO DH GROUP	0.1	0.2
OTHER COMPREHENSIVE INCOME	–	–

FOR INDIVIDUALLY IMMATERIAL JOINT VENTURES

EUR MILLION	2018	2017
CARRYING AMOUNT OF INTERESTS	1.1	0.1
SHARE OF PROFIT/LOSS ATTRIBUTABLE TO DH GROUP	–2.9	–1.6
OTHER COMPREHENSIVE INCOME	–	–

d) Loss of control

During the year 2018, Delivery Hero sold its operations in Switzerland, Italy and Brazil to the group Takeaway, Glovo and iFood respectively and concluded the sale of hungryhouse group, classified as held for sale as of December 31, 2017 to Just Eat.

At the time when control was lost in above mentioned entities, they had aggregate cash and cash equivalents of € 9.2 million, assets other than cash and cash equivalents of € 2.7 million and liabilities of € 56.8 million.

The combined gain resulting from sale of operations Switzerland, Brazil and Italy was € 8.2 million and is included as Gain from disposal of subsidiaries presented in "other Income". For the gain realized from the hungryhouse sale please see below.

During the year the Group also divested its operations in Australia. Suppertime Australia Pty Ltd. (Foodora Australia), has filed for voluntary administration which has been accepted by local registrars.

e) Discontinued operations

Sale of hungryhouse group:

On January 31, 2018 Delivery Hero closed the sale of the hungryhouse group. The gain from this divestment amounted to € 261.3 million and is included in the net result for the period from discontinued operations.

Sale of German operations

On December 20, 2018 the Company signed a transaction document with Takeaway.com N.V. pursuant to which Delivery Hero is selling its German food delivery businesses, including all three brands to the Takeaway group (the "Transaction"). The Transaction was completed on April 1, 2019.

The total consideration amounts to € 930 million, consisting of € 508 million in cash and 9.5 million shares in Takeaway.com N.V. worth € 422 million[20], representing approximately 15.5% of the total issued and outstanding share capital of Takeaway.com N.V. as of the transaction completion date.

Delivery Hero will have the right to submit a binding nomination for the appointment of one independent member to Takeaway.com N.V.'s supervisory board. This right will expire at the date Delivery Hero holds less than 9.99% of Takeaway.com N.V.'s issued and outstanding share capital. The parties have agreed to a standstill period of four years following the completion of the Transaction during which Delivery Hero and its subsidiaries, with limited exceptions,

[20] Valuation based on € 44.40 per share equivalent to the last 10 day VWAP as of December 19, 2018.

shall, in particular, not directly or indirectly in any way effect or cause to effect any increase in its shareholding in Takeaway.com N.V. through any financial instruments or related derivative securities. During the standstill period and up to three years after that period, certain voting restrictions, mainly on mergers and acquisitions related matters and in case of conflict of interest, will apply to Delivery Hero's shares in Takeaway.com N.V. Certain other shareholder restrictions will apply to Delivery Hero during, and for a limited period after, the standstill period.

The assets and liabilities are summarized as assets and liabilities respectively included in a disposal group classified as held for sale as of December 31, 2018. In accordance with IFRS 5.15, the disposal group was measured at carrying amount as this is lower than the fair value less cost to sell.

Since the German operations sold in the Transaction represent a material geographical operation within DH Group they are presented as discontinued operations in the consolidated statement of profit or loss and other comprehensive income for 2018 and 2017.

Subsequently presented is summarized information of the net assets, financial position and result from discontinued operations, including hungryhouse group and the German operations.

PROFIT OR LOSS FROM THE DISCONTINUED OPERATION

EUR MILLION	2018	2017
REVENUE	106.2	142.3
CONSOLIDATION OF INTRAGROUP REVENUE	−6.0	−11.9
EXTERNAL REVENUE	**100.2**	**130.4**
EXPENSES	−172.4	−190.3
INCOME	261.7	0.5
CONSOLIDATION OF INTRAGROUP EXPENSES	32.4	38.3
EXTERNAL EXPENSES	**121.7**	**−151.5**
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS	**221.9**	**−21.1**
INCOME TAXES	12.9	5.4
PROFIT OR LOSS FROM DISCONTINUED OPERATIONS AFTER TAXES	**234.8**	**−15.7**

Income from discontinued operations includes the gain from the sale of hungryhouse of € 261.3 million.

CASH FLOWS FROM THE DISCONTINUED OPERATION

EUR MILLION	2018	2017
NET CASH FLOW FROM OPERATING ACTIVITIES	−46.1	−23.9
NET CASH FLOW FROM INVESTING ACTIVITIES	−1.9	0.0
NET CASH FLOW FROM FINANCING ACTIVITIES	100.1	35.6
NET CASH FLOW FOR THE YEAR	**52.1**	**11.7**

The OCI (net) did not include foreign currency translation gains or losses from discontinued operations in current year (previous year: gains of € 1.4 million).

ASSETS AND LIABILITIES OF THE DISPOSAL GROUP 2018 (GERMAN OPERATIONS)

EUR MILLION	2018
INTANGIBLE ASSETS	269.5
PROPERTY, PLANT AND EQUIPMENT	0.2
DEFERRED TAX ASSETS	6.5
INVENTORIES	0.7
TRADE AND OTHER RECEIVABLES	13.7
OTHER CURRENT ASSETS	0.4
CASH AND CASH EQUIVALENTS	75.8
ASSETS HELD FOR SALE	**366.8**
OTHER LIABILITIES	0.0
DEFERRED TAX LIABILITIES	21.3
OTHER CURRENT PROVISIONS	5.8
CURRENT TRADE AND OTHER PAYABLES	43.6
OTHER NONFINANCIAL LIABILITIES (CURRENT)	4.1
INCOME TAX LIABILITIES (CURRENT)	0.0
LIABILITIES HELD FOR SALE	**74.8**

ASSETS AND LIABILITIES OF THE DISPOSAL GROUP 2017 (HUNGRYHOUSE)

EUR MILLION	2017
INTANGIBLE ASSETS	11.4
PROPERTY, PLANT AND EQUIPMENT	0.1
DEFERRED TAX ASSETS	0.1
INVENTORIES	0.3
TRADE AND OTHER RECEIVABLES	2.5
OTHER CURRENT ASSETS	0.1
CASH AND CASH EQUIVALENTS	13.6
ASSETS HELD FOR SALE	**28.1**
OTHER LIABILITIES	0.0
DEFERRED TAX LIABILITIES	0.1
OTHER CURRENT PROVISIONS	5.0
CURRENT TRADE AND OTHER PAYABLES	7.0
OTHER NONFINANCIAL LIABILITIES (CURRENT)	1.7
INCOME TAX LIABILITIES (CURRENT)	0.1
LIABILITIES HELD FOR SALE	**13.9**

E. OPERATING SEGMENTS

01. Segmentation principles

The Management Board of the Company represents the Group's chief operating decision maker (CODM). In line with the management approach, the operating segments are identified on the basis of the internal reporting structure. Internal reporting is the basis for the allocation of resources and the evaluation of the performance of the operating segments by the Management Board.

The Group's business activity is segmented according to geographical attributes. There is separate internal reporting to the Management Board for the Europe, MENA, Asia and Americas regions. Turkey is assigned to the MENA segment and Canada to the Americas segment. The Group offers food ordering and delivery services with a different configuration of platform-based marketplace offers and delivery services depending on the respective markets. The regional range of services is determined partly by demand, infrastructure, demographic circumstances, and the competitive situation.

The profitability of the operating segments is measured on the basis of adjusted EBITDA. Adjusted EBITDA is the earnings from continuing operations before income taxes, financial result, depreciation and amortization and non-operating earnings effects. Non-operating earnings effects comprise, in particular (i) expenses for share-based payment, (ii) expenses for services in connection with corporate transactions and financing rounds, (iii) expenses for reorganization measures, (iv) expenses for the implementation of information technology, (v) expenses for the achievement of capital market capability in prior years, and (vi) 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.

Until December 31, 2018 revenue and adjusted EBITDA from German businesses classified as discontinued operations is included in the segment presentation.

From the measurement of the 2018 segment performance excluded are operations of foodora Australia, France, Italy and Netherlands abandoned or sold during the reporting period. Comparative information is not restated.

02. Segment information and reconciliation of segment information

a) Revenue

Sales between segments are conducted at market prices. The revenue with external customers reported to the CODM generally equals the measurement of the revenue recognized in the statement of comprehensive income with exception to discounts and vouchers to users of the platforms that are treated as marketing expenses for reporting to the CODM whereas effective January 1, 2018 following the application of IFRS 15 (refer to section C) they are deducted from revenue in the statement of comprehensive income.

Revenues are split across the segments as follows:

EUR MILLION	2018	2017	CHANGE EUR MILLION	CHANGE %
EUROPE	221.3	198.8	22.5	11.3
MENA	316.4	153.3	163.1	>100
ASIA	192.5	144.8	47.8	33.0
AMERICAS	62.1	47.4	14.8	31.2
SEGMENT REVENUE	**792.4**	**544.2**	**248.2**	**45.6**
RECLASSIFICATION TO DISCONTINUED OPERATIONS	105.4	90.0	15.4	17.1
SEGMENT REVENUE EXCLUDING DISCONTINUED OPERATIONS	**687.0**	**454.2**	**232.8**	**51.2**
RECONCILIATION EFFECTS	19.2[1]	−0.5	19.6	>100
DISCOUNTS	−41.0	–	N.A.	N.A.
GROUP REVENUE	**665.1**	**453.7**	**211.4**	**46.6**

[1] *RECONCILIATION EFFECTS INCLUDE GROSS REVENUE OF OPERATIONS ABANDONED OR SOLD DURING THE REPORTING PERIOD. IN 2018 THESE DIVESTMENTS INCLUDE AUSTRALIA, FRANCE, ITALY AND NETHERLANDS.*

b) Adjusted EBITDA

EUR MILLION	2018	2017	CHANGE EUR MILLION	CHANGE %
EUROPE	−56.8	−45.5	−11.3	24.8
MENA	18.1	23.9	−5.8	−24.2
ASIA	−51.9	−47.1	−4.8	10.2
AMERICAS	−50.9	−25.4	−25.5	>100
ADJUSTED EBITDA OF THE SEGMENTS	**−141.6**	**−94.2**	**−47.3**	**50.2**
RECLASSIFICATION TO DISCONTINUED OPERATIONS	41.4	11.0	30.3	>100
ADJUSTED EBITDA OF THE SEGMENTS EXCLUDING DISCONTINUED OPERATIONS	**−100.2**	**−83.2**	**−17.0**	**20.5**
CONSOLIDATION ADJUSTMENTS	−12.3	−13.3	1.0	−7.5
ITEMS EXCLUDED FROM SEGMENT PERFORMANCE	−20.0	–	−20.0	>100
MANAGEMENT ADJUSTMENTS	−44.1	−32.8	−11.3	34.3
EXPENSES FOR SHARE-BASED COMPENSATION	−17.2	−69.5	52.3	−75.2
OTHER RECONCILIATION ITEMS	−0.2	9.4	−9.6	>100
AMORTIZATION AND DEPRECIATION	−47.7	−44.3	−3.5	7.8
NET INTEREST AND OTHER FINANCIAL RESULT	−17.1	−91.1	74.0	−81.3
EARNINGS BEFORE INCOME TAXES	**−258.8**	**−324.8**	**66.0**	**−20.3**

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

Items excluded from segment performance in 2018 relate to operations in Australia, France, Italy and Netherlands divested during the reporting period of € 20.0 million (previous year: nil).

In 2018 the management adjustments include expenses for services in connection with corporate transactions and funding rounds of € 40.1 million (previous year: € 22.3 million), expenses for reorganization measures of € 3.9 million (previous year: € 5.1 million), and expenses for the implementation of information technologies of € 0.1 million (previous year: € 0.5 million) and expenses for the realization of capital market viability of € 0.0 million (previous year: € 5.0 million).

Other reconciliation items do include non-operating income and expenses. In 2018 this item included in particular gains from the disposal of subsidiaries of € 4.4 million (previous year: € 19.5 million), impairment of other assets and receivables of € 0.5 million (previous year: € 0.5 million), as well as non-income-taxes of € 5.5 million (previous year: € 6.2 million).

03. Information about geographical areas

The tables below show the revenue and non-current assets for material countries (>10% of total Group) in the Group. The geographical allocation of the revenue and assets is based on the domicile of each subsidiary.

a) Revenue

EUR MILLION	2018	2017
KUWAIT	99.5	47.5
KOREA	94.4	73.0
SAUDI ARABIA	92.3	49.4
OTHER COUNTRIES	378.9	283.4
SUBTOTAL CONTINUING OPERATIONS	665.1	453.4
GERMANY	**96.8**	**90.3**
UNITED KINGDOM	3.4	40.3
TOTAL	**765.3**	**584.1**

b) Non-current assets

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
TURKEY	256.1	353.2
KUWAIT	195.8	192.2
GERMANY	188.8	281.5
SAUDI ARABIA	127.7	122.8
OTHER COUNTRIES	310.9	302.6
TOTAL	**1,079.4**	**1,252.4**

Non-current assets do not include financial instruments, deferred tax assets or assets for employee benefits.

F. DISCLOSURES ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

01. Intangible assets

a) Reconciliation of carrying amount

Intangible assets declined by € 344.6 million in the current year. This change is primarily due to intangible assets relating to the German operations reclassified to assets included in a disposal group classified as held for sale (€ 269.5 million) and to negative foreign currency exchange effects (€ 74.5 million), predominantly the appreciation of Euro against the Turkish Lira (€ 85.7 million).

The decline in goodwill is mainly the result of the reclassification of the German operations in discontinued operations (€ 129.0 million) and foreign currency effects, primarily the appreciation of the Euro to the Turkish Lira (€ 34.5 million). In contrast, goodwill additions of € 17.7 million mainly from the acquisitions of CloudTreats Romania S.A. (Romania), Deliveras S.A. (Greece) and Pizza.hu (Hungary) (refer to section D. 02.) reduced this effect.

Goodwill is not subject to amortization.

The useful life of the brands identified as part of the acquisitions is between five and ten years and that of the customer and supplier relationships is eight to nine years. The remaining useful life of the other brands may extend from two to twentyone years; that of the other customer and supplier relationships ranges between two and nine years.

Amortization of intangible assets is recognized in administrative expenses, except for amortization of brands which is reflected in marketing expenses.

Movements in intangible assets:

EUR MILLION	GOODWILL	LICENSES AND SIMILAR RIGHTS	TRADEMARKS	SOFTWARE	INTERNALLY GENERATED INTANGIBLE ASSETS	CUSTOMER/ SUPPLIER BASE AND OTHER INTANGIBLE ASSETS	TOTAL
COST							
AS OF JAN. 1, 2018	**733.0**	**5.1**	**426.5**	**18.4**	**8.5**	**168.9**	**1,360.3**
ADDITIONS THROUGH BUSINESS COMBINATIONS	17.7	0.0	0.6	6.9	0.0	3.0	28.2
DISPOSALS DUE TO DECONSOLIDATION	−6.2	0.0	−2.4	−0.9	−0.4	−0.2	−10.0
ADDITIONS	2.9	0.5	0.7	9.1	5.1	5.7	24.0
RECLASSIFICATIONS	−128.9	6.7	−137.2	0.3	−0.7	−53.3	−313.1
DISPOSALS	−0.2	−0.4	−0.2	−0.1	−0.1	−0.1	−1.1
TRANSLATION DIFFERENCES	−24.8	−0.2	−56.8	−0.6	−0.9	0.1	−83.2
AS OF DEC. 31, 2018	**593.5**	**11.6**	**231.3**	**33.1**	**11.4**	**124.2**	**1,005.1**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES							
AS OF JAN. 1, 2018	**−19.5**	**−3.6**	**−58.8**	**−9.0**	**−3.8**	**−42.9**	**−137.7**
DISPOSALS DUE TO DECONSOLIDATION	0.5	0.0	2.2	0.9	0.0	0.1	3.6
AMORTIZATION	0.0	−0.2	−14.5	−3.3	−3.1	−12.6	−33.6
IMPAIRMENT LOSSES	−4.3	–	−0.2	−0.2	0.0	0.0	−4.7
RECLASSIFICATIONS	–	−1.5	20.7	0.0	0.1	16.5	35.8
DISPOSALS	0.2	0.4	0.1	0.0	–	0.0	0.7
TRANSLATION DIFFERENCES	0.0	−0.1	6.9	0.4	0.3	1.2	8.7
AS OF DEC. 31, 2018	**−23.1**	**−5.0**	**−43.6**	**−11.3**	**−6.5**	**−37.6**	**−127.1**
CARRYING AMOUNT AS OF DEC. 31, 2018	**570.4**	**6.7**	**187.7**	**21.8**	**4.9**	**86.5**	**878.0**
CARRYING AMOUNT AS OF JAN. 1, 2018	**713.5**	**1.4**	**367.7**	**9.4**	**4.7**	**126.0**	**1,222.7**

EUR MILLION	GOODWILL	LICENSES AND SIMILAR RIGHTS	TRADEMARKS	SOFTWARE	INTERNALLY GENERATED INTANGIBLE ASSETS	CUSTOMER/ SUPPLIER BASE AND OTHER INTANGIBLE ASSETS	TOTAL
COST							
AS OF JAN. 1, 2017	**706.7**	**4.9**	**479.2**	**15.4**	**6.7**	**177.9**	**1,390.8**
ADDITIONS THROUGH BUSINESS COMBINATIONS	93.0	0.0	3.7	0.9	1.1	1.9	100.7
DISPOSALS DUE TO DECONSOLIDATION	−4.8	−0.9	−0.7	−0.3	−0.1	–	−6.7
ADDITIONS	0.1	0.5	0.0	2.7	1.8	1.5	6.6
RECLASSIFICATIONS	–	1.1	0.1	0.4	0.0	−0.8	0.8
DISPOSALS	–	0.0	0.0	−0.3	−0.2	−0.1	−0.6
TRANSLATION DIFFERENCES	−62.1	−0.6	−55.8	−0.4	−0.7	−11.7	−131.3
AS OF DEC. 31, 2017	**733.0**	**5.1**	**426.5**	**18.4**	**8.5**	**168.9**	**1,360.3**
ACCUMULATED AMORTIZATION AND IMPAIRMENT LOSSES							
AS OF JAN. 1, 2017	**−15.5**	**−3.5**	**−42.2**	**−5.4**	**−0.4**	**−29.8**	**−96.8**
DISPOSALS DUE TO DECONSOLIDATION	–	0.5	0.3	0.1	0.1	–	0.9
AMORTIZATION	0.0	−0.6	−21.9	−2.4	−2.6	−15.6	−43.2
IMPAIRMENT LOSSES	−4.0	–	−0.1	−0.2	–	−0.1	−4.4
RECLASSIFICATIONS	–	−0.5	−0.1	−0.6	0.0	0.4	−0.8
DISPOSALS	–	0.1	0.0	0.1	0.1	0.0	0.3
TRANSLATION DIFFERENCES	0.0	0.4	5.2	0.3	0.2	2.2	8.2
AS OF DEC. 31, 2017	**−19.5**	**−3.6**	**−58.8**	**−9.1**	**−3.7**	**−42.9**	**−137.7**
CARRYING AMOUNT AS OF DEC. 31, 2017	**713.5**	**1.4**	**367.7**	**9.3**	**4.8**	**126.0**	**1,222.6**
CARRYING AMOUNT AS OF JAN. 1, 2017	**691.2**	**1.5**	**437.0**	**10.0**	**6.3**	**148.0**	**1,294.0**

b) Breakdown of goodwill

For the purpose of impairment testing , the Group allocates goodwill to cash-generating units. In 2018, management adjusted regional management structures in each of the segments and correspondingly aligned the goodwill allocation to CGUs. Accordingly, goodwill has been reallocated to the level that represents the lowest level within the Group at which the goodwill is monitored for internal management purposes.

At December 31, 2018 and 2017 the goodwill was allocated as follows taking into account the recognized impairment losses per CGU:

EUR MILLION	2018	2017
HUNGERSTATION GROUP	*112.5*	*107.6*
YEMEK SEPETI GROUP	*101.5*	*136.0*
CARRIAGE GROUP	*78.1*	*75.0*
TALABAT GROUP	*59.0*	*55.6*
NORDICS GROUP[1]	*44.9*	–
DELIVERY HERO GERMANY GMBH	–	*125.7*
SUBTOTAL	**396.0**	**499.9**
GOODWILL OF OTHER CGUS	*174.4*	*213.6*
TOTAL	**570.4**	**713.5**

[1] THE CGU NORDICS GROUP WAS INTRODUCED FOLLOWING THE GOODWILL REALLOCATION IN 2018. IN 2017, THE GROUP WAS INCLUDED IN "GOODWILL OF OTHER CGUS".

Goodwill of the cash generating unit (CGU) Yemek Sepeti group declined as of December 31, 2018 compared with previous year as a result of foreign currency translation movements.

Delivery Hero Germany comprises the brands Lieferheld, Pizza.de and foodora Germany. In 2018, foodora Germany was subsumed in the Delivery Hero Germany CGU as part of the regional management structure adjustments. Following the announcement of the planned disposal of the German operations, goodwill of Delivery Hero Germany has been reclassified to assets included in a disposal group classified as held for sale, accordingly.

In 2018, goodwill impairment losses of € 4.3 million (previous year: € 4.0 million) were recognized in connection with the divestments of non-core operations. In course of the 2018 annual impairment test the recoverable amount of all CGUs exceeded their carrying amount.

In 2017, goodwill impairment losses were recognized for the CGU Croatia of € 2.0 million. In addition, the net assets of 9Coockies were written off resulting in an impairment loss of € 2.0 million. The total impairment losses were recorded within other operating expenses.

The fair value less costs of disposal of the CGUs (categorized as level 3 of the fair value hierarchy) was calculated by applying the discounted cash flow method. Basis for determining the expected future cash flow is a detailed planning period of five years for each CGU. For perpetuity, the expected future cash flows (before interest and taxes) of each CGUs were determined under consideration of CGU-specific revenue growth and EBITDA growth assumptions.

The following table shows the key planning assumptions in 2018:

CGU 2018

%	YEMEK SEPETI GROUP	HUNGER-STATION GROUP	CARRIAGE GROUP	TALABAT GROUP	NORDICS GROUP	OTHER GOODWILL[1]
REVENUE GROWTH P.A. IN PLANNING PERIOD (CAGR)	*18.5*	*15.1*	*38.6*	*18.4*	*16.6*	*28.2*
AVERAGE EBITDA MARGIN IN PLANNING PERIOD	*45.5*	*15.7*	*16.4*	*18.7*	*11.3*	*0.5*
TERMINAL VALUE REVENUE GROWTH	*13.3*	*1.3*	*1.6*	*1.9*	*0.9*	*2.0*
EBITDA MARGIN AFTER END OF PLANNING PERIOD	*50.0*	*20.0*	*30.0*	*35.0*	*30.0*	*27.5*
AVERAGE DISCOUNT RATE IN PLANNING PERIOD/WACC	*22.3*	*8.4*	*8.7*	*9.3*	*7.5*	*10.5*
AGE OF COMPANY (YEARS)	*17*	*4*	*4*	*7*	*8*	*9*

[1] *EXCLUDING THE GERMAN BUSINESS.*

The following table shows the key planning assumptions in 2017:

CGU 2017

%	YEMEK SEPETI GROUP	HUNGER-STATION GROUP	CARRIAGE GROUP	TALABAT GROUP	NORDICS GROUP[2]	OTHER GOODWILL[1]
REVENUE GROWTH P.A. IN PLANNING PERIOD (CAGR)	*23.9*	*16.6*	*26.5*	*14.0*	*14.1*	*16.8*
AVERAGE EBITDA MARGIN IN PLANNING PERIOD	*49.3*	*17.7*	*18.8*	*41.6*	*27.4*	*10.8*
TERMINAL VALUE REVENUE GROWTH	*6.9*	*1.7*	*2.6*	*2.2*	*1.1*	*2.2*
EBITDA MARGIN AFTER END OF PLANNING PERIOD	*51.8*	*30.0*	*30.0*	*45.0*	*36.8*	*33.7*
AVERAGE DISCOUNT RATE IN PLANNING PERIOD/WACC	*16.3*	*9.2*	*9.9*	*9.7*	*8.1*	*11.2*
AGE OF COMPANY (YEARS)	*16*	*3*	*3*	*6*	*7*	*8*

[1] *EXCLUDING THE GERMAN BUSINESS.*
[2] *THE CGU NORDICS GROUP WAS INTRODUCED FOLLOWING THE GOODWILL REALLOCATION IN 2018. IN 2017, THE BUSINESS WAS INCLUDED IN "OTHER GOODWILL".*

The planning process for each CGU is based on a structured bottom-up approach that is carried out once a year. The overall process is directed by central management via top-down target-setting in the form of country-/company-specific KPIs. The respective local management then prepares the business plan and adjusts it in an iterative process together with central management.

Local management teams use cohort models for revenue planning. The cohort models analyze the past order behavior of (local) end customers and apply statistic methods to forecast the future behavior of existing end customers. Future revenue from new end customers is derived from the planned marketing expenses and the development of estimated acquisition costs per new end customer. The main assumptions for the cohort models include the customer retention/reorder rate, customer activity rate, average order size and commission rates.

Costs, except for marketing, are planned using revenue based percentages.

The equity component of 2018 WACC is based on a uniform risk-free base rate of 1.25% for the Euro area (previous year: 1.25%) and a CGU-specific risk premium between 7.7% and 16.9% (previous year: 6.0% to 25.0%). The risk premium mainly contains adjustment components for inflation and country risk as well as market risk and CGU-specific premiums. Additionally, CGU-specific risk premiums are applied to the free cash flows, which depend on the age of the CGU and decline towards maturity. Further, an entity-specific risk factor (beta factor) of 0.95 (previous year: 1.04) is used across all CGUs. Tax rates of between 0% and 33% are applied dependent on the CGU/country. Due to the assumption of full equity financing, the WACC contains no debt component.

As part of the annual impairment testing in 2018, a sensitivity analysis was conducted. In each scenario, an increase of the base rate by 100 basis points (bps) and an absolute reduction of the planned EBITDA margin by five percentage points were assumed. None of these scenarios triggered impairment in any CGU.

02. Property, plant and equipment

Movements in property, plant and equipment:

EUR MILLION	LEASEHOLD IMPROVEMENTS	OPERATING AND OFFICE EQUIPMENT	ADVANCE PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT	TOTAL
COST				
AS OF JAN. 1, 2018	**9.3**	**28.0**	**0.2**	**37.5**
ADDITIONS THROUGH BUSINESS COMBINATIONS	*0.0*	*0.1*	–	*0.1*
DISPOSALS DUE TO DECONSOLIDATION	*0.0*	*–1.7*	–	*–1.7*
ADDITIONS	*4.7*	*23.7*	*1.9*	*30.3*
RECLASSIFICATIONS	*–0.4*	*–2.6*	*–1.0*	*–4.0*
DISPOSALS	*–0.1*	*–2.2*	*0.0*	*–2.3*
TRANSLATION DIFFERENCES	*–1.1*	*–1.2*	*0.0*	*–2.3*
AS OF DEC. 31, 2018	**12.5**	**44.1**	**1.1**	**57.7**
ACCUMULATED DEPRECIATION				
AS OF JAN. 1, 2018	**–1.7**	**–12.5**	**–**	**–14.2**
ADDITIONS THROUGH BUSINESS COMBINATIONS	–	*0.0*	–	*0.0*
DISPOSALS DUE TO DECONSOLIDATION	*0.0*	*1.3*	–	*1.3*
DEPRECIATION	*–1.1*	*–10.2*	–	*–11.3*
IMPAIRMENT LOSSES	*0.0*	*–0.3*	–	*–0.3*
RECLASSIFICATIONS	*1.0*	*2.7*	–	*3.7*
DISPOSALS	*0.1*	*1.4*	–	*1.5*
TRANSLATION DIFFERENCES	*0.0*	*0.3*	–	*0.4*
AS OF DEC. 31, 2018	**–1.6**	**–17.3**	**0.0**	**–18.9**
CARRYING AMOUNT AS OF DEC. 31, 2018	**10.8**	**26.8**	**1.1**	**38.8**
CARRYING AMOUNT AS OF JAN. 1, 2018	**7.6**	**15.5**	**0.2**	**23.4**

EUR MILLION	LEASEHOLD IMPROVE-MENTS	OPERATING AND OFFICE EQUIPMENT	ADVANCE PAYMENTS FOR PROPERTY, PLANT AND EQUIPMENT	TOTAL
COST				
AS OF JAN. 1, 2017	**4.9**	**21.3**	**–**	**26.1**
ADDITIONS THROUGH BUSINESS COMBINATIONS	0.1	1.4	–	1.5
DISPOSALS DUE TO DECONSOLIDATION	–	–1.4	–	–1.4
ADDITIONS	1.9	10.6	4.1	16.6
RECLASSIFICATIONS	3.1	0.4	–3.5	0.0
DISPOSALS	–0.4	–3.1	0.1	–3.5
TRANSLATION DIFFERENCES	–0.1	–1.2	–0.5	–1.8
AS OF DEC. 31, 2017	**9.3**	**28.0**	**0.2**	**37.5**
ACCUMULATED DEPRECIATION				
AS OF JAN. 1, 2017	**–1.5**	**–9.1**	**–**	**–10.6**
ADDITIONS THROUGH BUSINESS COMBINATIONS	–	–0.5	–	–0.5
DISPOSALS DUE TO DECONSOLIDATION	–	1.0	0.0	1.0
DEPRECIATION	–0.6	–6.1	–	–6.8
IMPAIRMENT LOSSES	–	–	–	–
RECLASSIFICATIONS	–	–	–	–
DISPOSALS	0.4	1.6	–	2.1
TRANSLATION DIFFERENCES	0.1	0.5	–	0.6
AS OF DEC. 31, 2017	**–1.7**	**–12.5**	**–**	**–14.2**
CARRYING AMOUNT AS OF DEC. 31, 2017	**7.7**	**15.5**	**0.2**	**23.4**
CARRYING AMOUNT AS OF JAN. 1, 2017	**3.3**	**12.2**	**–**	**15.5**

The increase in operating and office equipment is primarily the result of acquisitions and increased business activities. In this context investments in POS equipment to onboard new restaurant partners and in computer hardware to employees were made. Further, the relocation into new office premises in Korea contributed to the additions in leasehold improvements.

The reclassifications relate mainly to the reclassification of plant, property and equipment of the German operations to assets included in a disposal group classified as held for sale.

Operating and office equipment is leased to third parties on a short-term basis only to a minor extent. The lessee generally has the right to terminate the lease at any time.

03. Other financial assets

Other financial assets are composed as follows:

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
INVESTMENTS	43.4	28.7
LOANS GRANTED	2.9	1.8
MISCELLANEOUS	3.5	0.9
TOTAL	**49.8**	**31.4**

Investments as of December 31, 2018 mainly relate to shares in ANI Technologies Private Limited (ANI), Bengaluru, India, acquired in 2017, holding company of the Ola group, with € 25.3 million. ANI operates a mobility platform in India. In 2018 DH Group acquired a minority stake in Barogo Co. Ltd., a logistics company in Korea. The investment is recognized at its fair value of € 10.3 million. Further, in 2018 DH Group invested in several convertible loans in the total amount of € 7.3 million.

04. Trade and other receivables

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

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
RECEIVABLES FROM PAYMENT SERVICE PROVIDER	30.5	37.0
TRADE RECEIVABLES	20.6	36.7
RECEIVABLE FROM FORMER GROUP COMPANY	0.0	12.3
PURCHASE PRICE RECEIVABLE	26.7	0.0
MISCELLANEOUS	7.3	2.8
TOTAL	**85.1**	**88.8**

The purchase price receivable represents an amount held on escrow from Just Eat Inc. from the sale of hungryhouse in January 2018.

The receivable against a former Group company in 2017 related to the settlement of intercompany transactions with a former Indian subsidiary disposed in December 2017.

The decrease in trade and other receivables is particularly attributable to improvements in receivable management, a higher online payment share and the classification of the German operations as held for sale.

05. Other assets

Other assets are composed as follows:

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
ADVANCE PAYMENTS/ PREPAID EXPENSES	19.6	9.7
VALUE-ADDED-TAX RECEIVABLES	7.1	7.1
MISCELLANEOUS OTHER ASSETS	28.1	1.1
TOTAL	**54.8**	**17.9**
THEREOF CURRENT	54.5	17.6
THEREOF NON-CURRENT	0.3	0.3

As of December 31, 2018 the miscellaneous other assets contain receivables of € 22.1 million from funds transferred to an escrow agent for the settlement of an earnout liability in connection with the acquisition of Carriage group.

06. Deferred income taxes

Deferred tax assets and liabilities as of December 31, 2018 and 2017 are as follows:

	DEC. 31, 2018		DEC. 31, 2017	
EUR MILLION	ASSETS	LIABILITIES	ASSETS	LIABILITIES
DEFERRED TAXES	**8.8**	**50.6**	**28.2**	**109.9**
OFFSETTING	**−8.8**	**−8.8**	**−28.2**	**−28.2**
TOTAL	**–**	**41.8**	**–**	**81.7**

The change in deferred tax assets and liabilities results mainly from the classification of the German business as discontinued operations. Further, amortization of intangible assets identified in previous acquisitions and currency effects effected the deferred tax positions.

The change in deferred tax assets and liabilities results from the effects presented below:

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
DEFERRED TAX ASSETS	0.0	0.0
DEFERRED TAX LIABILITIES	41.8	81.7
NET DEFERRED TAXES RECOGNIZED	**41.8**	**81.7**
YEAR-ON-YEAR CHANGE	**−39.8**	**−22.0**
THEREOF RECOGNIZED IN PROFIT OR LOSS	−1.3	−12.2
THEREOF RECOGNIZED DIRECTLY IN OCI/EQUITY[1]	−11.9	−10.7
THEREOF RECOGNIZED UPON ACQUISITIONS[2]	−26.6	0.9

[1] INCLUDES TRANSLATION DIFFERENCES OF € 11.9 MILLION (PREVIOUS YEAR: € 10.7 MILLION).
[2] THEREOF RELATING TO RECLASSIFICATION OF THE DEFERRED TAXES OF THE DISPOSAL GROUP IN THE REPORTING PERIOD OF € 27.4 MILLION.

Deferred tax assets for tax loss carryforwards and deductible temporary differences are recognized only to the extent that taxable temporary differences exist or that the realization of the tax benefit through future taxable profits is probable. The Group has not recognized any deferred tax assets for temporary differences amounting to € 17.7 million (previous year: € 34.0 million). Further, no deferred tax assets are recorded for trade tax loss carryforwards of € 209.2 million (previous year: € 196.7 million) and for corporation tax loss carryforwards of € 588.7 million (previous year: € 490.2 million). The trade tax loss carryforwards as well as the temporary differences have no limitations on utilization. The limitation on utilization of corporation tax loss carryforwards is as follows:

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
TOTAL CORPORATION TAX LOSS CARRYFORWARDS	**588.7**	**490.2**
EXPIRATION		
WITHIN 5 YEARS	56.1	36.0
AFTER 5 YEARS	126.0	95.8
ELIGIBLE TO BE CARRIED FORWARD INDEFINITELY	406.5	358.4

Significant unrecognized deferred tax assets for unused tax loss carryforwards relate to Delivery Hero SE amounting to € 216.1 million (previous year: € 140.5 million), Emerging Markets Online Food Delivery Holding S.à r.l. (Luxembourg) (€ 53.5 million; previous year: € 5.7 million) and RGP Korea Ltd. amounting to € 52.9 million (previous year: € 43.9 million).

Classes of assets and liabilities related to temporary differences:

EUR MIO	DEC. 31, 2018			
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	CHANGE DURING THE YEAR	THEREOF RECOGNIZED IN PROFIT OR LOSS
ASSETS				
NON-CURRENT ASSETS				
INTANGIBLE ASSETS	0.0	48.9	58.4	3.5
PROPERTY, PLANT AND EQUIPMENT	0.1	0.6	0.0	0.0
OTHER FINANCIAL ASSETS	0.0	0.1	−1.0	−0.8
TRADE AND OTHER RECEIVABLES	0.0	0.1	−0.1	−0.1
CURRENT ASSETS				
INVENTORIES	1.0	0.5	−0.5	−0.4
OTHER ASSETS	0.0	0.0	0.1	0.1
EQUITY AND LIABILITIES				
NON-CURRENT LIABILITIES				
PENSION PROVISIONS	0.1	0.0	0.0	0.0
OTHER PROVISIONS	0.3	0.0	−0.2	−0.2
TRADE AND OTHER PAYABLES	0.6	0.0	0.6	0.0
OTHER LIABILITIES	0.1	0.0	0.1	−0.1
CURRENT LIABILITIES				
OTHER PROVISIONS	0.3	0.0	−1.0	−0.8
TRADE AND OTHER PAYABLES	0.5	0.4	1.6	1.2
OTHER LIABILITIES	0.1	0.0	−0.1	−0.1
TOTAL TEMPORARY DIFFERENCES	**3.1**	**50.6**	**57.8**	**2.2**
TAX LOSS CARRYFORWARDS	**5.7**	**0.0**	**−17.9**	**−0.9**
TOTAL	**8.8**	**50.6**	**39.9**	**1.3**
OFFSETTING	**−8.8**	**−8.8**		
TOTAL AFTER OFFSETTING	**0.0**	**41.8**		

EUR MIO	DEC. 31, 2017			
	DEFERRED TAX ASSETS	DEFERRED TAX LIABILITIES	CHANGE DURING THE YEAR	THEREOF RECOGNIZED IN PROFIT OR LOSS
ASSETS				
NON-CURRENT ASSETS				
INTANGIBLE ASSETS	0.0	107.3	19.5	9.0
OTHER FINANCIAL ASSETS	0.0	0.5	−0.2	−0.2
TRADE AND OTHER RECEIVABLES	0.9	0.0	2.0	2.0
CURRENT ASSETS				
INVENTORIES	0.0	0.0	0.0	0.0
TRADE AND OTHER RECEIVABLES	1.3	0.3	0.7	0.7
OTHER ASSETS	0.0	0.0	−0.4	−0.3
EQUITY AND LIABILITIES				
NON-CURRENT LIABILITIES				
FINANCIAL LIABILITIES	0.0	0.0	0.5	0.5
PENSION PROVISIONS	0.1	0.0	0.1	0.1
OTHER PROVISIONS	0.5	0.0	0.1	0.1
TRADE AND OTHER PAYABLES	0.0	0.0	1.7	1.7
CURRENT LIABILITIES				
OTHER PROVISIONS	1.3	0.0	−1.1	−0.7
TRADE AND OTHER PAYABLES	0.3	1.7	−2.1	−2.2
OTHER LIABILITIES	0.2	0.0	0.1	0.2
TOTAL TEMPORARY DIFFERENCES	**4.6**	**109.9**	**21.0**	**10.7**
TAX LOSS CARRYFORWARDS	**23.6**	**0.0**	**1.0**	**1.5**
TOTAL	**28.2**	**109.9**	**22.0**	**12.2**
OFFSETTING	**−28.2**	**−28.2**		
TOTAL AFTER OFFSETTING	**0.0**	**81.7**		

No deferred tax liabilities on temporary differences relating to interests in subsidiaries of € 7.4 million (previous year: € 8.6 million) were recognized, as it is not probable that the temporary differences will be reversed in the foreseeable future.

07. Inventories

Inventories mainly consists of packaging materials such as pizza boxes, and advertising materials that are sold to partner restaurants.

The amount of inventories recognized as an expense during the period amounts to € 5.6 million (previous year: € 0.9 million).

08. Cash and cash equivalents

Cash and cash equivalents are composed as follows:

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
CASH AT BANKS	357.1	625.6
CASH ON HAND	7.0	1.8
TOTAL	**364.1**	**627.3**

Besides the negative cash flow from operating activities due to the continuing investments in the growth of the Group, primarily marketing investments, the change in cash and cash equivalents mainly consists of the following developments:

Cash inflows

- Purchase price (net of escrow amounts and cash balances) received from the sale of hungryhouse of € 231.0 million (refer to section D. 03. e)
- Capital increases of € 12.2 million in connection with the exercise of equity settled stock options in 2018 (refer to section F. 09. a) and F. 09. c)

Cash outflows

- Payments for minority investments in Rappi and Glovo € 189.3 million (refer to D. 03. c)
- Acquisition of the subsidiaries across Europe and LATAM (net of cash balances) € 18.7 (refer to D. 02.).

Refer to the consolidated statement of cash flows for a detailed presentation of the cash flows of the period.

As of the reporting date € 0.5 million were restricted in use.

09. Equity

Following the transformation of its legal form from a German stock corporation (Aktiengesellschaft, AG) to a European stock corporation (Societas Europaea, SE) the company has been trading as Delivery Hero SE, Berlin, since July 13, 2018.

The minimum capital requirement for the subscribed capital increased due to the transformation from € 50,000 for an AG to € 120,000 for a SE.

The change in equity in 2018 is explained below.

a) Subscribed capital

Between January 1, 2018 and December 31, 2018 the number of shares increased from 182,498,900 to 185,930,494 in the course of three capital increases. As at reporting date, 78,230 shares (previously 20,300) are held as treasury shares.

The nominal value is € 1.00 per share. The subscribed capital of Delivery Hero SE as on December 31, 2018 was fully paid up.

The change in subscribe capital is summarized as follows:

EUR	**2018**
SUBSCRIBED CAPITAL ON JANUARY 1	*182,498,900*
THEREOF TREASURY SHARES	*20,300*
ISSUANCES FOR NON-CASH CONTRIBUTION	*1,474,917*
ISSUANCES FOR CASH CONTRIBUTION	*1,956,677*
REGISTERED CAPITAL ON DECEMBER 31	**185,930,494**
THEREOF TREASURY SHARES	*78,230*

The increase in subscribed capital for cash contribution relates to the exercise of equity settled stock options during the year 2018.

The issuance of subscribed capital for non-cash contribution relates to the acquisition of non-controlling interest in RGP Korea Ltd. – see below for further details.

b) Authorised and Conditional Capital:

The authorised and conditional capital of Delivery Hero SE as on December 31, 2018 consists of 154,571,882 shares (December 31, 2017: 130,729,010 shares)

c) Capital reserves

DH's capital reserves increased by € 26.9 million in the reporting year which is attributable to the following circumstances:

- € 10.3 million contributions of the premiums from issuing new registered shares in the course of the exercise of equity settled options
- € 18.8 million increase due to further vesting of the equity settled share based payment awards.
- In connection with the acquisition of non-controlling interests (NCI) from RGP Korea Ltd. the related put-liability was reclassified into equity in 2017. The acquisition was completed in 2018 by way of a capital increase for a contribution-in-kind. This led to a decrease of the capital reserve through reclassification of the nominal amount to subscribed capital of € 1.5 million.

d) Retained earnings and other reserves

Other comprehensive income for the period developed as follows:

EUR MILLION	CURRENCY TRANSLATION RESERVE (ATTRIBUTABLE TO THE OWNERS OF THE PARENT)	REVALUATION RESERVE FOR PENSION COMMITMENTS (ATTRIBUTABLE TO THE OWNERS OF THE PARENT)	TOTAL (ATTRIBUTABLE TO THE OWNERS OF THE PARENT)	NON-CONTROLLING INTERESTS	TOTAL OTHER COMPREHENSIVE INCOME (LOSS)
2018					
EFFECT FROM FOREIGN CURRENCY TRANSLATION DIFFERENCES	−93.0	–	−93.0	0.0	−93.0
REMEASUREMENT OF NET LIABILITY FROM DEFINED BENEFIT PLANS	–	−0.4	−0.4	–	−0.4
TOTAL	**−93.0**	**−0.4**	**−93.4**	**0.0**	**−93.4**
2017					
EFFECT FROM FOREIGN CURRENCY TRANSLATION DIFFERENCES	−97.6	−0.0	−97.6	−1.0	−98.6
REMEASUREMENT OF NET LIABILITY FROM DEFINED BENEFIT PLANS	0.0	−0.3	−0.3	–	−0.3
TOTAL	**−97.6**	**−0.3**	**−97.8**	**−1.0**	**−98.8**

The effect of movement in exchange rates in 2018 and 2017 is mainly attributable to the appreciation of the Euro as well as devaluation of other currencies, most notably the Turkish Lira and Argentinian Peso against the Euro.

e) Treasury shares

The number of treasury shares increased to 78,230 as of December 31, 2018 (previous year: 20,300). 57,930 shares with a nominal value of € 1.00 were transferred to Delivery Hero SE by Delivery Hero Commons GmbH & Co. KG (DH Commons). DH commons previously held the shares in Delivery Hero SE as a trustee for former employees of Delivery Hero SE. Since the cliff period was not passed the shares fell back to DH Commons. In the course of the termination of the trust relationship of DH Commons the shares were transferred back to Delivery Hero SE.

10. Pension provisions

In accordance with statutory requirements the DH Group maintains defined benefit plans in Korea and Turkey. In Korea, beneficiaries are entitled to one month salary for each year of employment after one year of continuous employment. The payment is measured on the average monthly pay during the final three months of employment and is awarded as a lump-sum. The retirement age in Korea is 60 years. In Turkey, lump-sum termination indemnities are provided to each employee who has completed one year of service and whose employment is terminated due to retirement or for reasons other than resignation or misconduct.

The provision is determined using the projected unit credit method. The actuarial assumptions underlying the calculation are summarized below:

%	2018	2017
ACTUARIAL INTEREST RATE	2.13–3.60	1.50–8.42
SALARY TREND	2.69–11.00	2.50–11.60
MORTALITY – MALES	0.03	0.02
MORTALITY – FEMALES	0.01	0.02

Sensitivities of the present value of the defined benefit obligations (DBO) are presented below:

EUR MILLION	2018	2017
DBO ON THE BASIS OF THE CURRENT DISCOUNT RATE ASSUMPTION	2.7	1.9
DBO GIVEN AN INCREASE IN THE DISCOUNT RATE OF 1 PERCENTAGE POINT	2.6	1.8
DBO GIVEN A DECREASE IN THE DISCOUNT RATE OF 1 PERCENTAGE POINT	2.9	2.1
DBO ON THE BASIS OF THE CURRENT SALARY TREND ASSUMPTION	2.7	1.9
DBO GIVEN AN INCREASE IN THE SALARY TREND OF 1 PERCENTAGE POINT	2.9	2.1
DBO GIVEN A DECREASE IN THE SALARY TREND OF 1 PERCENTAGE POINT	2.6	1.8

The present value of the defined benefit obligation changed as follows:

EUR MILLION	2018	2017
DBO ON JAN. 1	1.9	1.2
ADDITION DUE TO BUSINESS COMBINATION	–	0.2
SERVICE COST	1.3	2.0
PENSION BENEFITS	–0.6	–1.0
INTEREST EXPENSE	0.0	0.0
ACTUARIAL LOSSES	0.1	0.1
CURRENCY TRANSLATION	0.0	0.0
DBO ON DEC. 31	**2.7**	**2.4**

The DH Group has no qualifying plan assets recognized in the consolidated statement of financial position as of December 31, 2018 and 2017.

Contributions of € 0.3 million are expected to the pension plans for the 2019 financial year.

11. Other provisions

The other provisions comprise short term employee benefits and termination benefits accounted for in accordance with IAS 19, mainly bonuses and redundancy payments. The Group expects the liability to be settled within the next twelve months.

In prior year the other provisions included provisions for the cash-settled RGP Korea share-based payments awards accounted for in accordance with IFRS 2. These were exercised in the first half of 2018 contributing to the decrease in other provisions (current) of € 12.8 million.

Other provisions include expected closing costs in connection with the liquidation of the Foodora businesses in Australia and France. Settlement is expected within the next twelve months.

Other provisions related to the German operations are reclassified to the liabilities of the disposal group classified as held for sale.

Restoration obligations arise from lease arrangements for office premises in several countries. Settlement of these liabilities is contingent on the underlying lease terms. DH Group expects to settle the liability over the next eight years.

As of the reporting date, contingent liabilities from legal disputes amount to € 0.2 million (previous year: € 0.3 million).

The following table shows the change of other provisions and their breakdown by maturity date:

	RESTORATION OBLIGATION	PERSONNEL	SHARE-BASE PAYMENT	OTHERS	TOTAL
AS OF JAN. 1, 2018	**1.8**	**8.6**	**12.3**	**1.9**	**24.7**
ADDITION	1.0	4.4	0.6	5.2	11.1
UTILIZED	–0.1	–5.4	–12.8	0.0	–18.3
RECLASSIFICATION[1]	–0.3	–1.0	0.0	–4.2	–5.6
REVERSED	0.0	–0.5	0.0	0.0	–0.5
EXCHANGE RATE DIFFERENCES	0.0	–0.8	0.0	0.1	–0.6
AS OF DEC. 31, 2018	**2.4**	**5.4**	**0.1**	**3.1**	**11.0**
NON-CURRENT	2.2	2.5	0.0	1.5	6.2
CURRENT	0.0	3.2	0.1	1.5	4.9

[1] RELATES ACCORDING TO IFRS 5 TO THE RECLASSIFICATION OF THE GERMAN FOOD DELIVERY OPERATIONS TO LIABILITIES, INCLUDED IN A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE.

12. Trade and other payables

Trade and other payables are composed as follows:

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
CURRENT FINANCIAL LIABILITIES		
RESTAURANT LIABILITIES	105.6	81.3
TRADE PAYABLES	29.3	28.8
LIABILITIES FOR OUTSTANDING INVOICES	29.4	20.4
FINANCIAL LIABILITIES FROM PUT OPTION ON NCI	0.0	2.6
FINANCE LEASES	1.3	1.3
SECURITY DEPOSITS RECEIVED	0.9	0.7
PURCHASE PRICE LIABILITIES AND EARN-OUTS	5.5	0.0
TOTAL CURRENT FINANCIAL LIABILITIES	**172.0**	**135.1**
NON-CURRENT FINANCIAL LIABILITIES		
FINANCE LEASES	1.1	2.4
TRADE PAYABLES	1.6	0.1
PURCHASE PRICE LIABILITIES AND EARN-OUTS	5.3	0.0
SECURITY DEPOSITS RECEIVED	0.6	0.4
TOTAL NON-CURRENT LIABILITIES	**8.6**	**2.8**

The purchase price liabilities and earn-outs include obligations from the acquisitions of Deliveras, HipMenu, pizza.hu and Alan in 2018.

The put-options on NCI was exercised in 2018 (previous year: liability from put option on NCI € 2.6 million).

13. Other liabilities

Other liabilities are composed as follows:

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
NON-CURRENT OTHER LIABILITIES		
OTHER LONG-TERM EMPLOYEE BENEFITS	3.2	15.1
MISCELLANEOUS	0.0	0.1
TOTAL NON-CURRENT OTHER LIABILITIES	**3.2**	**15.2**
CURRENT OTHER LIABILITIES		
TAXES AND CHARGES	12.7	11.2
LIABILITIES TO EMPLOYEES	18.0	11.5
RECEIVED PREPAYMENTS	0.0	6.7
DEFERRED INCOME	2.3	1.8
SOCIAL SECURITY LIABILITIES	3.6	2.5
OTHER LONG-TERM EMPLOYEE BENEFITS (CURRENT PORTION)	22.1	0.3
MISCELLANEOUS	9.6	7.9
TOTAL CURRENT OTHER LIABILITIES	**68.4**	**41.9**

Other long-term employee benefit liabilities (non-current and current portion) arose during the acquisitions in 2017. Employees of the acquired entities are entitled to payments contingent on performance targets over an agreed service period.

Received prepayments in 2017 related to a prepayment received for the sale of the hungryhouse group to JustEat which was settled in 2018 through closing of the transaction.

Liabilities to employees primarily relate to wages and salaries of € 12.0 million (previous year: € 6.9 million) and unused vacations of € 5.9 million (previous year: € 4.5 million).

14. Income tax liabilities

Income tax liabilities arose in group entities with positive taxable income.

Reimbursement claims from overpayment of trade and corporation taxes are shown in income tax receivables.

G. DISCLOSURES ON THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

01. Revenue

The effect of initially applying IFRS 15 on the Group's revenue from contracts with customers is described in Note C. Due to the transition method chosen, comparative information has not been restated.

Revenue is composed as follows:

			CHANGE	
EUR MILLION	2018	ADJUSTED 2017	EUR MILLION	%
COMMISSIONS	501.8	337.8	163.9	48.5
DELIVERY FEES[1]	102.8	41.7[2]	61.1	>100
PRIME PLACINGS	50.8	37.5	13.3	35.5
CREDIT CARD USE	25.2	14.2	11.1	78.2
OTHER	25.5	22.5	3.0	13.4
DISCOUNTS	−41.0	–[3]	−41.0	>100
TOTAL	**665.1**	**453.7**	**211.4**	**46.6**

[1] FEES CHARGED SEPARATELY TO THE ORDERER FOR DELIVERY SERVICES.
[2] COMMISSION REVENUE FROM OWN DELIVERY BUSINESS WAS PARTIALLY INCLUDED IN THE REVENUE CATEGORY DELIVERY FEES IN 2017 (€ 20.7 MILLION). ALL INCOME FROM COMMISSIONS IN 2018 IS PRESENTED WITHIN COMMISSION REVENUE, ONLY DELIVERY FEES SEPARATELY CHARGED TO THE ORDERER ARE REFLECTED IN DELIVERY FEES. THE COMPARATIVE FINANCIAL INFORMATION IS ADJUSTED.
[3] FIRST TIME ADOPTION OF IFRS 15: EFFECTIVE JANUARY 1, 2018 REVENUE IS PRESENTED NET OF DISCOUNTS. PRIOR PERIOD INFORMATION IS NOT ADJUSTED. DISCOUNTS IN 2017 AMOUNTED TO € 26.5 MILLION THAT ARE REFLECTED IN CUSTOMER ACQUISITION COSTS OF MARKETING EXPENSES.

In the following table, revenue is further disaggregated by segment and by type of service (commission/non-commission).

	SEGMENTS											
	EUROPE (WITHOUT GERMANY)		**ASIA**		**AMERICAS**		**MENA**		**OTHERS**		**TOTAL**	
EUR MILLION	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
COMMISSION	92.8	84.8	128.0	90.2	47.6	38.7	221.2	124.2	12.2	0.0	501.8	337.8
DISCOUNTS ON COMMISSIONS											−41.0	–
TOTAL COMMISSIONS REVENUE	**92.8**	**84.8**	**128.0**	**90.2**	**47.6**	**38.7**	**221.2**	**124.2**	**12.2**	**0.0**	**460.8**	**337.8**
NON-COMMISSION REVENUE	23.1	23.9	64.5	54.5	14.5	8.5	95.2	29.0	7.0	0.0	204.3	115.9
TOTAL GROUP REVENUE (CONTINUED OPERATIONS)	**115.9**	**108.7**	**192.5**	**144.7**	**62.1**	**47.2**	**316.4**	**153.2**	**19.2**	**0.0**	**665.1**	**453.7**

“Others” includes revenues of operations abandoned or sold during the reporting period. In 2018 these divestments include Australia, France, Italy and Netherlands.

Refer to section E. 02. a) for the development of revenue per segment. The growth in revenue is mainly driven by organic growth in all segments.

02. Cost of sales

Cost of sales are composed as follows:

			CHANGE	
EUR MILLION	**2018**	ADJUSTED 2017	EUR MILLION	%
DELIVERY EXPENSES	−258.3	−125.7	−132.6	>100
FEES FOR PAYMENT SERVICES	−28.3	−18.7	−9.6	51.4
SERVER HOSTING	−9.1	−7.2	−1.9	26.4
PURCHASE OF TERMINALS AND OTHER POS SYSTEMS	−6.8	−6.3	−0.5	7.3
EXPENSES FOR DATA TRANSFER	−2.5	−5.4	2.9	−53.4
GOODS AND MERCHANDISE	−3.8	−2.8	−1.0	37.7
CALL CENTER EXPENSES	−0.5	−0.4	−0.1	33.6
OTHER COSTS OF SALES	−8.6	−7.1	−1.6	22.0
TOTAL	**−318.0**	**−173.6**	**−144.4**	**83.2**

The increase in cost of sales is primarily attributable to the expansion of the delivery business. Delivery expenses include own delivery personnel (€ 95.7 million, previous year: € 48.8 million) as well as external riders and other operating delivery expenses (€ 162.6 million, previous year: € 76.9 million).

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

03. Marketing expenses

Marketing expenses are composed as follows:

EUR MILLION	2018	ADJUSTED 2017	CHANGE EUR MILLION	CHANGE %
CUSTOMER ACQUISITION	−148.6	−135.5	−13.1	9.6
RESTAURANT ACQUISITION	−91.7	−62.5	−29.2	46.7
AMORTIZATION OF BRANDS	−13.6	−16.0	2.5	−15.4
AMORTIZATION OF CUSTOMER/ SUPPLIER BASE	−13.0	−13.0	0.0	0.2
OTHER MARKETING EXPENSES	−47.1	−31.2	−15.9	51.1
TOTAL	**−313.9**	**−258.2**	**−55.8**	**21.6**

Marketing expenses in the prior period include vouchers and rebates amounting to € 26.5 million. In 2018 these costs are deducted from revenue.

Aside organic growth in certain markets in 2018, an additional investment program into future growth was launched in the second half of 2018 and contributed to the increase in marketing expenses.

04. IT expenses

IT expenses are composed as follows:

EUR MILLION	2018	ADJUSTED 2017	CHANGE EUR MILLION	CHANGE %
PERSONNEL EXPENSES	−38.2	−29.9	−8.3	27.6
OTHER NON-PERSONNEL IT EXPENSES	−16.1	−11.2	−4.9	44.0
TOTAL	**−54.3**	**−41.1**	**−13.2**	**32.1**

IT expenses primarily relate to research and development (€ 36.2 million; previous year: € 29.0 million) of new features and services that may be added to the Group's platforms but also to the improvement and maintenance of the existing functionalities.

Focus was also placed in 2018 to the extension of the tech teams globally in order to improve the user experience on all our local platforms (mainly in Hungerstation, Carriage and PedidosYa).

05. General administrative expenses

General administrative expenses are composed as follows:

EUR MILLION	2018	ADJUSTED 2017	CHANGE EUR MILLION	CHANGE %
PERSONNEL EXPENSES	−96.8	−62.3	−34.4	55.2
AUDIT AND CONSULTING EXPENSES	−25.8	−28.9	3.1	−10.6
SHARE-BASED PAYMENT EXPENSES	−17.2	−69.5	52.3	−75.2
RENT AND LEASE EXPENSES	−15.8	−13.0	−2.8	21.3
OTHER OFFICE EXPENSES	−11.7	−8.7	−2.9	33.4
DEPRECIATION AND AMORTIZATION	−13.7	−8.7	−5.0	57.9
TRAVEL EXPENSES	−9.1	−6.4	−2.7	43.0
OTHER (NON-INCOME) TAXES	−5.5	−6.2	0.7	−11.5
TELECOMMUNICATIONS	−3.1	−2.3	−0.7	31.6
MISCELLANEOUS	−18.5	−12.1	−6.3	52.3
TOTAL	**−217.2**	**−218.3**	**1.1**	**−0.5**

The increase in personnel expenses is affected by the increase of the number of employees. Further, expenses of € 30.1 million (previous year: € 15.7 million) were recognized herein for earn-out liabilities in connection with acquisitions in 2017.

The decrease in share-based payments expense is mainly due to the restructuring of the Groups share-based compensation programs in the first six months 2017. For further information on the Group's share-based payment programs refer to section H. 01.

06. Other operating income

Other operating income is composed as follows:

EUR MILLION	2018	ADJUSTED 2017	CHANGE EUR MILLION	CHANGE %
GAINS FROM DISPOSAL OF SUBSIDIARIES	8.2	20.3	−12.0	−59.3
MISCELLANEOUS	1.8	4.7	−2.9	−61.8
TOTAL	**10.0**	**25.0**	**−14.9**	**−59.8**

During the year 2018, the divestitures of our subsidiaries in Italy, Brazil and Switzerland resulted in a disposal gain of € 8.2 million (refer to section D. 03. d). In 2017 the disposal gain of € 20.3 million resulted from the disposal of foodpanda India.

07. Other operating expenses and impairment losses on trade receivables and contract assets

Other operating expenses are composed as follows:

EUR MILLION	2018	ADJUSTED 2017	CHANGE EUR MILLION	CHANGE %
LOSS FROM DISPOSAL OF SUBSIDIARIES	−3.8	−0.8	−3.1	>100
LOSSES ON THE DISPOSAL OF FIXED ASSETS	−0.3	−0.5	0.2	−44.5
IMPAIRMENT OF GOODWILL	−4.3	−4.0	−0.3	7.9
MISCELLANEOUS	−0.8	−1.5	0.7	−45.7
TOTAL OTHER OPERATING EXPENSES	**−9.2**	**−6.8**	**−2.5**	**36.6**
IMPAIRMENT LOSSES ON TRADE RECEIVABLES	**−4.3**	**−14.6**	**10.3**	**−70.8**

Losses from disposal of subsidiaries include mainly losses from liquidations in connection with a clean up of the group structure in the MENA segment.

In connection with divestments of non-core operations the goodwill was impaired by € 4.3 million.

The bad debt expense decreased as a result of the implementation of initiatives to improve working capital, including the process of collection of trade receivables. Moreover, the increase in online payment share leads to a reduced exposure to credit risk.

08. Net interest cost

Net interest cost is composed as follows:

EUR MILLION	2018	ADJUSTED 2017	CHANGE EUR MILLION	CHANGE %
INTEREST AND SIMILAR INCOME	5.5	3.7	1.8	49.6
INTEREST AND SIMILAR EXPENSES	−2.7	−21.6	18.9	−87.4
TOTAL	**2.8**	**−17.9**	**20.7**	**>100**

The repayment of financial lliabilities in the previous year led to the significant decrease in interest expenses in 2018. The interest income predominantly results from interest on excess cash.

09. Other financial result and result from equity-accounted investees

Other financial result is composed as follows:

EUR MILLION	2018	ADJUSTED 2017	CHANGE EUR MILLION	CHANGE %
LOSSES FROM REMEASUREMENT OF OTHER FINANCIAL LIABILITIES	0.0	−43.9	43.9	> 100
GAINS/LOSSES FROM REMEASUREMENT OF DERIVATIVES	0.0	0.8	−0.8	−86.4
LOSSES FROM DERECOGNITION OF LOANS PAYABLE	0.0	−3.6	3.6	> 100
FOREIGN CURRENCY GAINS/LOSSES	15.1	−27.4	42.5	> 100
RESULT ON NET MONETARY POSITION (HYPERINFLATION)	3.7	0.0	3.7	N.A.
GAINS/LOSSES FROM DERECOGNITION OF EQUITY-ACCOUNTED INVESTEES	0.0	2.5	−2.5	> 100
RESULT FROM EQUITY-ACCOUNTED INVESTEES	−38.6	−1.6	−37.1	> 100
TOTAL	**−19.9**	**−73.2**	**53.4**	**> 100**

The result from equity accounted investees amounted to negative € 38.6 million (prior year: negative € 1.6 million) mostly resulting from the pro rata loss of the investments in Rappi and Glovo since their acquisitions in 2018.

Foreign currency gains and losses predominantly resulted from the appreciation of Euro in connection with intercompany loan agreements and foreign currency balances.

In 2018 Argentina was evaluated as a hyperinflationary economy. The application of IAS 29 resulted in a net gain of € 3.7 million on the net monetary position of the Argentine operations (previous year: € 0.0 million, since Argentina was not considered hyperinflationary in 2017).

The prior year losses from remeasurement of other financial liabilities related to liabilties from put options on NCIs as well as contingent purchase price obligations which were mostly settled in 2017.

10. Income taxes

Expenses or income for income taxes are broken down as follows:

EUR MILLION	2018	ADJUSTED 2017	CHANGE EUR MILLION	CHANGE %
INCOME TAX EXPENSE/(INCOME)	**−18.3**	**−7.5**	**−10.8**	**> 100**
CURRENT INCOME TAXES	**−19.6**	**−13.6**	**−6.0**	**44.2**
CURRENT PERIOD INCOME TAXES	−19.7	−13.5	−6.2	45.9
PRIOR PERIOD INCOME TAXES	0.1	−0.1	0.2	>100
DEFERRED INCOME TAXES	**1.3**	**6.1**	**−4.8**	**−78.6**

The effective income tax expense/(income) is reconciled as follows:

EUR MILLION	2018	ADJUSTED 2017
EARNINGS BEFORE INCOME TAXES	**−258.8**	**−324.9**
INCOME TAX USING THE COMPANY'S DOMESTIC TAX RATE (2018: 30.18%; 2017: 30.18%)	**78.1**	**98.0**
ADJUSTMENTS		
DEVIATIONS BETWEEN THE COMPANY'S DOMESTIC AND FOREIGN TAX RATES	−15.4	−7.3
NON-DEDUCTIBLE OPERATING EXPENSES	−11.1	−29.7
TAX-EXEMPT INCOME	8.5	2.6
TAX EFFECTS FROM ADDING AND DEDUCTING FOR LOCAL TAXES	−0.4	−1.3
EFFECTS FROM PARTNERSHIPS	−0.1	−0.1
EFFECTS FROM THE NON-RECOGNITION OF DEFERRED TAX ASSETS ON TAX LOSS CARRYFORWARDS	−62.0	−54.5
EFFECTS FROM THE NON-RECOGNITION OF DEFERRED TAX ASSETS ON TEMPORARY DIFFERENCES	0.0	−4.7
PREVIOUS-PERIOD DEFERRED INCOME TAXES	0.0	2.1
PREVIOUS-PERIOD CURRENT INCOME TAXES	0.5	0.2
EFFECTS FROM CONSOLIDATION MEASURES	0.0	5.9
EFFECTS OF EQUITY-ACCOUNTED INVESTEES	−11.8	−0.4
EFFECTS OF GOODWILL IMPAIRMENT	−1.3	−1.0
PERMANENT DIFFERENCES	−3.6	−16.9
OTHER TAX EFFECTS	0.3	−0.4
INCOME TAX EXPENSE/(INCOME)	**−18.3**	**−7.5**

The tax rate of the group is 30.18% and corresponds to the tax rate of Delivery Hero SE. It comprises the tax rate for corporation tax inclusive of solidarity surcharge of 15.83% and the trade tax rate of 14.35%.

Discontinued operations had a tax income in 2018 of € 12.9 million (previous year: tax income of € 5.4 million) which relates in both years only to their ordinary activities.

H. OTHER DISCLOSURES

01. Share-based payments

The DH Group has been operating share-based payment programs since 2011. The beneficiaries of the share-based payment programs are mainly members of management bodies of the DH Group.

During the reporting period a new share-based long term incentive program (“LTIP”) was initiated.

LTIP

Terms and conditions

Delivery Hero SE has issued a new long-term incentive plan (LTIP) during the first half of 2018 consisting of two types of awards: Restricted Stock Plan (RSP) and Stock Option Program (SOP). Eligible participants are the Management Board, managing directors of certain subsidiaries and other members of the management as well as certain employees. Delivery Hero commits to award restricted stock units (RSUs) and stock options based on a certain €-amount per year over the period of four years. The award amounts of each tranche (four in total) are agreed in one award agreement the participant receives in year one.

On a yearly recurring basis a number of RSUs and stock options to which each participant is eligible to is fixed by dividing the corresponding award amount by fair market value of one RSU equal to 30-days average DH share price prior to the respective date or by fair market value of one stock option whereby the strike price of each option is determined based on the 3-months average price per share before the corresponding contractual grant date.

Each award vests quarterly over one year after the contractual grant date. The first award is subject to the 24 months cliff. A bad leaver loses all vested and unvested awards. A good leaver retains all vested RSUs and stock options. A bad leaver loses all vested and unvested awards. A good leaver retains all vested RSUs. SOP contains a revenue-based performance target.

The awards will be settled in shares. Even though Delivery Hero has the right to settle in cash equal to the fair value of the shares on the settlement date, DH does not intend to exercise this right.

Measurement of fair values

The grant date fair value of the awards is a contractually fixed €-value of the award amounts. The grant date fair value of the awards subject to performance targets was not reduced because there was no realistic possibility that the performance target would not be achieved.

Reconciliation of outstanding options and RSU

	2018		
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF RSU
OUTSTANDING AS OF JANUARY 1	–	–	–
GRANTED DURING THE YEAR[1]	954,760	41.64	152,390
FORFEITED DURING THE YEAR	13,677	38.46	3,344
EXERCISED DURING THE YEAR	–	N.A.	–
OUTSTANDING AT DECEMBER 31	**941,083**	**41.69**	**149,046**
EXERCISABLE AT DECEMBER 31	–	N.A.	–

[1] REFLECTS NUMBER OF OPTIONS AND SHARES FIXED AT THE REPORTING DATE.

The options outstanding at December 31, 2018 had a strike price in ranging from € 38.30 to € 44.89 (previous year: n.a.) and a weighted-average remaining contractual life of 67.6 months (previous year: n.a.).

The newly established plan contributed € 10.8 million of expenses in 2018.

DH SOP

Terms and conditions

The beneficiaries of DH SOP received option rights, entitling them to subscribe for shares in Delivery Hero SE subject to certain conditions. The awards vest gradually over a period of up to 48 months subject to individual cliff provisions of generally 12 to 24 months. If a beneficiary leaves the Company before completing the vesting requirements, the individual forfeits its rights under the program.

The Group plans to settle by means of equity instruments and classifies the program as an equity-settled share-based payment arrangement. In the event of certain exit events (e.g. a change of control), the program conditions provide for a cash settlement by the Group. However, the occurrence of such an event is currently considered unlikely.

Measurement of fair values

In 2018 no additional awards were granted.

The grant date fair value of the DH SOP awards was determined on the date of reclassification from cash-settled to equity settled share-based payment awards on May 29, 2017 (see prior year notes to the consolidated financial statements) using an option pricing model (Black-Scholes model). The key inputs used in the measurement of the fair value were as follows: share price of € 23.39, volatility of 36.21%, exercise price of € 1 to € 18, weighted average expected life of 37 months, and a risk-free interest rate of 0.0%. The expected volatility was derived by applying a standard peer group. The share price was derived from the Naspers financing round that took place in May 2017. The measurement resulted in the weighted average fair value of € 13 per option.

Reconciliation of outstanding share options

	2018		2017	
	NUMBER OF OPTIONS	**WEIGHTED AVERAGE EXERCISE PRICE**	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
OUTSTANDING AS OF JAN. 1	**9,704,500**	**11.13**	**8,211,000**	**7.41**
FORFEITED/CANCELLED DURING THE YEAR	*−904,527*	*14.88*	*−799,725*	*14.72*
GRANTED DURING THE YEAR	–	–	*2,539,125*	*12.95*
EXERCISED DURING THE YEAR[1]	*−2,019,201*	*6.85*	*−245,900*	*5.46*
OUTSTANDING AT DEC. 31	**6,780,772**	**11.91**	**9,704,500**	**11.13**
EXERCISABLE AT DEC. 31	–	–	*70,000*	*3.51*

[1] *THE WEIGHTED AVERAGE SHARE PRICE ON THE DATE OF EXERCISE OF THESE OPTIONS WITHIN THE TWO EXERCISE WINDOWS WERE € 38.55 AND € 38,64.*

Beneficiaries of the DH SOP were able to exercise their equity settled rights within two exercise windows in 2018, which led to capital increases of the subscribed capital of € 1.9 million and an increase of the capital reserve of € 10.3 million. The weighted average share price on the date of exercise of the exercised options was € 38.55 and € 38.64 respectively.

The range of exercise prices for options outstanding at the end of the year was € 1 to € 18 (previous year: € 1 to € 18).

The weighted average remaining contractual life for the share options outstanding as of 31 December 2018 was 38 months (previous year: 41 months).

Total expense for the period was € 4.5 million in 2018 (previous year: € 64.9 million).

Virtual Share Program 2017

Terms and conditions

In 2017 Delivery Hero granted virtual share options to employees under the Virtual Share Program (VSP 2017) which entitle the beneficiaries to a compensation based on the appreciation in DH AG shares over strike price as specified in individual contracts, subject to certain conditions. Under the terms of the VSP, the Group has an option to settle in equity instruments or in cash. The Group plans to settle by means of equity instruments and classifies the program as an equity-settled share-based payment arrangement.

The awards vest gradually over a period of 48 months, subject to individual cliff provisions of 12 to 24 months. If a beneficiary leaves the Company before completing the vesting requirements, the individual forfeits his/her rights under the program.

Measurement of fair values

In 2018 wurden keine neuen Anteile gewährt.

The grant date fair value was determined using an option pricing model (Black-Scholes model). The key inputs used in the measurement of the fair value were as follows: share price on grant dates in Q4 2017, volatility of 44%, weighted average strike price of € 16.88, weighted average expected life of 36 months, and a risk-free interest rate of 0.0%. Expected volatility was derived by applying a standard peer group. The measurement resulted in the weighted average fair value of € 12.65 per option.

Reconciliation of outstanding options

	2018		2017	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
OUTSTANDING AS OF JANUARY 1	**258,600**	**16.88**	**–**	**–**
FORFEITED DURING THE YEAR	–18,000	16.67	–	–
GRANTED DURING THE YEAR	–	–	258,600	16.88
EXERCISED DURING THE YEAR	–	–	–	–
OUTSTANDING AT DECEMBER 31	**240,600**	**16.90**	**258,600**	**16.88**
EXERCISABLE AT DECEMBER 31	–	–	–	–

The options outstanding at December 31, 2018 had a strike price in ranging from € 16.67 to € 17.67 (previous year: € 16.67 to € 17.67) and a weighted-average remaining contractual life of 51 months (previous year: 61 months).

Total expense for the period is € 2.2 million in 2018 (previous year: € 0.5 million)

Other share-based compensation arrangements

E-Food Greece
On May 2, 2015 ECommerce Business 10 S.à r.l. granted the senior executives of OFD Online Delivery Services Ltd (OFD) options for shares in OFD. The option program allows senior executives to participate in the performance of OFD. The option program is accounted for as an equity-settled share-based payment arrangement.

The program includes two tranches. The vesting period for tranche 1 is up to December 31, 2018, and the vesting period for tranche 2 up to December 31, 2019. The vested purchase rights can be exercised between December 31, 2019, and March 31, 2020, and will expire after this time period.

Total expense for the period is € 0.7 million in 2018 (previous year: € 0.8 million).

Share-based compensation arrangements settled in 2018
In 2018 the cash-settled RGP Korea share-based payments awards were exercised, which led to a € 12.8 million reduction of other provisions (current).

02. Financial instruments

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

The following abbreviations are used for the measurement categories:

- FAaAC: Financial assets at amortized cost
- FLaAC: Financial liability at amortized cost
- FVtPL: Financial instruments at fair value through profit or loss
- LAR: Loans and receivables (before IFRS 9 adoption)
- AFS: Available-for-sale (before IFRS 9 adoption)

DEC. 31, 2018

		MEASURED AT AMORTIZED COST		MEASURED AT FAIR VALUE		
EUR MILLION	CLASSIFICATION PURSUANT TO IAS 39	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE HIERARCHY	TOTAL
NON-CURRENT FINANCIAL ASSETS						
INVESTMENTS	*FVtPL*			*43.4*	*3*	*43.4*
LOANS GRANTED	*FAaAC*	*2.9*	*2.9*	*0*	*3*	*2.9*
SECURITY DEPOSITS	*FAaAC*	*3.5*	*3.5*	*0*	*3*	*3.5*
OTHER FINANCIAL ASSETS		**6.4**		**43.4**		**49.8**
CURRENT FINANCIAL ASSETS						
RECEIVABLES AGAINST PAYMENT SERVICE PROVIDERS	*FAaAC*	*30.5*	*N.A.*		*N.A.*	*30.5*
TRADE RECEIVABLES	*FAaAC*	*20.6*	*N.A.*		*N.A.*	*20.6*
OTHER RECEIVABLES	*FAaAC*	*34.0*	*N.A.*		*N.A.*	*34.0*
TRADE AND OTHER RECEIVABLES		**85.1**				**85.1**
CASH AND CASH EQUIVALENTS		**364.1**	**N.A.**		**N.A.**	**364.1**
TOTAL FINANCIAL ASSETS		**455.6**		**43.4**		**498.9**
NON-CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	*FLaAC*	*1.6*	*1.6*		*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 PURCHASE PRICE OBLIGATIONS	*FVtPL*			*5.3*	*3*	*5.3*
TRADE AND OTHER PAYABLES		**3.3**		**5.3**		**8.6**
CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	*FLaAC*	*58.6*	*N.A.*		*N.A.*	*58.6*
FINANCE LEASE PAYABLES	*N.A.*[1]	*1.3*	*N.A.*		*N.A.*	*1.3*
SECURITY DEPOSITS RECEIVED	*FLaAC*	*0.9*	*N.A.*		*N.A.*	*0.9*
OTHER PAYABLES	*FLaAC*	*105.6*	*N.A.*		*N.A.*	*105.6*
CONTINGENT PURCHASE PRICE OBLIGATIONS	*FVtPL*			*5.5*	*3*	*5.5*
TRADE AND OTHER PAYABLES		**166.5**		**5.5**		**172.0**
TOTAL FINANCIAL LIABILITIES		**169.8**		**10.8**		**180.6**

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

DEC. 31, 2017

EUR MILLION	CLASSIFICATION PURSUANT TO IAS 39	MEASURED AT AMORTIZED COST CARRYING AMOUNT	MEASURED AT AMORTIZED COST FAIR VALUE	MEASURED AT FAIR VALUE CARRYING AMOUNT	FAIR VALUE HIERARCHY	TOTAL
NON-CURRENT FINANCIAL ASSETS						
INVESTMENTS	*AfS*	*28.8*	*N.A.*		*N.A.*	*28.8*
LOANS GRANTED	*LaR*	*1.8*	*1.8*		*3*	*1.8*
SECURITY DEPOSITS	*LaR*	*0.8*	*0.8*		*3*	*0.8*
OTHER FINANCIAL ASSETS		**31.4**		**–**		**31.4**
CURRENT FINANCIAL ASSETS						
RECEIVABLES AGAINST PAYMENT SERVICE PROVIDERS	*LaR*	*37.0*	*N.A.*		*N.A.*	*37.0*
TRADE RECEIVABLES	*LaR*	*36.7*	*N.A.*		*N.A.*	*36.7*
OTHER RECEIVABLES	*LaR*	*15.1*	*N.A.*		*N.A.*	*15.1*
TRADE AND OTHER RECEIVABLES		**88.8**		**–**		**88.8**
CASH AND CASH EQUIVALENTS		**627.3**	**N.A.**	**–**		**627.3**
TOTAL FINANCIAL ASSETS		**747.5**		**–**		**747.5**
NON-CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	*FLaAC*	*0.1*	*0.1*		*3*	*0.1*
FINANCE LEASE PAYABLES	*N.A.*[1]	*2.4*	*2.4*		*3*	*2.4*
SECURITY DEPOSITS RECEIVED	*FAaAC*	*0.4*	*0.4*		*3*	*0.4*
TRADE AND OTHER PAYABLES		**2.8**	**2.8**	**–**		**2.8**
CURRENT FINANCIAL LIABILITIES						
TRADE PAYABLES	*FLaAC*	*49.2*	*N.A.*		*N.A.*	*49.2*
FINANCE LEASE PAYABLES	*N.A.*[1]	*1.3*	*N.A.*		*N.A.*	*1.3*
SECURITY DEPOSITS RECEIVED	*FLaAC*	*0.7*	*N.A.*		*N.A.*	*0.7*
FINANCIAL LIABILITIES FROM PUT OPTION ON NCI	*FLaAC*	*2.6*	*2.6*		*3*	*2.6*
OTHER PAYABLES	*FLaAC*	*81.3*	*N.A.*		*N.A.*	*81.3*
TRADE PAYABLES AND OTHER FINANCIAL LIABILITIES		**135.1**		**–**		**135.1**
TOTAL FINANCIAL LIABILITIES		**137.9**		**–**		**137.9**

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

The fair value is not disclosed for some current financial assets and current financial liabilities, because their carrying amount is a reasonable approximation of fair value due to their short-term nature. The fair values of some non-current financial assets approximate their carrying amount because there were no significant changes in the measurement inputs, since their fair value was determined upon initial recognition.

At the reporting date, the fair value of the investments did not materially change since these instruments were initially recognized either because they were recently acquired or, in case of equity investments, because there is no sufficient and more recent information available.

Level 3 financial instruments measured at fair value

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

In determining the fair values of the investments, "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 busi-ness combination.

The sensitivity of the fair values to the inputs into the valuation techniques is discussed under Price risk in Market risk section below.

There are no separable embedded derivatives as of the reporting date. In previous periods, the fair value of the separable embedded derivatives was determined using an option pricing model.

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

	ASSETS		LIABILITIES		
EUR MILLION	**INVESTMENTS**	**SEPARATED EMBEDDED DERIVATIVES**	**SEPARATED EMBEDDED DERIVATIVES**	**CONTINGENT PURCHASE PRICE OBLIGATIONS**	**LIABILITY FROM PUT OPTION ON NCI**
AS OF JAN. 01, 2017		**1.0**	**−12.8**	**21.0**	**–**
ADDITIONS		*0.0*	–	–	*20.9*
DISPOSALS		*−0.7*	*−11.7*	*−30.8*	*−44.1*
GAINS/LOSSES RECORDED IN PROFIT OR LOSS		*−0.3*	*1.1*	*−9.8*	*−23.2*
AS OF DEC. 31, 2017		**0.0**	**0.0**	**0.0**	**0.0**
RECLASSIFIED UPON ADOPTION OF IFRS 9	*28.8*				
ADDITIONS	*16.1*			*10.8*	
DISPOSALS					
GAINS/LOSSES RECORDED IN PROFIT OR LOSS	*−1.5*				
AS OF DEC. 31, 2018	**43.4**	**–**	**–**	**10.8**	**–**

The loss on the remeasurement of the investments in the reporting period is entirely attributable to foreign currency effects.

Net Income (loss) by measurement category

The net gains and losses recognized for individual measurement categories are as follows:

EUR MILLION	**2018 (IFRS 9)**	2017 (IAS 39)
FAaAC	–	*N.A.*
LaR	*N.A.*	–
FLaAC	–	*−14.2*
AfS	*N.A.*	–
FVtPL (ASSETS)	*−1.5*	*−0.3*
FVtPL (LIABILITIES)	–	*−1.1*
FVtPL (LIABILITIES) – DESIGNATED	–	*−30.8*
TOTAL	**−1.5**	**−46.4**

Gains and losses related to FAaAC and LaR (before adaption of IFRS 9) measurement categories exclude impairment losses and interest income. The net result of the FLaAC measurement category includes gains and losses on derecognition as well as remeasurements of the carrying amounts due to changes in future estimated cash flows.

b) Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities in the reporting period occured only in relation to finance lease liabilities as follows:

EUR MILLION	FINANCE LEASE LIABILITIES
BALANCE AT JAN. 1, 2018	**3.7**
PAYMENT OF FINANCE LEASE LIABILITIES	*–1.2*
TOTAL CHANGES FROM FINANCING CASH FLOWS	**–1.2**
LIABILITY RELATED CHANGES	
NEW FINANCE LEASES	*0.0*
INTEREST EXPENSE	*–0.1*
BALANCE AT DEC. 31, 2018	**2.4**

In the prior period, changes in liabilities arising from financing activities were as follows:

EUR MILLION	LIABILITIES TO BANKS[1]	TRADE AND OTHER PAYABLES[1]	FINANCE LEASE LIABILITIES	TOTAL
RESTATED BALANCE AT JAN. 1, 2017	**115.4**	**243.6**	**4.6**	**363.6**
PROCEEDS FROM LOANS AND BORROWINGS	–	*25.0*	–	*25.0*
REPAYMENT OF BORROWINGS	*–118.5*	*–273.8*	–	*–392.3*
INTEREST PAID	*–2.2*	*–9.0*	*0.0*	*–11.2*
PAYMENT OF FINANCE LEASE LIABILITIES	–	–	*–1.2*	*–1.2*
TOTAL CHANGES FROM FINANCING CASH FLOWS	**–120.7**	**–257.7**	**–1.2**	**–379.6**
LIABILITY RELATED CHANGES				
NEW FINANCE LEASES	–	–	*0.2*	*0.2*
INTEREST EXPENSE	*5.0*	*11.8*	*0.0*	*16.8*
FAIR VALUE CHANGES RELATED TO EMBEDDED DERIVATIVES	*0.3*	*–1.1*		*–0.8*
LOSS ON DERECOGNITION	–	*3.6*	–	*3.6*
BALANCE AT DEC. 31, 2017	**–**	**–**	**3.7**	**3.7**

[1] *THE CARRYING AMOUNT INCLUDES SEPARATED EMBEDDED DERIVATIVES.*

c) Risk management

The DH Group is exposed to credit risk, liquidity risk and market risk. DH Group actively monitors these risks and manages them using a risk management system. The risk management function is exercised in the Governance, Risk & Compliance (GRC) department.

Credit risk

The credit or default risk is the risk that the business partners are unable to fulfill their payment obliga-tions. As in the previous year, such risks mainly relate to current trade receivables from a broad base of customers, mainly restaurants. The DH Group is not exposed to a major default risk from any single customer. The DH Group monitors the default risk and, as in the previous year, manages it actively by making any necessary credit checks and by optimizing the payment process.

The maximum default risk corresponds to the carrying amount of the financial assets. The Group does not require collateral with respect to its financial assets.

As of December 31, 2018, the Group held € 364.1 million (previous year: € 627.3 million) as cash and cash equivalents mainly at banks. In addition, the group held € 37.5 million deposits and other similar receivables (previous year: € 15.9 million) with financial institutions. Most of these balances are held with banks which are rated A+ to BBB+.

Furthermore, DH Group cooperates with known online payment providers, such as Mastercard, Paypal and Ayden. The receivables from online payment providers amounted to € 30.5 million at December 31, 2018 (previous period: € 37.0 million). They are short-term and carried very low credit risk at the reporting date. Therefore the expected losses on all these balances are considered immaterial at the reporting date. Moreover, the expected losses on the loans granted in the amount of € 2.9 million (previous year € 1.8 million) are immaterial.

The Group determines the expected credit losses for its trade receivables from restaurants as follows:

The provision matrix is calculated based on the actual credit loss experience that takes into account the historical experience as well the current economic conditions. The expected losses in relation to trade receivables from large multinational chain restaurants is estimated to be 0.6% based on their credit ratings of at least BBB+.

The movement in the allowance account for impairment in respect of trade receivables was as follows:

ALLOWANCE ACCOUNT

EUR MILLION	
JAN 1, 2018 UNDER IAS 39	−14.0
ADJUSTMENT ON INITIAL APPLICATION OF IFRS 9	−0.1
JAN 1, 2018 UNDER IFRS 9	−14.1
AMOUNTS DERECOGNIZED	15.7
AMOUNTS RESULTING FROM DISCONTINUED OPERATIONS	1.0
NET REMEASUREMENT OF ALLOWANCE ACCOUNT	−4.3
DEC. 31, 2018 UNDER IFRS 9	**−1.7**

Amounts derecognized of € 15.7 million in the current year are due to the implementation of the new policy on transition to IFRS 9. Trade receivables are derecognized if they are more than 120 days past due, have been fully provided for (in the current year and previous years) and for which there is no reasonable expectation of recovery.

				PAST DUE AS OF THE REPORTING DATE (IN DAYS)			
EUR MILLION	**CARRYING AMOUNT**	**LARGE MULTI-NATIONAL CHAINS**	**CURRENT**	**<30**	**30-60**	**61-90**	**>90**
GROSS CARRYING AMOUNT	22.3	2.5	12.9	3.1	1.6	1.1	1.2
WEIGHTED AVERAGE LOSS RATE		0.6%	2%	5%	12%	41%	50%
LOSS ALLOWANCE	−1.7	0.0	−0.3	−0.2	−0.2	−0.4	−0.6

The aging of trade receivables in the prior period was as follows:

EUR MILLION	CARRYING AMOUNT	THEREOF NEITHER PAST DUE NOR IMPAIRED	THEREOF PAST DUE AS OF THE REPORTING DATE, BUT NOT IMPAIRED (IN DAYS) <30	30–60	61–90	91–120	>120
AS OF DEC. 31, 2017							
TRADE RECEIVABLES	*36.7*	*28.2*	*4.6*	*1.9*	*1.2*	*0.4*	*0.5*

The movement in the allowance account for trade receivables in the prior period was as follows:

ALLOWANCE ACCOUNT

EUR MILLION	
JAN. 1, 2017	**–9.3**
NET REMEASUREMENT OF ALLOWANCE ACCOUNT (INCLUDING EFFECTS OF OPERATIONS CLASSIFIED AS DISCOUNTINUED OPERATIONS)	*–4.7*
DEC. 31, 2017	**–14.0**

All other financial assets in the prior period were considered as neither past due nor impaired and therefore no impairments were recognized for these financial assets in accordance with IAS 39.

Liquidity risk

Liquidity risk is the risk of being unable to meet the payment obligations resulting from financial liablities, which may arise from unavailability of funds. The exposure to liquidity risk is closely monitored on group level using daily liquidity reports and regular cash forecast reports to ensure adequate distribution of funds and early identification of additional funding needs.

The following table presents contractual (undiscounted) interest and principal payments for the DH Group's financial liabilities. The maturity is based on the contractual payment terms.

TYPE OF LIABILITY

EUR MILLION	CARRYING AMOUNT	CONTRACTUAL CASH FLOW TOTAL	<1	1–5	>5
AS OF DEC. 31, 2018					
TRADE PAYABLES	*60.2*	*60.2*	*58.6*	*1.6*	*0.0*
OTHER PAYABLES	*105.7*	*105.7*	*105.7*	*0.0*	*0.0*
CONTINGENT PURCHASE PRICE OBLIGATIONS	*10.8*	*10.8*	*5.5*	*5.3*	*0.0*
SECURITY DEPOSITS RECEIVED	*1.5*	*1.5*	*0.9*	*0.2*	*0.4*
TOTAL	**178.2**	**178.2**	**164.3**	**1.6**	**0.4**
AS OF DEC. 31, 2017					
TRADE PAYABLES	*49.3*	*49.3*	*49.2*	*0.1*	*0.0*
OTHER PAYABLES	*81.3*	*81.3*	*81.3*	*0.0*	*0.0*
FINANCIAL LIABILITIES FROM PUT OPTION ON NCI	*2.6*	*2.6*	*2.6*	*0.0*	*0.0*
SECURITY DEPOSITS RECEIVED	*1.1*	*1.1*	*0.7*	*0.4*	*0.0*
TOTAL	**134.3**	**134.3**	**133.8**	**0.5**	**0.0**

Market risk
Group entities are exposed to market risks such as currency risk and price risk.

Currency risk
Currency risk arises in particular with regard to intercompany receivables and payables denominated in foreign currency. The following table shows the effects on profit or loss that would result if the foreign currencies had appreciated or depreciated by 10% as of the reporting date.

CHANGES

	DEC. 31, 2018		DEC. 31, 2017	
EUR MILLION	+10%	–10%	+10%	–10%
USD-EUR	–23.0	23.0	0.2	–0.2
EUR-KRW	9.7	–9.7	7.7	–7.7
EUR-TRY	–4.5	4.5	–2.8	2.8
KWD-SAR	4.5	–4.5	0.9	–0.9
KWD-AED	3.9	–3.9	0.1	–0.1
SAR-BHD	–3.5	3.5	0.0	0.0
EUR-SGD	3.4	–3.4	0.4	–0.4
EUR-KWD	2.7	–2.7	0.1	–0.1
EUR-TWD	1.5	–1.5	0.0	0.0
BHD-AED	1.3	–1.3	0.0	0.0
QAR-KWD	1.2	–1.2	0.0	0.0
EUR-MYR	1.1	–1.1	0.0	0.0
EUR-PKR	1.0	–1.0	0.5	–0.5
EUR-PHP	1.0	–1.0	0.7	–0.7
EUR-GBP	0.0	0.0	3.2	–3.2

Price risk
Price risk in the Group arises on investments and contingent purchase price obligations measured at fair value through profit or loss as a result of changes in interest rates, equity prices and contingencies.

As of December 31, 2018, the effect on the profit or loss in response to changes in the inputs into the fair value measurements would be as follows: (+) means a positive effect on profit or loss and (–) means a negative effect on profit or loss.

	CONTINGENCIES	INTEREST RATES	EQUITY PRICE
EUR MILLION	+/–10%	+/–100BP	+/–10%
INVESTMENTS	N.A.	–0.7/+0.9	+3.6/–2.6
CONTINGENT PURCHASE PRICE OBLIGATION	–0.1/+1.1	+0.1/–0.1	N.A.

At the prior reporting date, there were no instruments measured at fair value.

03. Capital management
For the purpose of DH Group's capital management, capital includes subscribed capital, capital reserves and all other equity reserves attributable to the owners of the parent. The primary objective of DH Group's capital management is to safeguard the Group's ability to continue as a going concern in order to finance the growth strategy and to reduce the cost of capital of the Group.

In prior years Cash and Cash equivalents, Net debt and Debt to Equity ratio was considered as key performance indicators. Since all external debt was repaid post-IPO in 2017 the metrics monitored were amended. The current capital management strategy, including policies and processes of capital management focuses on the monitoring of cash and cash equivalents. Further, external financing is monitored, however, as of December 2018 no debt from external financing existed.

Cash and Cash equivalents as at the respective financial year-end are included in the table below:

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
TOTAL CASH POSITION	364.1	627.3

Prior year's key performance indicators monitored were as follows:

EUR MILLION	DEC. 31, 2017
CASH AND CASH EQUIVALENTS	–627.3
CURRENT AND NON-CURRENT LIABILITIES	313.5
NET DEBT	**–313.8**
EQUITY	1,720.8
DEBT TO EQUITY (%)	**–18.2%**

04. Earnings per share

Basic earnings per share were calculated based on the net loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding (in thousands). Prior year figures for the shares include the effect of the share split at a ratio of 1:300, which was carried out in the second quarter of 2017.

				CHANGE	
		2018	2017	ABSOLUTE	%
CONSOLIDATED LOSS FOR THE PERIOD FROM CONTINUING OPERATIONS	EUR MILLION	*−277.1*	*−332.4*	*55.3*	*−16.6*
LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	EUR MILLION	*−4.0*	*−2.9*	*−1.1*	*37.9*
LOSS FROM CONTINUING OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	EUR MILLION	**−273.1**	**−329.5**	**56.4**	**−17.1**
WEIGHTED AVERAGE NUMBER OF SHARES ISSUED	NUMBER IN THOUSANDS	*186,169*	*157,734*	*28,435*	*18.0*
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS	EUR	**−1.47**	**−2.09**	**0.62**	**−29.8**
LOSS FROM DISCONTINUED OPERATIONS	EUR MILLION	*234.8*	*−15.7*	*250.5*	*>100*
CONSOLIDATED LOSS FOR THE PERIOD FROM CONTINUING AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO SHAREHOLDERS	EUR MILLION	*−38.3*	*−345.2*	*306.9*	*−88.9*
WEIGHTED AVERAGE NUMBER OF SHARES ISSUED	NUMBER IN THOUSANDS	*186,169*	*157,734*	*28,435*	*18.0*
DILUTES AND BASIC EARNINGS PER SHARE FROM DISCONTINUED OPERATIONS	EUR	**1.26**	**−0.10**	**1.36**	**>100**
DILUTED AND BASIC EARNINGS PER SHARE FROM CONTINUED AND DISCONTINUED OPERATIONS	EUR	**−0.21**	**−2.19**	**1.98**	**−90.6**

WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES (BASIC)

THOUSANDS OF SHARES	**2018**	2017
ISSUED ORDINARY SHARES AT JAN. 1	*157,734*	*139,113*
EFFECT OF TREASURY SHARES HELD	*−60*	*−960*
EFFECT OF SHARES ISSUED FOR THE YEAR	*28,495*	*19,581*
WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES AT DEC. 31	**186,169**	**157,734**

The following equity instruments were not taken into account in determining the diluted earnings per share because their effect would have been antidilutive.

NUMBER OF POTENTIAL ORDINARY SHARES

THOUSANDS	**DEC. 31, 2018**	DEC. 31, 2017
SHARE-BASED PAYMENTS	*7,561*	*11,040*
LIABILITIES FROM PUT OPTION ON NCI	–	*79*
TOTAL NUMBER OF POTENTIAL ORDINARY SHARES	**7,561**	**11,119**

05. Disclosures on the cost of sales method

The DH Group classifies expenses by their function referred to as the cost of sales method. In 2018 these expenses include: expenses for salaries and wages of € 346.3 million (previous year: € 292.0 million), expenses for social security of € 39.6 million (previous year: € 28.2 million), expenses for defined benefit plans as well as pension plans of € 4.1 million (previous year: € 6.8 million) and expenses for depreciation and amortization of € 53.2 Mio. € in 2018 (previous year:€ 50.3 million).

06. Headcount

The DH Group employs an average of 19,834 people in their continured and discontinued operations in the current financial year (previous year: 12,336 employees). The distribution by employee groups can be derived from the following:

AVERAGE NUMBER OF EMPLOYEES BY GROUP

	2018	2017
DELIVERY AND FOOD PROCESSING	12,400	7,007
SALES	4,697	2,885
MARKETING	549	503
BUSINESS SUPPORT	208	24
PRODUCT DEVELOPMENT	794	569
ADMINISTRATION	1,186	1,348
TOTAL	**19,834**	**12,336**

Total personnel expenses in 2018 for continued operations amount to € 340.0 million (previous year: € 273.1 million) and discontinued operation amounted to € 45.9 million (previous year: € 47.1 million).

07. Total fee for the auditor

The auditor's fees for services provided by the group auditor are broken down by service as follows:

EUR MILLION	2018	2017
AUDIT SERVICES	2.0	3.0
OTHER AUDIT SERVICES	0.0	0.5
TAX ADVISORY SERVICES	0.0	0.2
OTHER SERVICES	0.0	0.4
TOTAL	**2.0**	**4.0**

In 2018 the fees for audit services include services for the previous year of € 0.3 million.

Audit services are provided for the audit of the consolidated financial statements and statutory financial statements of Delivery Hero SE and for the audit of financial statements of subsidiaries in Germany. Integrated with the audit procedures reviews of interim financial statements as well as analyses of selected components of the compliance management systems were performed. Furthermore, audit services provided pursuant to the German Transformation Act are included.

Tax advisory services amounted to K EUR 15 and include consulting services in connection with an audit by the German fiscal authorities and advisory services in connection with social security legislation.

Other services in 2018 amounted to K EUR 12 and consist of advisory services in connection with the General Data Protection Regulation and a workshop on legal requirements in HR.

08. Related party disclosures

The members of the Management Board and the Supervisory Board were considered as related parties of Delivery Hero SE in accordance with IAS 24.

a) Members of the Management Board

MANAGEMENT BOARD	OCCUPATION
NIKLAS ÖSTBERG	CHIEF EXECUTIVE OFFICER
EMMANUEL THOMASSIN	CHIEF FINANCIAL OFFICER

b) Members of the Supervisory Board

NAME	OCCUPATION	OTHER FUNCTIONS
DR. MARTIN ENDERLE CHAIRMAN	MANAGING DIRECTOR OF ALLMYHOMES GMBH	EGMONT FOUNDATION (MEMBER OF THE BOARD OF TRUSTEES), CEWE STIFTUNG & CO. KGAA (MEMBER OF THE BOARD OF TRUSTEES), DIGI.ME GMBH (MANAGING DIRECTOR), CHACONNE GMBH (MANAGING DIRECTOR), FEEGOO INVEST UG (MANAGING DIRECTOR)
PATRICK KOLEK DEPUTY CHAIRMAN	GROUP CHIEF OPERATING OFFICER OF NASPERS LIMITED	MAKEMYTRIP LTD (MEMBER OF THE BOARD OF DIRECTORS)
HILARY GOSHER	MANAGING DIRECTOR OF INSIGHT VENTURE PARTNERS LLC	PARITY PARTNERS, LLC (MEMBER OF THE BOARD OF DIRECTORS), HUSTLE, INC. (MEMBER OF THE BOARD OF DIRECTORS)
BJÖRN LJUNGBERG	EMPLOYEE AT DH GROUP	
VERA STACHOWIAK	EMPLOYEE AT DH GROUP	
SEMIH YALCIN	EMPLOYEE AT DH GROUP	

In connection with the change on the legal form from Delivery Hero AG to Delivery Hero SE the Company reached an agreement with its employee representatives on co-determination. This agreement was followed by the personnel nomination of three employees to be members of the Supervisory Board. As of July 13, 2018 Björn Ljungberg, Vera Stachowiak and Semih Yalcin became members of the Supervisory Board.

In this context Jonathan Green, Jeffrey Lieberman, Georg Graf von Waldersee and Janis Zech left the Supervisory Board on July 13, 2018.

In connection with the closing of the sale of the German business, Semih Yalcin left as a member of the Supervisory Board and Christian Hardenberg became member of the Supervisory Board.

a) Key management personnel transactions

Te members of the Management Board and the members of the Supervisory Board represent key management personnel. Until May 2017, the time of the transformation into a German stock corporation (Aktiengesellschaft), the members of the C-Level management were also considered as key management personnel. Correspondingly the remuneration of the C-Level management is included in the comparison information until that date.

The remuneration of the Management Board and the Supervisory Board in 2018 is as follows:

EUR MILLION	2018	2017
SHORT-TERM EMPLOYEE BENEFITS	1.0	1.0
EXPENSES RELATED TO SHARE-BASED COMPENSATION [1]	1.8	12.6

[1] FOR DETAILS SEE FOLLOWING ILLUSTRATION.

In 2018 the total remuneration of the Management Board amounts to € 0.7 million. The total remuneration of the Supervisory Board in 2018 amounts to € 0.3 million including the salary of employee representatives within the Supervisory Board.

The stock options granted to current related parties are as follows:

MEASUREMENT DATE	DEC. 31, 2018	DEC. 31, 2017 [1,2]
NO. OF SHARES OWED	1,391,334	1,236,600
NO. OF VESTED SHARES	1,238,141	1,147,909
FAIR VALUE (EUR MILLION)	21.5	19.7
EXPENSES RECOGNIZED (EUR MILLION)	1.8	9.2

[1] UNTIL THE TRANSFORMATION OF THE COMPANY INTO A GERMAN STOCK CORPORATION IN MAY 2017, KEY MANAGEMENT PERSONAL WERE MEMBERS OF THE MANAGEMENT, MEMBERS OF THE ADVISORY BOARD AND MEMBERS OF THE C-LEVEL.
[2] INFORMATION REFLECTS INFORMATION FOR THE TWELVE MONTHS PERIOD ENDED DECEMBER 31, 2017 FOR THE MEMBERS OF THE MANAGEMENT BOARD. TO THE MEMBERS OF THE SUPERVISORY BOARD NO STOCK OPTIONS WERE GRANTED

d) Other related party transactions

Other related party transactions comprise exchanges of DH Group with related entities, primarily associated companies and entities controlled by key management personnel.

As of December 31, 2018 receivables and liabilities to other related parties are composed as follows:

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
FINANCING COMMITTMENT TO ASSOCIATES	–	1.0
RECEIVABLES FROM RELATED ENTITIES	0.2	0.2
RECEIVABLES FROM ASSOCIATES	0.4	0.1
LIABILITIES TO RELATED ENTITIES	–	0.1
LIABILITIES TO ASSOCIATES	0.3	–

The result from transactions with other related parties is composed as follows:

EUR MILLION	2018	2017
INCOME FROM TRANSACTIONS FROM RELATED ENTITIES	0.6	3.0
EXPENSES FROM TRANSACTIONS WITH RELATED ENTITIES	0.0	0.8

Income from transactions with related entities is mainly attributable to services which are provided to the former Brazilian subsidiary Pedidos Ja Divulgacao e Tecnologia Ltda. which was sold to iFood in August 2018. DH Group recognized a total gain of € 2.0 million from this sale.

09. Lease relations and other financial obligations

The Group entered into a number of office lease agreements, including a new lease in Korea and various other locations as well as vehicle and office equipment lease agreements classified as operating leases.

Future minimum lease payments from operating lease agreements, with the respective remaining terms, are presented in the following table:

	REMAINING TERM IN YEARS			
EUR MILLION	<1	1-5	>5	TOTAL
AS OF DEC. 31, 2018	**27.5**	**59.7**	**13.1**	**100.4**
AS OF DEC. 31, 2017	15.0	37.2	15.3	67.5

The expense for lease payments in the 2018 financial year amounted to € 24.4 million (previous year: € 12.7 million). In addition payments for subleases of € 0.3 million (previous year: € 0.2 million) were received in 2017. The leases for the office premises in Berlin and Korea grant a one-time contractual renewal option for further five years.

The finance leases of the Group primarily relate to office and operating equipment and with a net carrying amount of € 2.6 million as of December 31, 2018 (previous year: € 3.3 million).

	FUTURE MINIMUM LEASE PAYMENTS		INTEREST		PRESENT VALUE OF MINIMUM LEASE PAYMENTS	
EUR MILLION	DEC. 31, 2018	DEC. 31, 2017	DEC. 31, 2018	DEC. 31, 2017	DEC. 31, 2018	DEC. 31, 2017
LESS THAN ONE YEAR	1.4	1.4	0.1	0.1	1.3	1.3
MORE THAN ONE YEAR AND LESS THAN FIVE YEARS	1.2	2.5	0.1	0.1	1.1	2.4
MORE THAN FIVE YEARS	–	–	–	–	–	–
SUBTOTAL	**2.6**	**3.9**	**0.2**	**0.2**	**2.4**	**3.7**

Future cumulative obligations from other agreements amount to € 8.3 million as of December 31, 2018 (previous year: € 3.2 million). The other agreements primarily relate to the provision of hosting, advertising and similar services.

EUR MILLION	DEC. 31, 2018	DEC. 31, 2017
LESS THAN ONE YEAR	2.8	3.2
MORE THAN ONE YEAR AND LESS THAN FIVE YEARS	5.4	0.0
MORE THAN FIVE YEARS	–	–
TOTAL	**8.3**	**3.2**

10. List of shareholdings pursuant to section 313 of the German Commercial Code (HGB)

DH has an interest in the following fully consolidated companies as of December 31, 2018:

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2017 (%)
GERMANY:			
BRILLANT 1421. GMBH (HOLDING CEE/CIS), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (HONG KONG) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. 15. VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (INDIA) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. SIEBTE VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (MALAYSIA) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY FOODPANDA GP UG (HAFTUNGSBESCHRÄNKT) & CO. JADE 1343. DRITTE VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (PAKISTAN) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. NEUNTE VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (PHILIPPINES) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. 13. VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (SINGAPORE) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. FÜNFTE VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (TAIWAN) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. ZWEITE VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO (THAILAND) UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY JADE 1343 GMBH & CO. VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO AUSTRIA GMBH, BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO BULGARIA UG (HAFTUNGSBESCHRÄNKT) & CO. KG (FORMERLY BRILLANT 1424 GMBH & CO. 15. VERWALTUNGS KG), BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO GERMANY GMBH, BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO LOCAL VERWALTUNGS GMBH, BERLIN	*100.00*	*EUR*	*100.00*
DELIVERY HERO PAYMENTS GMBH, BERLIN	*100.00*	*EUR*	
FOODORA GMBH, BERLIN	*100.00*	*EUR*	*100.00*
FOODORA SERVICES GERMANY GMBH, BERLIN	*100.00*	*EUR*	
FOODPANDA GMBH (HOLDING ASIA), BERLIN	*100.00*	*EUR*	*100.00*
FOODPANDA GP UG (HAFTUNGSBESCHRÄNKT), BERLIN	*100.00*	*EUR*	*100.00*
JADE 1343 GMBH & CO. 10. VERWALTUNGS KG, BERLIN	*100.00*	*EUR*	*100.00*
JUWEL 199. VV UG (HAFTUNGSBESCHRÄNKT), BERLIN	*100.00*	*EUR*	*100.00*
JUWEL 220. VV UG (HAFTUNGSBESCHRÄNKT), BERLIN	*100.00*	*EUR*	*100.00*
RGP LOCAL HOLDING I GMBH, BERLIN[1]	*100.00*	*EUR*	*100.00*
RGP LOCAL HOLDING IV GMBH, BERLIN	*100.00*	*EUR*	*90.76*
RGP TRUST GMBH, BERLIN	*100.00*	*EUR*	*100.00*
VALK FLEET DEUTSCHLAND GMBH (FORMERLY RUSHY LOGISTIK), BERLIN	*100.00*	*EUR*	*100.00*

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2017 (%)
VALK FLEET HOLDING GMBH & CO. KG, BERLIN	100.00	EUR	100.00
VALK FLEET VERWALTUNGS GMBH, BERLIN	100.00	EUR	100.00
INTERNATIONAL:			
APPETIT O VEINTICUATRO LTDA., SAN JOSE (CR)	100.00	CRC	100.00
ARAVO S.A., MONTEVIDEO (UY)	100.00	UYU	100.00
BAEDALTONG CO. LTD., SEOUL (KR)	100.00	KRW	100.00
CARRIAGE DELIVERY SERVICES LLC, ABU DHABI (UAE)	100.00	AED	100.00
CARRIAGE FOOD DELIVERY SERVICES LLC, DUBAI (UAE)	100.00	AED	
CARRIAGE HOLDING COMPANY LTD., ABU DHABI (UAE)	100.00	AED	100.00
CARRIAGE KSA LLC (FORMERLY ESTABLISHMENT OF ABDULLAH AL MUTAWA (KSA)), KUWAIT (KW)	100.00	SAR	100.00
CARRIAGE LOGISTICS GENERAL TRADING COMPANY LLC, KUWAIT (KW)	100.00	KWD	100.00
CARRIAGE LOGISTICS SPC, MANAMA (BH)	100.00	BHD	100.00
CARRIAGE TRADING & SERVICES CO. WLL, DOHA (QA)	100.00	BHD	100.00
CLICK DELIVERY CYPRUS LIMITED, NIKOSIA (CY)	100.00	QAR	100.00
CLICK DELIVERY DIGITAL PROCESSING OF TELEMATICS DATA	100.00	EUR	100.00
SOCIETE ANONYME, ATHENS (GR)	100.00	EUR	100.00
CLICKDELIVERY S.A.C, LIMA (PE)	100.00	PEN	100.00
CLICKDELIVERY S.A.S., BOGOTA (CO)	100.00	COP	100.00
CLOUD TREATS ROMANIA SA, CLUJ-NAPOCA (ROU)	100.00	RON	
DAMEJIDLO CZ. S.R.O. (FORMERLY E-AGGREGATOR S.R.O.), PRAGUE (CZ)	100.00	CZK	100.00

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2017 (%)
DÁMEJÍDLO.CZ. LOGISTIKS S.R.O. (FORMERLY VALK FLEET S.R.O.), PRAGUE (CZ)	100.00	CZK	100.00
DELIVERAS S.A., ATHENS, (GR)	100.00	EUR	
DELIVERY HERO FZ-LLC, DUBAI (UAE)	100.00	AED	100.00
DELIVERY HERO INDIA HOLDING S.A.R.L. , LUXEMBOURG (LU)	100.00	EUR	
DELIVERY HERO KOREA (FORMERLY RGP KOREA LTD.), SEOUL (KR)	100.00	KRW	100.00
DELIVERY HERO SWEDEN AB (FORMERLY ONLINE PIZZA NORDEN AB), STOCKHOLM (SE)	100.00	SEK	100.00
DHE LOGISTICS MALAYSIA SDN. BHD, KUALA LUMPUR (MYS)	100.00	MYK	
DHH I SPC (DIFC) LTD., DUBAI (UAE)	100.00	AED	100.00
DHH II SPC (DIFC) LTD., DUBAI (UAE)	100.00	AED	100.00
DONESI D.O.O., BANJA LUKA (BIH)	100.00	BAM	100.00
DONESI D.O.O., PODGORICA (MNE)	100.00	EUR	100.00
EATOYE (PVT) LIMITED, KARACHI (PK)	100.00	PKR	100.00
ECOMMERCE BUSINESS 10 S.À. R.L., LUXEMBOURG (LU)	100.00	EUR	100.00
EMERGING MARKETS ONLINE FOOD DELIVERY HOLDING S.À.R.L., LUXEMBOURG (LU)	100.00	EUR	100.00
EURÓ MAGYARORSZÁG KFT., BUDAPEST (HU)	100.00	HUF	
FLY & COMPANY INC., SEOUL (KR)	100.00	KRW	100.00
FOOD BASKET ELEKTRONIK İLETIŞIM GI DA TICARET LTD. ŞTI, NIKOSIA (CYPRUS)	100.00	TRY	100.00
FOOD DELIVERY HOLDING 12. S.À R.L., LUXEMBOURG (LU)	100.00	EUR	100.00
FOOD DELIVERY HOLDING 15. S.À.R.L., LUXEMBOURG (LU)	100.00	EUR	100.00
FOOD DELIVERY HOLDING 20. S.À R.L., LUXEMBOURG (LU)	100.00	EUR	100.00

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2017 (%)
FOOD DELIVERY HOLDING 21. S.À R.L., LUXEMBOURG (LU)	100.00	EUR	100.00
FOOD DELIVERY HOLDING 5. S.À R.L., LUXEMBOURG (LU)	100.00	EUR	100.00
FOOD PANDA PHILIPPINES INC., MAKATI (PHL)	100.00	PHP	100.00
FOODONCLICK.COM/JORDAN PRIVATE SHAREHOLDING COMPANY, AMMAN (JR)	100.00	JOD	100.00
FOODONCLICK-COM FZ-LLC, DUBAI (UAE)	100.00	AED	100.00
FOODORA AB, STOCKHOLM (SE)	100.00	SEK	100.00
FOODORA FINLAND OY (FORMERLY R-SC INTERNET SERVICES FINLAND OY) HELSINKI, (FI)	100.00	EUR	100.00
FOODORA FRANCE SAS, PARIS (FRA)	100.00	EUR	100.00
FOODORA INC. (CANADA), TORONTO (CAN)	100.00	CAD	100.00
FOODORA NORWAY AS, OSLO (NOR)	100.00	NOK	100.00
FOODPANDA (B) SDN BHD, BANDAR SERI BEGAWAN (BRN)	100.00	BND	100.00
FOODPANDA BANGLADESH LTD., DHAKA (BGD)	100.00	BDT	100.00
FOODPANDA BULGARIA EOOD, SOFIA (BRG)	100.00	BGN	100.00
FOODPANDA CO. LTD., BANGKOK (THA)	100.00	THB	100.00
FOODPANDA HK LTD., HONG KONG (HK)	100.00	HKD	100.00
FOODPANDA MALAYSIA SDN. BHD., KUALA LUMPUR (MSY)	100.00	MYR	100.00
FOODPANDA RO SRL, BUCHAREST (RO)	100.00	RON	100.00
FOODPANDA SINGAPORE PTE. LTD. SINGAPORE (SGP)	100.00	SGD	100.00
FOODPANDA TAIWAN CO. LTD., DAAN DIST TAIPEI (TWN)	100.00	TWD	100.00
GO DELIVERY SA, ATTICA (GR)	100.00	EUR	
HUNGERSTATION LLC, DAMMAM (KSA)	63.00	SAR	63.00
HUNGERSTATION SPC LTD., DUBAI (UAE)	63.00	AED	63.00

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2017 (%)
INVERSIONES CMR S.A.S, BOGOTA (CO)	100.00	COP	100.00
INVERSIONES DELIVERY HERO CMR S.A. (FORMERLY HELLOFOOD HALLO ESSEN HOLLESEN S.A.), QUITO (EC)	100.00	USD	100.00
LOKANTA NET ELEKTRONIK İLETIŞIM GIDA TICARET A.Ş., ISTANBUL (TR)	100.00	TRY	100.00
LUXEMBURG INVESTMENT COMPANY 43 S.À R.L., LUXEMBOURG (LU)	100.00	EUR	100.00
MAIDAN LIMITED, HONG KONG (HK)	100.00	HKD	100.00
MJAM GMBH, VIENNA (AT)	100.00	EUR	100.00
MOBILE VENTURE LATIN AMERICA INC., PANAMA (PA)	100.00	USD	100.00
MOTWER S.A., MONTEVIDEO (URY)	100.00	UYU	
OFD ONLINE FOOD DELIVERY SERVICES LTD., NICOSIA (CY)	100.00	EUR	100.00
OTLOB FOR RESTAURANTS RESERVATIONS SERVICES S.A.E, CAIRO (EGY)	100.00	EGP	100.00
OZON MEDIA D.O.O., ZAGREB (HR)	100.00	HRK	100.00
PAGOS YA S.A., BUENOS AIRES (AR)	100.00	ARS	100.00
PEDIDOS YA PARAGUAY S.A., ASUNCIÓN (PY)	100.00	PYG	
PEDIDOSYA S.A. (FORMERLY KINBOY S.A.), MONTEVIDEO (UY)	100.00	USD	100.00
PEDIDOSYA S.A., BUENOS AIRES (AR)	100.00	ARS	100.00
PEDIDOSYA SERVICIOS S.A., SANTA CRUZ DE LA SIERRA (BOL)	100.00	BOB	
PEDIDOSYA SPA, SANTIAGO (CL)	100.00	CLP	100.00
PLOTUN D.O.O., KRUSEVAC (SRB)	100.00	RSD	100.00
RANILA ONLINE SERVICES LIMITED, NEW DELHI (IND)	100.00	INR	
REPARTOS YA S.A, BUENOS AIRES (AR)	100.00	ARS	100.00

NAME AND REGISTERED OFFICE OF THE AFFILIATED COMPANY	SHARE OF CAPITALS AS OF DEC. 31, 2018 (%)	FUNCTIONAL CURRENCY	SHARE OF CAPITALS AS OF DEC. 31, 2017 (%)
REPARTOS YA S.A, MONTEVIDEO, (UY)	100.00	UYU	100.00
ROCKET FOOD LIMITED, SHEUNG WAN (HK)	100.00	HKD	100.00
R-SC INTERNET SERVICES PAKISTAN (PVT) LIMITED, KARACHI (PK)	100.00	PKR	100.00
SLM FINLAND OY, VANTAA (FI)	100.00	EUR	100.00
SUBDELIVERY LTDA., SÃO PAULO (BR)	100.00	BRL	100.00
TALABAT ELECTRONIC AND DELIVERY SERVICES LLC. (FORMERLY TALABAT ELECTRONIC SERVICES COMPANY L.L.C.), MUSCAT (OM)	100.00	OMR	100.00
TALABAT GENERAL TRADING & CONTRACTING COMPANY W.L.L, SHARQ (KW)	100.00	KWD	100.00
TALABAT LOGISTICS & ONLINE MANAGEMENT LLC, AMMAN, (JR)	100.00	JOD	
TALABAT LTD., KUWAIT (KW)	100.00	KWD	
TALABAT MIDDLE EAST INTERNET SERVICES COMPANY L.L.C, DUBAI (UAE)	100.00	AED	100.00
TALABAT QFC LLC, DOHA (QA)	100.00	QAR	100.00
TALABAT RESTAURANTS COMPANY L.L.C., RIYADH (KSA)	100.00	SAR	100.00
TALABAT SERVICES COMPANY L.L.C., DOHA (QA)	100.00	QAR	100.00
VIALA KFT, BUDAPEST (HU)	100.00	HUF	100.00
VOLO DS XXXVI 9 GMBH (FORMERLY CM FORATIS 12 VV GMBH), VIENNA (AT)	100.00	EUR	100.00
VOLO NETHERLANDS B.V., AMSTERDAM (NL)	100.00	EUR	100.00
YEMEK SEPETI (DUBAI) B.V., AMSTERDAM (NL)	100.00	EUR	100.00
YEMEK SEPETI ELEKTRONIK İLETIŞIM TANITIM PAZARLAMA GIDA SANAYI VE TICARET A.Ş., ISTANBUL (TR)	100.00	TRY	100.00
YOGIYO MEDIA COMPANY LTD., SEOUL (KR)	100.00	KRW	100.00

[1] THE CONSOLIDATION OF THIS COMPANY HAS BEEN WAIVED, SINCE THEIR INCLUSION WOULD BE OF MINOR SIGNIFICANCE FOR THE PRESENTATION OF THE GROUP'S FINANCIAL POSITION AND RESULTS OF OPERATIONS.

The following companies were included as associates in the DH consolidated financial statements:

NAME AND REGISTERED OFFICE OF THE ASSOCIATED COMPANY	SHARE OF CAPITALS 2018 (%)
RESTAURANT PARTNER POLSKA SP. Z.O.O. (PL)	49.0
SWEETHEART KITCHEN OPERATIONS GMBH (DE)	40.0
HUNGRY HOLDING APS (DK)	24.5
RAPPI INC. (CO)	19.52
GLOVOAPP23 S.L. (ES)	15.95

11. Corporate Governance Code

The Management and Supervisory Boards of Delivery Hero SE have issued a statement of conformity pursuant to the German Corporate Governance Code (section 161 of the German Stock Corporation Act [AktG]), which was published on the website of Delivery Hero SE in December 2018 (https://ir.deliveryhero.com/websites/delivery/English/4500/declaration-of-compliance.html).

I. SUBSEQUENT EVENTS

On February 28, 2019 Delivery Hero Group announced that it entered into an agreement with Zomato Media Pvt. Ltd. (“Zomato”) to buy its food delivery business in the United Arab Emirates (UAE) through its fully owned subsidiary Talabat Middle East Internet Services Company LLC (“Talabat”). The agreement encompasses the acquisition of restaurant contracts as well as the conclusion of a service and license agreement. The consideration for the acquisition amounts to $ 172.0 million. Besides this consideration a contingent payment depending on the future performance of the business was agreed. The maximum contingent payment amounts to $ 44.0 million.

The acquisition will add approx. 1.2 million monthly orders and approx. $ 2 million monthly revenue to Delivery Hero’s MENA business and will strengthen its leadership position in the UAE. The acquisition was fully funded by an acquisition facility. On April 1, 2019 the facility was fully repaid.

Moreover, Delivery Hero participated in Zomato’s latest funding round by investing $ 50.0 million into Zomato’s global business to become a Top 10 shareholder and also entered into a material operational partnership agreement.

On April 1, 2019 the sale of Delivery Hero’s German food delivery operations to Takeaway.com was concluded. The total consideration Delivery Hero has received amounts to (i) approx. 5.7 million ordinary shares in Takeaway.com, (ii) approx. 3.8 million warrants convertible into ordinary shares of Takeaway.com at zero cost and (iii) approx. € 508 million of cash. The total consideration (subject to customary price adjustments) at time of closing amounts to € 1.15 billion. The total consideration is net of cash, i.e. Delivery Hero keeps the net cash position of its German food delivery operations. Post exercise of the warrants, the share component represents c. 15.5% of the total issued and outstanding share capital of Takeaway.com. As of December 31, 2018 the German operations are classified as disposal group classified as held for sale (refer to section D. 03. e).

As a result of the transaction, the mandate of Semih Yalcin, employee representative in Delivery Hero’s supervisory board ended. His successor is Christian Graf von Hardenberg, Chief Technology Officer of Delivery Hero.

On April 4, 2019 the Company has decided to enter into a multi-year equity collar agreement in relation to 3.2 million of its shares in Takeaway.com, which it received in connection with the sale of its German food delivery to Takeaway.com.

The objective of the collar transaction is to provide protection on approximately one third of the shares Delivery Hero received in Takeaway.com. The equity collar will also allow Delivery Hero to participate in part of any further share price appreciation of this portion of the Takeaway.com shareholding. Delivery Hero has elected for cash settlement of the collar over time by default.

To facilitate the transaction, Morgan Stanley will sell up to 3 million of such shares in Takeaway.com through an accelerated bookbuild offering which will start immediately. The cash raised from the equity collar will be released to Delivery Hero to allow for increased strategic flexibility for opportunistic M&A transactions. Delivery Hero has committed to a 90-day lock-up with respect to additional Takeaway.com shares following the pricing of the offering.

Berlin, April 23, 2019

Delivery Hero SE

Niklas Östberg
Chief Executive Officer

Emmanuel Thomassin
Chief Financial Officer

RESPONSIBILITY **STATEMENT**

We hereby confirm that, to the best of our knowledge and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the combined management report includes a fair review of the Group's business development including its performance and financial position, and also describes significant opportunities and risks relating to the Group's anticipated development.

Berlin, April 23, 2019

Delivery Hero SE

Niklas Östberg
Chair of the Management Board, CEO

Emmanuel Thomassin
Member of the Management Board, CFO

INDEPENDENT AUDITOR'S REPORT

To Delivery Hero SE (until July 13, 2018: Delivery Hero AG), Berlin

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS AND OF THE COMBINED MANAGEMENT REPORT

Opinions

We have audited the consolidated financial statements of Delivery Hero SE (until July 13, 2018: Delivery Hero AG), Berlin, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as of December 31, 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cashflows for the financial year from January 1 to December 31, 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the combined management report of Delivery Hero SE, Berlin, for the financial year from January 1 to December 31, 2018.

In our opinion, on the basis of the knowledge obtained in the audit,

— the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as of December 31, 2018, and of its financial performance for the financial year from January 1 to December 31, 2018, and
— the accompanying combined management report as a whole provides an appropriate view of the Group's position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development.

Pursuant to section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions
We conducted our audit of the consolidated financial statements and of the combined management report in accordance with section 317 HGB and EU Audit Regulation No. 537/2014 (referred to subsequently as "EU Audit Regulation") and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2) (f) of the EU Audit Regulation, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU Audit Regulation. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year from January 1 to December 31, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

IMPAIRMENT OF INTANGIBLE ASSETS ARISING FROM ACQUISITIONS INCLUDING GOODWILL

For information on impairment of intangible assets arising from acquisitions including goodwill, please see sections B. 05. and F. 01. in the notes to the consolidated financial statements.

The Financial Statement Risk
Intangible assets arising from acquisitions including goodwill (trademarks, customer and supplier relationships, goodwill) amounted to € 570.4 million as of December 31, 2018, which represents 28.4% of total assets and thus a considerable share of asset value.

Intangible assets are tested for impairment if there are indications that their value has declined. As well as this, Cash Generating Units (CGUs)/groups of CGUs to which goodwill has been allocated are subject to an annual impairment test.

To test for impairment, the carrying amount of the respective CGU/group of CGUs is compared with the recoverable amount. If the carrying amount exceeds the recoverable amount, this indicates a requirement for impairment. The recoverable amount is the higher of the CGU/group of CGU's fair value less costs to sell and its value in use. The valuation date for the impairment test was November 30, 2018.

Based on the impairment tests conducted, the Company did not identify any need to recognize impairment losses.

Impairment testing is complex and based on a range of assumptions that require judgment. This includes the expected business and earnings development of the CGUs/groups of CGUs for the next five years, the modeling of estimated surplus cashflow in a sustainable status, the assumed long-term growth rates and the discount rate used.

There is the risk for the financial statements that any existing impairment of goodwill as of the reporting date was not identified. As regards the explanations in the notes to the consolidated financial statements, there is a risk that the explanations are not appropriate.

Our Audit Approach
We evaluated the Company's assessment of whether there were indications of impairment for significant intangible assets arising from acquisitions.

For the purposes of impairment testing of goodwill, we calculated our own estimates for the CGUs/groups of CGUs of the Delivery Hero SE Group with the involvement of our valuation experts and based on general as well as sector-specific market expectations and compared these estimates with the Company's measurements.

In addition, we assessed the appropriateness of the calculation method used by the Company and reconciled this information with the budget prepared by the Management Board and approved by the Supervisory Board. Furthermore, we evaluated the consistency of assumptions with external market assessments.

We evaluated the accuracy of the previous forecasts by comparing the budgets of previous financial years with actual results and by analyzing deviations.

Since changes to the discount rate can have a significant impact on the results of impairment testing, we compared the assumptions and parameters underlying the discount rate, in particular the risk-free rate, the CGU-specific risk premium and the beta coefficient, with our own assumptions and publicly available data.

To ensure the computational accuracy of the valuation model used, we verified the Company's calculations on the basis of selected risk-based elements.

Finally, we assessed whether the disclosures in the notes on the impairment of intangible assets arising from acquisitions including goodwill were appropriate.

Our Observations
The underlying approach to impairment testing of intangible assets arising from acquisitions including goodwill (including the calculation method) is appropriate and in line with the accounting policies to be applied.

The Company's assumptions and parameters used for measurement are reasonable overall.

The related disclosures in the notes are appropriate.

SALE OF THE FOOD DELIVERY BUSINESS IN GERMANY

Please refer to note B. 13. in the notes to the consolidated financial statements for more information on the accounting policies applied. Information on the sale of the food delivery business in Germany can be found in the notes to the consolidated financial statements in note D. 03.

The Financial Statement Risk
On December 20, 2018, Delivery Hero SE concluded an agreement on the sale of the delivery service business in Germany consisting of the companies Delivery Hero Germany GmbH and Foodora GmbH. The delivery service business unit in Germany was classified as a discontinued operation.

The classification of the delivery service business unit as a discontinued operation pursuant to IFRS 5 is complex and subject to judgment. The presentation and the disclosures in the notes to the consolidated financial statements concerning the discontinued operation are also complex.

There is the risk to the consolidated financial statements that the classification of this business unit as a discontinued operation is not appropriate. In addition, there is the risk that the components (or items) of the discontinued operation were not identified appropriately and that therefore the presentation in the consolidated statement of financial position and in the consolidated statement of profit or loss and other comprehensive income is inaccurate. There is the risk that the explanations in the notes to the consolidated financial statements regarding the discontinued operation are not sufficiently detailed and appropriate.

Our Audit Approach
We initially assessed whether the classification of the delivery service business in Germany as a discontinued operation pursuant to IFRS 5 was appropriate. For this purpose, we spoke with the Management Board and assessed internal and external reporting. Furthermore, we assessed whether the allocation of assets and liabilities as well as income and expenses to the discontinued operation was correct.

We assessed whether the explanations in the notes to the consolidated financial statements regarding the discontinued operations are sufficiently detailed and appropriate.

Our Observations
The classification of the delivery service business in Germany as a discontinued operation pursuant to IFRS 5 and its presentation in the consolidated statement of financial position and in the consolidated statement of profit or loss and other comprehensive income are appropriate. The explanations in the notes to the consolidated financial statements regarding the discontinued operations are sufficiently detailed and appropriate.

Other Information
Management is responsible for the other information. The other information comprises the annual report, with the exception of the audited consolidated financial statements and combined management report and our auditor's report.

Our opinion on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information

— is materially inconsistent with the consolidated financial statements, with the combined management report or our knowledge obtained in the audit, or
— otherwise appears to be materially misstated.

Responsibilities of Management and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

Management is responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, management is responsible for such internal controls as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, management is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, management is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with section 317 HGB and the EU Audit Regulation and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

— Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements, and of the arrangements and measures (systems) relevant to the audit of the combined management report, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of estimates made by management and related disclosures.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to section 315e (1) HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by management in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by management as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

OTHER LEGAL AND REGULATORY REQUIREMENTS

Further information pursuant to Article 10 of the EU Audit Regulation

We were elected as group auditor by the Annual General Meeting of Delivery Hero SE on June 6, 2018. We were engaged by the Supervisory Board on December 5, 2018. We have been the group auditor of Delivery Hero SE, without interruption since financial year 2017.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the audit committee pursuant to Article 11 of the EU Audit Regulation (long-form audit report).

GERMAN PUBLIC AUDITOR RESPONSIBLE FOR THE ENGAGEMENT

The German Public Auditor responsible for the engagement is Björn Knorr.

Berlin, April 23, 2019

KPMG AG
Wirtschaftsprüfungsgesellschaft

(signed) Knorr	(signed) Heidgen
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	COMMENT	PAGE
GRI 101: FOUNDATION 2016			
GRI 102: GENERAL DISCLOSURES 2016			
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102-3	Location of headquarters	Berlin	
102-4	Location of operations		9, 57
102-5	Ownership and legal form		16
102-6	Markets served		9
102-7	Scale of the organization		2, 3, 12 et seq., 67
102-8	Information on employees and other workers		71
102-10	Significant changes to the organization and its supply chain		2, 14 et seq.
102-12	External initiatives	Delivery Hero is occasionally engaged in ad-hoc initiatives with other industry players to safeguard its interests, e.g. in case of new legislative initiatives.	
102-13	Membership of associations	Delivery Hero SE is a member of one business association which represent Delivery Hero´s interests in various areas of Delivery Hero´s commercial activities.	
102-14	Statement from senior decision-maker		46
102-16	Values, principles, standards, and norms of behavior		51
102-18	Governance structure		25-28
102-21	Consulting stakeholders on economic, environmental, and social topics		50
102-40	List of stakeholder groups		50
102-41	Collective bargaining agreements	The company has no collective bargaining agreements.	

GRI STANDARD	DISCLOSURE	COMMENT	PAGE
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102-47	List of material topics		48
102-48	Restatements of information		48
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102-50	Reporting period	January 1, 2018 – December 31, 2018	
102-51	Date of most recent report	April 26, 2018	
102-52	Reporting cycle	annually	
102-53	Contact point for questions regarding the report	ir@deliveryhero.com	
102-54	Claims of reporting in accordance with the GRI Standards		47
102-55	GRI content index		161-163
102-56	External assurance	Our nonfinancial report has not been externally audited.	

GRI STANDARD	DISCLOSURE	COMMENT	PAGE
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FURTHER **INFORMATION**

FINANCIAL CALENDAR

2019 Annual General Meeting	Jun 12, 2019
Half-year 2019 Report	Sep 4, 2019
Q3/9M 2019 Quarterly Statement	Nov 7, 2019

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DISCLAIMER

This information also contains forward-looking statements. These statements are based on the current view, expectations and assumptions of the management of Delivery Hero SE ("Delivery Hero"). Such statements are subject to known and unknown risks and uncertainties that are beyond Delivery Hero's control or accurate estimates, such as the future market environment and the economic, legal and regulatory framework, the conduct of the realization of expected synergy effects, as well as measures by public authoroties. If any of these or other uncertainties and imponderables materialize, or if the assumtpions on which these statements are based proven to be incorrect, actual results could differ materially from those expressed or implied by such statements. Delivery Hero does not warrant or assume any liability that the future develipment and future actual results will be consistent with the assumptions and estimates expressed in this report. Delivery Hero does not intend or assume any obligation to update forward-looking statements to reflect events or developments after the date of this report, except as required by law.

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Always delivering amazing experiences.