deliveroo PRESENTS

2021

ANNUAL REPORT

deliveroo

FOOD.
WE
GET IT.

deliveroo

AT DELIVEROO OUR MISSION IS TO BUILD THE DEFINITIVE ONLINE FOOD COMPANY. WE WANT TO BE THE PLATFORM THAT PEOPLE TURN TO WHENEVER THEY THINK ABOUT FOOD.

CONTENTS

AT A GLANCE

OUR BUSINESS IS A HYPERLOCAL THREE-SIDED ONLINE MARKETPLACE

WHAT WE DO

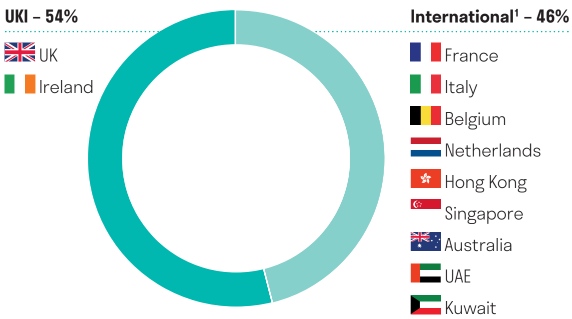
We connect consumers, riders and restaurant and grocery partners across local markets to bring people the food they love.

We are a global online platform, yet a very local business. Our consumers, riders and restaurant and grocery partners live and operate within their local neighbourhoods.

WHERE WE DO IT

We manage our business on a geographic basis. Our eleven markets are split into two geographic segments: the UK and Ireland segment and the International segment, comprising our business in Continental Europe, Asia Pacific and the Middle East.

Our business split by geography (% of GTV*)



1 Exited Spain on 29 November 2021.

WHO WE PARTNER WITH

We work with restaurant partners across four key restaurant segments: global quick service restaurants, national casual dining chains, independent full-service restaurants, and takeaways. We also partner with some of the largest grocery retailers in the world.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

FOUNDER & CHIEF EXECUTIVE OFFICER'S LETTER

WELCOME EVERYONE

Will Shu
Founder & Chief Executive Officer

I'm Will, I'm the founder and CEO of Deliveroo. I started Deliveroo in 2013 because I wanted a great delivery experience. I had one and only one idea, and I was and continue to be obsessed about it. I am proudly a top 10 individual customer! My most frequently ordered dish is the Spicy Beef Soup from Gogi, a Korean restaurant in Maida Vale, London. I also continue to do deliveries on my bicycle in West London.

Deliveroo's business

Deliveroo is a complex three-sided marketplace, involving consumers (an e-commerce destination), riders (an on-demand logistics business), and restaurant and grocery partners (a demand generation platform). Consumers choose Deliveroo because we unlock a wealth of hyperlocal choice, at the right price, with fast and reliable delivery. At Deliveroo, we think about food as content in the same emotional way that other online platforms think about film or fashion – and we do so because that's why consumers come to the platform. Riders care about flexibility, earnings and security, and often learning and development opportunities too. For restaurant and grocery partners, it's all about demand and incremental profitability, great service, and increasingly the ability to tell their story emotionally – both organically and through paid channels. Balancing the interests of all three sides of the marketplace – as well as those of our other stakeholders – is critical to Deliveroo's success in the short, medium and long term.

Deliveroo is unusual because it is a global online platform, yet it is also a very local business. Our consumers, riders and restaurant and grocery partner live and operate within local neighbourhoods. A consumer in Bristol doesn't care about restaurant selection or delivery speed in Brighton; a rider in Milan doesn't think about the earnings opportunities in Naples; and a typical restaurant or grocery partner in Marseille isn't trying to tap into demand in Monza, Manchester or Melbourne.

I think about our business through the lens of our consumer value proposition (CVP) at all times. Focusing on developing the right CVP, neighbourhood by neighbourhood, is our obsession – and how we run the business. Let me briefly explain the five pillars of our CVP.

1) Availability – Of course, this starts with whether we operate in your neighbourhood, but it's more than that. Are we open late at night or for breakfast? Do we take alternative payment methods like Alipay? Do we offer pick-up as well as delivery?

2) Selection – This isn't just the number of restaurants and grocers we have in the neighbourhood. How many different cuisine types do we have? How many of these are outlier restaurants/grocers in terms of popularity? Do we have a wide price range of restaurants? Do we have exclusive, amazing content? Do we have the beloved local Chinese restaurant, the halal butcher and the most popular grocer in the neighbourhood?
3) Consumer experience – It's not just about how fast the delivery arrived; this covers the full customer journey. How accurate was our timing? How easy was it to track your order? How was the packaging? It's also about the quality of personalisation and merchandising in the app. Do we know, before you do, what you are looking for? Can restaurants and grocers tell their story effectively and emotionally in our app? And occasionally, things can go wrong. How quickly did we resolve the issue?
4) Price – In the end, this is about perception of value, but a lot of factors influence that. How is our consumer pricing in terms of delivery fees? What is the price of the food itself on the platform – and is it marked up over the restaurant prices? What is the prevalence and relevance of promotions? Are you part of our subscription programme Plus, which unlocks free delivery and other rewards?
5) Brand – To me, this is about what Deliveroo stands for outside of the singular transaction. Does our brand resonate with people? Are we seen as ethical?

Some of these pillars are easily quantifiable, others not. But we try to measure them neighbourhood by neighbourhood, on a standalone basis as well as against our competitors. This is our scorecard, and it is how we manage the business and make certain day-to-day operational decisions in a decentralised manner. For example, general managers can decide to encourage more riders to work in an area if rider supply is too low. They can choose to offer a famous local pizza restaurant an exclusive contract. They can push hyperlocal in-app discounts, or build a hyperlocal consumer reactivation campaign to get the flywheel spinning quickly again.

Guided by this report card, we improve over time by grinding out daily gains, as well as making step-change advances through long term innovation. Technology is key to both. We are continuing to improve things we've been working on for years: how long it will take a restaurant to prepare an order, which rider to assign to collect it, what restaurants to show to a customer first, how to match rider supply with demand in real time, which consumer acquisition channels are most effective. We are also focusing on questions that have become priorities more recently: how should the user interface differ for restaurant versus grocery orders, when should we show upsell items, which orders can be batched, how best to pick a grocery order, how to build a high quality advertising platform that brings value to all sides.

These questions are all answered with technology, each involving teams of data scientists, product designers and software engineers, to name but a few. They are frequently hard questions with complex answers. For example, in the early days our rider assignment algorithm was a simple 'greedy solver' where the closest available rider would receive the order; now we use deep learning to predict future network states and advanced optimisation techniques to decide rider assignment, and we have vastly more data on which to train our models. This illustrates why Deliveroo is at its heart a technology company, and why we're continuing to invest in our technology team.

Our technology and our operational teams are key to executing on a hyperlocal basis. This is how we gain market share in each neighbourhood. This is critical to generating attractive financial returns. As for any company, overall scale helps to spread marketing costs and overheads. But in our business, hyperlocal network effects are more powerful than overall scale, and network effects come from hyperlocal market share. Improving and winning local market share positions yields outsized unit economics, and unit economics is the key to overall profitability.

Profit pool potential is a function of population density, affluence, restaurant and grocery partner supply, and our local market share. Not every neighbourhood is created equal in terms of potential, but we believe the vast majority of neighbourhoods in the markets where we operate have the fundamental demand and supply characteristics to be profitable. Just how profitable depends in large part on the strength of our local market position. In the UK, for example, we believe over 70% of our Gross Transaction Value (GTV*) is in neighbourhoods where we are number one in terms of market share. We will aim to increase this percentage across all our markets, and we will consider exiting neighbourhoods where we cannot achieve this position.

We operate in a very competitive market, so how do we maintain durable advantages? Part of it comes down to the day-to-day execution that I already described – which is becoming increasingly automated over time. Alongside this is the combination of long-term vision with the curiosity to innovate and the willingness to adapt. How do we decide what new verticals or businesses to enter?

I start by looking through the lens of the three sides of the marketplace. These are really three core assets in our business: (1) monthly active consumer (MAC) base; (2) rider base; and (3) restaurant and grocery partner base. New verticals or businesses are best if they involve at least two sides. For instance, Signature, our white label business, makes sense because we can engage both the partner base as well as the rider base. Grocery has allowed us to leverage our MACs as well as our rider base. Editions has allowed us to utilise all three! Initiatives that only involve one side of the marketplace can be beneficial, but are less obvious.

Hopefully this provides an understanding of how I think about the business, and how we make decisions to enter new areas.

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FOUNDER & CHIEF EXECUTIVE OFFICER'S LETTER CONTINUED

Share price performance

I'd like to take this opportunity to address our share price. Our shares were listed on the London Stock Exchange on 7 April 2021. This was an important step for the Company, as the capital we raised allows us to invest in our business to create durable advantages that drive long term value creation. Since the IPO, our share price performance has been poor and that's disappointing to me not just because I'm the CEO, but because I'm the largest individual shareholder. My interests are aligned with shareholders' over the long term and I will continue to do my best to improve long-term shareholder value.

I acknowledge that it's been a difficult time for shareholders. In particular, I pushed very hard to ensure retail investors would have access to the share offering because I believe that IPOs should not be open to institutional investors only and lock out ordinary people. There are a lot of reasons for the disappointing performance, some related to the business, some related to the industry, and some related to the macro environment. Broadly speaking, I am focused on the business, because that's all I can control. But like you as fellow shareholders, I am interested in creating long term value. I am hiring, motivating and retaining the best team I can to execute on our hyperlocal CVP and to innovate where we think is appropriate, so that we drive the business to profitability and deliver sustainable growth.

OUR INVESTMENT PROPOSITION

1. Compelling structural growth
Over £1 trillion global TAM; Low online penetration; Favourable structural shift in consumer demand

2. Winning competitive differentiators
Distinctive value propositions for consumers, partners and riders; Investing in innovation; Efficient logistics

3. Driving to profitability
Stable cohorts; Strong capital position; aim to reach 4%+ adjusted EBITDA margin (as % of GTV)* by 2026

4. Building sustainable futures
Reducing carbon and waste; Helping partners to grow and thrive; Creating an inclusive marketplace

Read more on page 18

Business progress in 2021

From a business perspective, I am proud of our performance in 2021. We grew very quickly, across all of our markets. Full year GTV* was up 70% year-on-year in constant currency*. This was at the top end of our guidance for 60-70% growth, and we had actually increased that guidance twice during the year. Particularly encouraging to me was our performance in the UK, where we continued to grow our market share in a competitive environment. This shows the strength of our CVP, as well as great execution by our UK and Ireland (UKI) team. Having expanded UK population coverage to 77% at the end of 2021 compared to 53% at the end of 2020, we believe we are well placed for continued growth and market share gains.

We were early to the on-demand grocery opportunity, and in the last three years we have built a leading position in the segment. In 2021, we continued to grow this business rapidly and it reached 8% of Group GTV* in 2021. We had over 11,000 partner sites live globally at the end of 2021 (compared to ~7,000 at the end of 2020). In late Q3 we launched Deliveroo Hop, a new rapid grocery delivery service operating from delivery-only stores (often called 'dark stores'). We're in the early stages of developing this model, and are currently operating Hop with several different partners in the UK and Italy as we continue to test and learn with this new model.

Since 2017, consumers have been able to unlock access to unlimited free delivery for a fixed monthly fee through our Plus subscription programme. Plus provides great value for consumers, and because it drives higher retention and frequency, it helps to increase customer lifetime value for Deliveroo. In 2021, we made a big step forward in broadening the programme. In Q1 2021, we launched a new 'Silver' tier of the programme designed for families. Strong initial take-up has been further boosted since September, when we partnered with Amazon to allow all UK and Ireland Amazon Prime members to sign up for free Deliveroo Plus Silver membership for a year. Overall, I was really pleased to see the strong traction of Plus with consumers in 2021, and by December 2021 our total number of Plus subscribers in UKI was up four-fold compared to the year before.

We continued to scale other category innovations that are driving long term differentiation of the CVP. Editions is our delivery-only kitchens concept that allows restaurant partners to bring their brands to new neighbourhoods without needing to open a new dine-in location. From our perspective it's quite simple: how do we bring the best and most relevant content to areas that lack it? Restaurants also use Editions even in areas where they have an existing restaurant: delivery-only kitchens allow them to separate and optimise their dine-in and delivery operations, and their P&L profile benefits from the lower-cost real estate footprint and lack of front of house. I'm excited that we accelerated the roll out of Editions during the course of 2021, adding

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over 100 kitchens in the year with approximately half of these opening in Q4 2021, and bringing brands like Dishoom, Five Guys, Shake Shack and Pho to new neighbourhoods.

During the year, we took the difficult decision to end our operations in Spain, reflecting our intention to focus investment and resources on the Company's other markets. We had determined that achieving and sustaining a top-tier market position in Spain would require a disproportionate level of investment with highly uncertain long term potential returns. The decision took effect in November 2021, and I want to thank again all the riders and restaurants who have worked with Deliveroo in Spain, as well as our fantastic consumers and of course the Deliveroo team in Spain.

Back in 2013, I was the very first rider for Deliveroo and worked doing deliveries full time for the first year of running the business. I still complete deliveries regularly today, as do many team members right across Deliveroo. This first hand understanding of what riders care about most has helped us develop an offer that prioritises the things they value: flexible work, good earnings, and security.

Deliveroo has provided riders with free and automatic accident and injury cover and third-party liability insurance since 2018. During Q3 2021, we extended this free insurance in several markets to provide riders with enhanced protection. The new insurance coverage includes earnings support for riders working regularly with the company who are unwell and unable to work for more than seven days (backdated to day one). In addition, this insurance now entitles qualifying riders to a one-off lump sum payment following the birth or adoption of a child. We are currently exploring extending these enhanced entitlements to additional markets.

To support the tremendous growth in our business, I was really pleased to welcome many new colleagues to Deliveroo this year. Amongst the new starters were two additions to the Executive Team: Eric French joined in January 2021 as Chief Marketplace Officer and in September 2021 he was followed by Devesh Mishra, our new Chief Product and Technology Officer. Both Eric and Devesh have made a real impact already. The whole team is excited about executing on the opportunities we have ahead of us.

Focus areas for 2022

A key focus for the company this year and beyond is making progress on our longer term path to profitability. Deliveroo was profitable on an adjusted EBITDA* basis in H2 2020. In 2021, our unit economics were impacted by two factors. First, we experienced a reversal of the benefits seen from higher basket sizes during COVID-related lockdowns. Second, we increased investment in order to capture growth opportunities. Investment had been lower in 2020 in part due to capital constraints related to the CMA investigation connected to our Series G funding round and also uncertainty around COVID-19 in the first half of 2020. In late 2020, we began to increase investment in acquisition and retention of consumers and in brand-building marketing, as well as in headcount additions, especially in technology. As a result, in 2021 we grew GTV* by 70% (in constant currency*), while our gross profit margin (as % of GTV)* fell by 120 bps and our adjusted EBITDA margin (as % of GTV)* declined to (2.0)%.

Going forward, I am very focused on delivering on our path to profitability. For 2022, our guidance is for an adjusted EBITDA margin (as % of GTV)* in the range of (1.5)-(1.8)%. We aim to reach breakeven at some point during H2 2023–H1 2024 on an adjusted EBITDA* basis. And by 2026, we aim to reach a 4%+ adjusted EBITDA margin (as % of GTV)*, with further upside potential beyond 2026.

This year we will make progress across a range of levers underpinning our path to profitability.

The largest component of our revenue is commissions from restaurant and grocery partners; and this is a function of average order value (AOV)* and the percentage commission rate. Before this year, we hadn't really actively managed AOV*, but we are working on managing minimum order values more effectively, and upselling is a big opportunity where we can also learn from other online businesses who already do this very successfully. In addition, the AOV* for grocery is already slightly higher than for restaurant delivery offering, and we see scope to move into higher basket sizes here over time. On commission rates, we don't expect significant upwards or downwards movement on segment-level commission, but we may be impacted by mix shifts as, for example, grocery becomes a bigger part of our business.

Consumer fees are another key revenue lever. These are the amalgamation of delivery and other consumer fees (e.g. service fee, small order fee) along with subscription revenue from our Plus programme. Since we started in 2013, we have modestly increased our consumer fees, but I'm the first to admit that we didn't always approach this in the most structured way. In fact, we are still early in the process of optimising pricing across all the elements of consumer fees. But, as with most things, I always start from the perspective of the consumer – how do we keep providing each individual consumer with more relevant content that ultimately increases their willingness to pay?

> **"WE STILL SEE PLENTIFUL OPPORTUNITIES TO FURTHER INCREASE OUR REVENUE 'TAKE RATE', TO CREATE AN EVEN MORE EFFICIENT LOGISTICS NETWORK, AND TO GENERATE TECH-DRIVEN EFFICIENCIES IN OWN OPERATIONS THAT WILL DRIVE OPERATING LEVERAGE AS WE SCALE."**

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FOUNDER & CHIEF EXECUTIVE OFFICER'S LETTER CONTINUED

Focus areas for 2022 continued

Advertising revenue is a small part of our current model but a big opportunity. This comprises sponsored positioning for our restaurant partners as well as partnerships with fast-moving consumer goods (FMCG) companies on the grocery side. This is a proven opportunity for online platforms and already represents a meaningful part of revenues for certain players. We see a lot of potential to grow this revenue channel, but it's super important to do this in the right way. As I said before, consumers care a lot about the quality of personalisation and merchandising in the app, and restaurants and grocers want to tell their story effectively and emotionally. If we get this right, we can both grow this revenue stream and actually improve the consumer experience in the app. This is something I spend a lot of time thinking about.

On cost of sales – comprising delivery costs, credit card fees, and other direct costs – we have consistently gained efficiency in the past. On delivery, a key measure is the rider experience time ('RET'), which is the amount of time it takes between a rider accepting an order and delivering it to the consumer. We see plenty of opportunity to reduce RET further – by cutting riders' wait time at restaurants, for example – allowing us to gain efficiency, riders to benefit from being able to take on more orders and increase their earnings, and consumers to receive their orders faster.

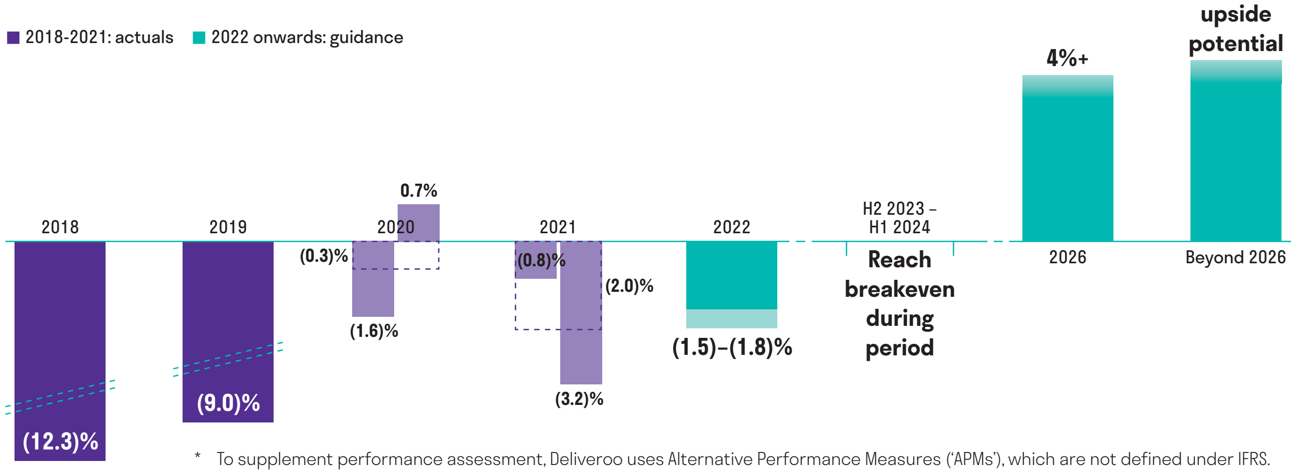
In the area of marketing and overheads*, we will continue to make investments to support the growth of the business. But I'm extremely conscious that as we do this, these investments need to drive benefits across the P&L. Technology is a good example. We think of investments here as building assets that: (i) drive direct financial benefits, through revenue generation (such as advertising platforms) or cost reduction (like self-serve capabilities for consumers, riders and restaurant and grocery partners); (ii) provide the enabling technology for particular businesses (an example is Deliveroo Hop delivery-only stores); and (iii) provide supporting infrastructure for scaling the business efficiently (such as platform stability, or forecasting models for consumer demand and rider supply). The quality and effectiveness of the solutions, products and machinery we develop are a direct output of the quality and experience of people we hire and develop.

Delivery-only grocery stores, or dark stores, are an example of how we think about both the consumer value proposition and the path to profitability at the same time. During 2021, we witnessed an unprecedented amount of capital enter the dark store grocery space — with $18 billion raised across over 100 deals, according to one study. We've watched this space closely for quite some time, and we have begun building our own delivery-only stores.

We are well positioned in this segment, and actually all three sides of our existing marketplace contribute to that. We have eight million monthly active consumers already on our platform. We have an existing logistics network of over 180,000 riders. And we have strong relationships with grocers, who recognise our record on innovation and want to work with us to help them figure out this fast-moving landscape. We understand the consumer proposition of delivery-only stores is very good, both in terms of stock accuracy and delivery speed. But it's not crystal clear to me that this is a profitable product at scale and on a fully-allocated basis, so we are monitoring this closely and being prudent about our rollout plans. Ultimately, we expect the on-demand grocery space to be served by a mix of delivery-only stores and store-picked approaches, and we're excited about how well positioned we are to be successful with both models.

I've always thought of Deliveroo as an online food platform, but as our grocery business scaled, I noticed consumers were purchasing a lot of non-food items, such as household essentials. I was previously a bit doubtful that consumers would want something non-perishable very quickly, and be willing to pay a premium for that service. The evidence would indicate that I was wrong. As I have already noted, building and maintaining durable competitive advantages depends in part on the curiosity to innovate and the willingness to

Adjusted EBITDA margin (% of GTV)*[1]



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1 Spain discontinued operations are excluded in 2020-2021 but included for 2018-2019.

adapt. So in 2021 we launched a partnership with Boots, the UK's leading pharmacy, offering 800 health and beauty products from 14 pilot stores. The results so far have been very encouraging.

I don't have a good sense yet of how large the non-food opportunity is, but in line with the new vertical framework I laid out earlier in the letter, I expect to launch some exciting non-food partnerships in 2022. I would note, however, that we have dedicated nine years to merchandising food – an emotional product – well online. Doing this in a completely different category will be exactly that: completely different. So just as with delivery-only stores, we will monitor progress closely and take a prudent approach to expanding in this space.

Challenges in 2022 and beyond

As I just laid out, we have a lot of opportunities to focus on in 2022. At the same time, there are some areas of concern I have looking out over the next 12-18 months. In 2022 and beyond, the European consumer will face some headwinds. Consumer price indices look set to be high for some period of time. Inflationary pressures had been building in recent months; this has been exacerbated by the conflict in Ukraine, and the broader geopolitical and economic impacts of this crisis are only just beginning to be felt. Coupled with interest rate rises, consumers will be operating under a different spending environment in the quarters ahead. How this impacts consumer staples and discretionary categories, and where delivery of restaurant food and groceries fits into that environment is not clear yet. This is something we will follow closely.

After operating against the backdrop of COVID-19 for an extended period, many markets have been out of full COVID restrictions for about a year. Our view is that COVID-19 was a catalyst to accelerate the existing trend of adoption in the online food delivery category and it is encouraging that our consumer base has remained engaged after the widespread removal of restrictions. For example, average order frequency across our UKI cohorts in Q4 2021 was higher than in Q4 2020. Despite these recent datapoints, we will wait and see how cohorts acquired over COVID-19 behave over the long term. We also expect new user acquisition to be more difficult and costly than during COVID times.

An inflationary environment will also impact the other sides of our marketplace. Restaurant and grocery partners will face challenges from rising costs across a range of inputs, including food, fuel and labour. Higher fuel prices will affect many of our riders, despite the vast majority of orders being delivered on two-wheel vehicles. We will need to monitor all of these impacts closely and ensure that consumer pricing adequately reflects this reality.

Most critical to achieving both the neighbourhood-by-neighbourhood improvements as well as long term innovation is the team we have and continue to build at Deliveroo. Internally, we are very focused on our hiring plan especially for developers, product managers and data scientists. The market for tech talent is very competitive – I believe demand is at an all-time high. Hiring the right people at the right cost is critical for executing well. For us to reach our ambitions, we will have to make good progress along this front. Likewise, as we automate more and more of our business, we have to ensure that our organisational structure continues to evolve. Given the experience of the last two years, scaling our business in an uncertain environment is not new, but it is still a challenge.

While I am cautious about the rapidly changing consumer environment, overall I am very excited about working with our leadership team and the whole Deliveroo organisation to navigate these challenges and capture the opportunities over the next 12-18 months.

EU Directive on platform work

There has been a lot of attention on European Union proposals for regulation of platform work, published in December 2021. The on-demand work Deliveroo offers is still relatively new and has changed labour markets. Regulation is in many ways catching up. Our starting point in the debate on the future of work has always been that we should give riders what they want, which is flexibility. That's why Deliveroo riders are self-employed, and this status has been confirmed by courts across many of our markets. I welcome the EU's objective of providing legal clarity over how self-employed platform workers should work. Our model is broadly in line with the direction of travel of the proposals, which remain subject to further consultation between the three central institutions of the EU. As this debate develops in the EU and elsewhere, we will continue to advocate for changes to the law to enable platforms such as ours to be able to provide greater security to self-employed workers free from legal risk.

Final thoughts

As I've said before, I never set out to be a founder or CEO of a public company. But having become both, one of the most rewarding parts of my role is engaging with the diverse stakeholders we have at Deliveroo. This includes consumers, riders and restaurant and grocery partners; investors, analysts and the media; public bodies and local communities; and of course, my colleagues in the amazing team we have here.

I hope that Deliveroo's first Annual Report as a public company provides all of our stakeholders with more insight into what we have delivered in 2021 and where we are heading next. Despite all we have been through, especially in the last two years, it still feels to me like we are right at the beginning of our journey, and I look forward with optimism and enthusiasm to 2022 and beyond.

Yours sincerely,

Will Shu
Founder & CEO
24 March 2022

CHAIR'S LETTER

MAKING GOOD PROGRESS

Hello, I became Chair of Deliveroo in November 2020 and I am delighted to be writing to you today. It has been a busy year for the Company and I hope that this, our first Annual Report, will give you a good understanding of what we have been doing to grow and develop the business. We have tried to give you a clear picture of what has gone well, as well as the areas that we need to work harder on and the opportunities and risks that we see in the future.

I was a very early customer of Deliveroo when the business was just starting out, and my family and I have been regular users ever since. I was delighted to have the opportunity to meet Will and his senior team in 2020 and I joined the business because I genuinely believe in their vision as well as their commitment to all our stakeholders. Deliveroo is a fascinating and complex business and, as Will explains in his letter, it's a tough balancing act to manage a three-sided marketplace for the benefit of our consumers, riders and restaurant and grocery partners. We are a global online technology company but we work on a neighbourhood by neighbourhood basis. We are growing quickly in a competitive and fast-changing sector which requires constant innovation to flourish. Most importantly, our business connects us to people in a very personal way as food is about more than just sustenance. It provides us with pleasure, special times with family and friends, and the celebration of different cultures. At Deliveroo we feel a real connection to the communities in which we operate and we are focused on how we can support them in ways that are important to them. As a Board we have spent time since IPO thinking about these matters and I will explain more about that below, but would first like to focus on how the business performed during FY2021.

Our performance during FY2021

One big milestone this year was becoming a publicly listed company on 7 April 2021, which was a significant undertaking. I would like to thank our internal teams and advisers for their hard work in making this happen particularly, while having to navigate the business through the unprecedented challenges brought on by COVID-19. From an operational and strategic perspective, the business performed well in 2021, delivering an excellent year of growth, making further UK market share gains, strengthening our leading position in on-demand grocery and continuing to scale our differentiated offerings, Plus and Editions. This has translated into strong financial performance with full year gross transaction value (GTV*) up 70% year-on-year in constant currency*. Adjusted EBITDA* was a loss of £(131) million compared to £(11) million in 2020, reflecting the reversal of benefits from higher basket sizes during COVID-related lockdowns, as well as increased investments in marketing and technology to support future growth. Net proceeds from the IPO bolstered our financial resources as we ended the year with no borrowings and £1.3 billion in cash and cash equivalents.

Governance and Board focus

When we embarked on the IPO process, we believed that it was important to ensure that Will could continue to execute on his vision for how Deliveroo should evolve and grow, while also allowing others to share in that growth

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and to have confidence in the governance of the Company. As a consequence we adopted a time-limited dual class structure for three years to provide the stability and flexibility to allow Will and his team to focus on and execute on their vision and strategy. At the time of the IPO we also committed to strong governance. In particular, that we would voluntarily comply with certain aspects of the UK Corporate Governance Code (the Code) that the Board considers appropriate in light of the nature of our business. We confirmed that we would actively recruit additional independent Non-Executive Directors to ensure that the composition of the Board and its Committees was fully compliant with the Code. We have achieved this, with the appointment of additional independent Non-Executive Directors Karen Jones CBE and Dominique Reiniche during the year, and Peter Jackson joined the Board in 2022. All three are making a very valuable contribution to the development of our business and I would like to thank them as well as our other Non-Executive Directors Rick Medlock, Lord Simon Wolfson and Tom Stafford for their hard work, insights and advice.

I am pleased with how the Board has been working to establish the routines and oversight necessary for a PLC Board and to assist the Company in its transition to public company life. The Non-Executive Directors have brought their varied experience and relevant skill sets to the fore to constructively challenge the business and to support the management team as they seek to grow and strengthen the Company. I discuss in detail in our Governance Report (page 70) the work of our Board during the year. We have particularly focused on the consideration of our strategy and growth plans and how to ensure we have the right people to execute on our plans, especially in the areas of engineering, product and data science. We know that having a strong team in these areas will yield a competitive advantage in both our day-to-day operations as well as our longer term investments.

Our Remuneration Committee has worked hard to develop a Remuneration Policy which will support the recruitment, motivation and retention of the talent that we need to deliver on our strategy, and our shareholders will be considering our Remuneration Policy at our upcoming AGM. This has been the subject of recent engagement between Karen Jones, our Remuneration Committee Chair, and our significant shareholders. We have sought to ensure that our remuneration framework is flexible and competitive with the pay models offered by many of our competitors, whilst still ensuring that our overall incentive levels are capped and consistent with UK PLC pay models. More detail on this is provided in the Directors' Remuneration Report on page 93.

Supporting our communities and sustainability

I know we all hope that we have begun to move beyond the COVID pandemic which brought such unprecedented challenges for us all. I would like to thank our leadership teams across Deliveroo for their efforts during these difficult times to maintain our culture and operations, and to support our employees and wider marketplace to ensure we could operate safely. This included ensuring that our consumers could receive their orders with no direct contact, extending our range to offer more grocery which was vital to so many people who were unable to go out during this time, and offering riders support if they had to isolate and couldn't work. I am particularly proud of our delivery of free meals during the crisis to those in need in the UK and to NHS workers, and our similar efforts in some of our other communities. We hope that these difficult times are truly behind us and we are pleased to see many of our innovations continuing to resonate with our consumers, riders and grocery and restaurant partners.

We know we need to make our platform deliver real value for all participants in our three-sided marketplace for us to be successful in our mission to be the definitive online food company. We also know how much environmental, social and governance issues (ESG) matter to each of the communities of our marketplace, as well as our employees and other stakeholders. These issues are also very important to Will and the entire Board, and we are very conscious of the leadership role that we must play. We are committed to taking action to drive sustainability in our operations particularly in reducing plastic and food waste and carbon emissions, and to supporting positive change in our sector. We are at the beginning of our journey to build a comprehensive sustainability strategy and we have set out in our Sustainability Review on page 35, the key pillars we will focus on as well as some initial actions. As we continue to evolve our ESG strategy during the coming year, we plan to establish clear commitments in these areas which we will share with you on an ongoing basis.

Looking ahead

The coming year will be focused on continuing to execute on our strategy and investing to drive forward our key growth initiatives as well as moving towards breakeven and long term profitability. I am confident we have the opportunity, and the talented and committed teams that we need across the business who can make this happen.

It was a significant milestone listing on the London Stock Exchange and we are very pleased to welcome our new investors. We are also really appreciative of the efforts of all our teams across the world and to our partners, riders and others who work with us, for their hard work and support during the year. Thank you for your belief in Deliveroo and for coming on our journey with us.

Yours sincerely,

Claudia Arney
Chair
24 March 2022

OPERATIONAL HIGHLIGHTS 2021

1. Grew our monthly active consumer base to 8 million
We ended the year with an average of 8.0 million monthly active consumers (MACs) in Q4 2021 across our 11 markets. This is more than double the number at the start of 2020 (Q1 2020: 3.6 million), reflecting both strong acquisition and retention. This increase in MACs was the primary driver of GTV* growth in 2021.

8.0M MACs

2. Expanded our restaurant selection
We further increased our restaurant selection to over 148,000 partner sites live on the platform globally (Q4 2020: 102,000). We also added over 100 delivery-only Editions kitchens, taking the overall number to more than 300 globally.

148,000+
RESTAURANT PARTNER SITES

CONTINUING TO DELIVER

3. Strengthened our on-demand grocery offering
Our existing and fast-growing on-demand grocery service now delivers from over 11,000 partner grocery sites globally (Q4 2020: ~7,000). To complement this, in September 2021, we launched Deliveroo Hop, a new rapid grocery delivery service, operating from delivery-only stores.

8%
OF TOTAL GTV* IN GROCERY IN 2021

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

4. Further developed our rider proposition with enhanced protections

Riders enjoy free and automatic accident and injury cover and third-party liability insurance. In 2021, we extended this to provide cover for riders who are unwell and cannot work, as well as providing one-off payments for new parents. This is currently available in several markets and we aim to roll this out to more of our markets in the future.

85%
GLOBAL RIDER SATISFACTION▹

▹ Figure based on Q4 2021 monthly survey results. During the reported period, 40,000 riders completed the survey globally, representing 22% of riders who delivered an order across the quarter.

5. Grew Deliveroo Plus subscription programme

Deliveroo Plus is our consumer subscription programme that unlocks access to unlimited free delivery for a fixed monthly fee. In February 2021, we launched a new Silver tier designed for families, and in September 2021 we announced a new offering with Amazon Prime, allowing all UK and Ireland Amazon Prime members to sign up for free to Deliveroo Plus Silver for a year. After strong growth in the year, the total number of Deliveroo Plus subscribers globally in December 2021 was three times higher than in December 2020.

3X
INCREASE IN PLUS SUBSCRIBERS

6. Listed on the London Stock Exchange

On 7 April 2021, we were Admitted to the London Stock Exchange having completed the initial public offering (IPO) of Class A shares in the capital of the Company, raising £1.0 billion of net proceeds.

£1.0BN
NET PROCEEDS

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

FINANCIAL HIGHLIGHTS 2021

Orders[1,3]
301M
+73% VS. 2020

Gross transaction value (GTV)*[1]
£6.6BN
+70%[2] VS. 2020

Gross profit*[1]
£497M
7.5% AS % OF GTV*

Adjusted EBITDA*[1]
£(131)M
(2.0)% AS % OF GTV*

Loss before income tax[1]
£(298)M
VS. £(213)M IN 2020

Cash and cash equivalents
£1.3BN
VS. £0.4BN AT END OF 2020

1 From continuing operations.
2 GTV* growth rate shown in constant currency*.
3 Full discussion of statutory financials on pages 54 to 56.

BUSINESS MODEL

OUR THREE-SIDED MARKETPLACE

OUR OPPORTUNITY

Getting food right online is hard. Food is inherently perishable and as a result, delivery needs to be fast and flawless. And food is emotional. How do you express the creativity of a restaurateur or the passion of a consumer online?

Establishing and operating a three-sided marketplace is complex. Our platform connects local consumers, riders and restaurant and grocery partners – all of whom we see as our customers. We must provide a compelling customer value proposition to all three sides.

We must develop the technology and logistics that make the marketplace work seamlessly. We must also create demand and balance supply to drive network density.

Doing all of these things together is challenging. But by doing them successfully, we bring ever-increasing platform utility to our customers, and support the growth flywheel and economies of scale that drive value for Deliveroo's shareholders and wider stakeholders.

DELIVERING VALUE

Consumers
We unlock a wealth of choice for consumers, providing fast, reliable delivery of restaurant food, groceries, and more. Our Plus subscription programme further enhances consumer value with free delivery (above a minimum order value) and other benefits.

301M
orders delivered in 2021

See page 14 for our consumer value proposition

Restaurants and grocers
Access to Deliveroo's logistics, innovations and more than eight million consumers provides restaurant and grocery partners with new ways to grow revenues, increase brand value and maximise the profit potential from online delivery.

£6.6BN GTV*
enabled through our platform in 2021

See page 14 for our restaurant and grocer value proposition

Riders
We provide riders with attractive earnings opportunities combined with full flexibility over when and where to work. Our free insurance provides security, with accident and third-party liability cover globally and additional cover in many markets.

85%
Global rider satisfaction score in Q4 2021[1]

See page 15 for our rider value proposition

Communities and environment
We support communities through charity partnerships and employee volunteering. We are also focusing on reducing plastic waste, food waste and the carbon emissions created by our operations, and supporting the wider supply chain to implement more sustainable practices.

>1M
meals delivered to families in need

See page 35 for our Sustainability Review

Employees
We offer an inclusive environment where individuals can evolve their skills and experience and leave their mark, in step with the rapid scaling of our business. Our people have the opportunity to be part of something bigger through the impact we make in our marketplace and communities.

8.1
out of 10 employee engagement score in December 2021

See page 66 for more detail in our People section

Shareholders
We aim to balance continued strong growth with progress to profitability, and have set out our path to reach our aim of an adjusted EBITDA margin (as % of GTV)* of 4%+ by 2026. Capturing growth opportunities and driving towards our target margins will create substantial shareholder value.

4%+
adjusted EBITDA margin (as % of GTV)* by 2026

See page 26 for more detail on our Shareholder and wider Stakeholder Engagement

1 Figure based on Q4 2021 monthly survey results. During the reported period, 40,000 riders completed the survey globally, representing 22% of riders who delivered an order across the quarter.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

BUSINESS MODEL CONTINUED

THE THREE SIDES OF THE MARKETPLACE

CONSUMERS

We unlock a wealth of choice for consumers, providing fast, reliable delivery of their most loved restaurant food and groceries, and helping them to discover new favourites. Our ever-increasing selection covers a wide range of cuisines and price options, with access to >148,000 restaurant partner sites globally and >11,000 grocery partner sites. We are focused on improving the full range of the consumer experience: in-app search and discovery, ordering and tracking, fast reliable delivery, and responsive customer care. Our Plus subscription programme further enhances the value for consumers with free delivery and additional rewards.

1. AVAILABILITY
2. SELECTION
3. EXPERIENCE
4. PRICE
5. BRAND LOVE

RESTAURANTS AND GROCERS

Deliveroo provides restaurants and grocers with new ways to achieve long-term profitable growth through access to over eight million consumers. We offer delivery capabilities through our tech and operations, and provide dedicated, proactive support. We also bring innovations and provide bespoke solutions to help partners grow their businesses, from self-serve marketing tools to data-driven insights to inform them on how to maximise the potential from online delivery. The vast majority of our restaurants and grocery partners never offered on-demand deliveries before, and we allow them to boost growth, increase brand value and maximise the profit potential from online delivery. Throughout the pandemic Deliveroo has campaigned for support for the restaurant and hospitality sector, and we will continue to do so.

1. COMMERCE PLATFORM
2. PARTNER GROWTH
3. CUSTOMER EXPERIENCE
4. PARTNER EXPERIENCE
5. VALUE BASED PARTNERSHIPS

RIDERS

We provide riders with attractive earnings opportunities combined with full flexibility. Rider satisfaction was 85% in Q4 2021. During the reported period, 40,000 riders completed the survey globally, representing 22% of the riders who worked across the quarter. Riders tell us that flexibility is the main reason they work with Deliveroo, valuing the total control over when and where to work and what orders to accept. Riders benefit from free accident insurance and in many markets the insurance also provides cover for periods of short-term illness, and a one-off pay-out on the birth of a child. Many riders expect to work with Deliveroo for years, but others see this as a stepping stone in their career paths. We have been proud to set up the Rider Academy to support the learning aspirations of our riders. Thousands of riders have taken part in courses since the programme began.

1. FLEXIBILITY
2. EARNINGS
3. SECURITY
4. OPPORTUNITY
5. BRAND TRUST

BUSINESS MODEL CONTINUED

OUR ENABLERS

LOGISTICS TECHNOLOGY

Innovation at our core

Underpinning our entire offering is our logistics technology. Our machine learning algorithms enable our network to improve the experience of all three sides of the marketplace on an ongoing basis. We use our technology to develop an ever-expanding understanding of the nuances of delivering in each neighbourhood we operate in, allowing us to improve quality of service while gaining efficiency at the same time.

THE LOCAL NETWORK EFFECT

A growing platform

As more consumers join our platform we receive more orders. Greater consumer demand attracts restaurants and grocery partners, who benefit from increased volume. Greater volume and network density provides greater earnings opportunities for riders, who work with Deliveroo more frequently and in greater numbers, which in turn drives more efficient, high performance logistics. This provides an enhanced service for consumers, who have more selection and availability in terms of both cuisine and price as well as a faster, more reliable service.

OUR GROWTH BUSINESSES

Serving consumer demand

Our growth businesses – Editions, Plus and Grocery – each contribute to our core food marketplace by strengthening our network effects and accelerating the virtuous circle of our three-sided marketplace.

Editions

Editions is Deliveroo's delivery-only kitchens concept that provides additional value to all three sides of the marketplace. Restaurant partners use Editions to bring their brands to new neighbourhoods without needing to open a new dine-in location; they also use Editions even in areas where they have a restaurant to separate and optimise their dine-in and delivery operations. Consumers enjoy the increased availability in their area of most-loved brands – Editions can account for 10-15% of total orders within the zone of their delivery radius. And riders benefit from increased earnings opportunities, including the fact that the efficiency of the delivery-only kitchens means reduced wait-time at restaurants, increasing earnings potential.

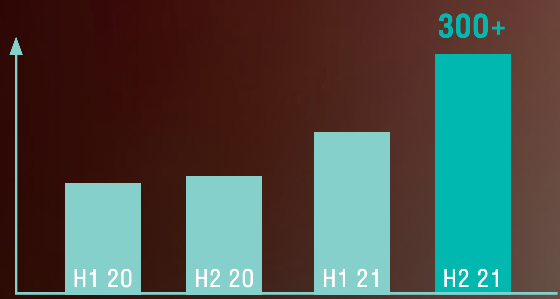
Plus

Deliveroo Plus is our subscription programme that drives greater value for consumers. For a fixed monthly fee, subscribers unlock free delivery from all restaurant and grocery partners on orders that meet the minimum spend requirements. Plus removes delivery fees as a barrier to ordering, increasing order frequency and improving retention. Plus was launched more than three years ago, and in 2021 we added a plan designed for families called Plus Silver.

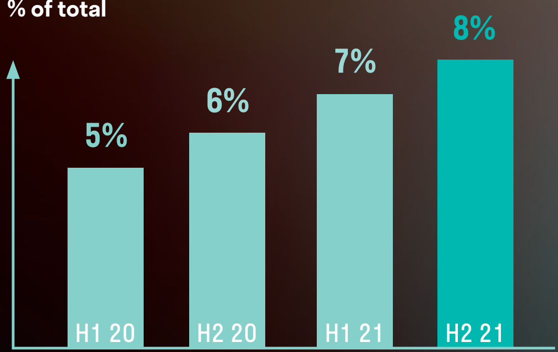
Grocery

In the last three years, Deliveroo has built a leading position in on-demand grocery, which represented 8% of Group GTV* in 2021. We now offer delivery from over 11,000 partner grocery sites globally, ranging from some of the largest grocery retailers in our markets to small independent convenience stores. For Deliveroo, Grocery offers powerful synergies with the core platform, representing incremental demand to the restaurant offering and providing an effective customer acquisition channel. To complement our leading network of partner store-picked grocery sites, in 2021 Deliveroo launched a new rapid grocery delivery service called 'Deliveroo Hop'. Hop operates from delivery-only grocery stores run by Deliveroo, working in partnership with established grocers. Hop enables deliveries in as little as 10 minutes with greater inventory accuracy than the store-picked model.

Number of Editions kitchens



On-demand grocery GTV*
% of total



* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

OUR INVESTMENT PROPOSITION

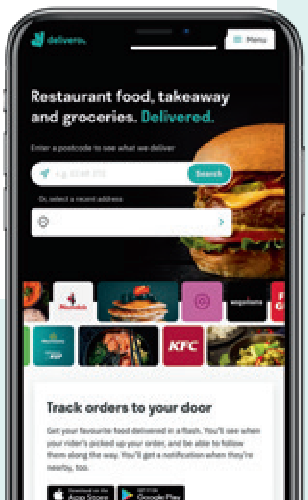
DELIVEROO'S DIFFERENCE

Compelling structural growth

Large global TAM
Opportunity to access a more than £1 trillion total addressable market (TAM) in restaurant and grocery food delivery across our existing 11 markets. Additional potential in adjacent non-food categories.

Low online penetration
Online ordering of food is early in its maturity, with online penetration of ~4% in restaurant and ~3% in grocery food – far behind the level in many other online categories.

Structural tailwinds
Consumer demand continues to shift to online and on-demand, and pandemic effects have accelerated the trend.



Winning competitive differentiators

Distinctive value propositions
Focused on developing the best value propositions for consumers, riders and restaurant and grocery partners in each neighbourhood to make Deliveroo their #1 choice.

Investing in innovation
Scaling existing category innovations such as Plus subscription model and Editions delivery-only kitchens, and growing our product, data and technology teams to drive the innovations of the future.

Efficient logistics
Hyperlocal focus creates powerful network effects, and use of big data and machine learning helps to reduce delivery times – benefiting riders and consumers.

* Defined terms can be found in the Glossary on page 189.

> “A KEY FOCUS FOR THE COMPANY THIS YEAR AND BEYOND IS MAKING PROGRESS ON OUR LONGER TERM PATH TO PROFITABILITY.”
>
> **Will Shu**
> Founder & Chief Executive Officer

Driving to profitability

Stable cohorts

Behaviour of our consumer cohorts has been very consistent historically, with annual GTV* retention well above 100% and increasing order frequency, even coming out of COVID-19-related lockdowns.

Path to profitability

Aim to reach adjusted EBITDA* breakeven during H2 2023-H1 2024 and an adjusted EBITDA margin (as % of GTV)* of 4%+ by 2026, with upside potential beyond, supported by multiple levers to drive unit economics and operating leverage.

Strong capital position

Well-capitalised balance sheet supports investment in growth opportunities, with £1.3 billion cash and cash equivalents at 31 December 2021.

Building sustainable futures

Reaching net zero and reducing waste

Building a net zero carbon plan to reduce our own direct emissions while supporting partners and consumers to reduce their emissions and food and packaging waste.

Helping partners to grow and thrive

For riders, offering flexible work, attractive earnings, security and learning opportunities. For restaurants and grocery partners, providing logistics technology and operations plus continuous innovation to support profitable growth.

Creating an inclusive marketplace

Attracting and developing a team of diverse talents within Deliveroo that in turn supports diversity and inclusion across all three sides of our marketplace.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

STRATEGY

GROWTH AND PROFITABILITY

Deliveroo's mission is to be the definitive online food company – providing consumers with access to the food they love for each of the 21 weekly meal occasions. We aim to achieve this by our focus on offering the best value proposition to all three sides of the marketplace: consumers, riders and restaurant and grocery partners.

Invest in differentiated value propositions

Goals

- Deliver a seamless order experience for all and transition from transactional to emotional
- Consumers: enable access to extensive selection and experience for all food occasions
- Partners: provide demand, insights and innovations that drive sustainable growth
- Riders: offer attractive earnings with flexibility, security and opportunities for personal development
- Employees: create an inclusive environment where our people have growth opportunities and can leave their mark; continue to grow our technology team

Progress in 2021

- Increased number of restaurant partner sites to >148k and grocery partner sites to >11k globally
- Extended rider insurance in many markets to cover sickness and maternity/paternity
- Significant investment in the technology organisation to innovate and build efficiencies
- Created Diversity, Equity and Inclusion (DE&I) team under leadership of new Director of DE&I

Performance measures

- MACs*: 8.0 million in Q4 2021 (+37% YoY)
- Total partner sites: ~160k in Dec 2021 (+47% YoY)
- Rider satisfaction: 85% in Q4 2021**
- Employee engagement score: 8.1 in December 2021 (+0.6 YoY)***

* Defined terms can be found in the Glossary on page 189.

** Figure based on Q4 2021 monthly survey results. During the reported period, 40,000 riders completed the survey globally, representing 22% of riders who delivered an order across the quarter.

*** Overall engagement score in December 2021, compared to the same period last year. This signifies improved sentiment across four engagement areas: 'Belief (in product)', 'Satisfaction (in job)', 'Loyalty (to Deliveroo)' and 'employee NPS'.

Drive sustainable growth

- Build leading market positions (#1 or strong #2) based on hyperlocal market share
- Expand coverage and increase penetration by growing category awareness and market share
- Accelerate grocery offering and scale category-defining innovations such as Editions and Plus
- Support thriving incomes for restaurant and grocery partners and riders

- Expanded coverage across our markets and reached 77% population coverage in UK
- Added major new grocery partners, launched Hop and increased grocery to 8% of GTV* in H2 2021
- Added more than 100 Editions kitchens, taking the total to over 300 globally
- Increased Plus subscribers globally by 3X year-on-year in Dec 2021

- Orders: 300.6 million in 2021 (+73% YoY)
- GTV*: £6.6 billion in 2021 (+70% YoY in constant currency*)
- Revenue: £1,824.4 million in 2021 (+57% YoY)

Strengthen levers of profitability

- Add new high-margin revenue streams, such as advertising
- Create the most efficient logistics network built on hyperlocal network density
- Generate tech-driven efficiencies in the marketplace and our own operations
- Drive operating leverage with scale

- Took initial steps to develop advertising revenue stream
- Reduced Rider Experience Time (RET) by >2%
- Launched several automation workstreams following hiring of new Chief Product and Technology Officer

- Gross profit margin (as % of GTV)*: 7.5% in 2021 (8.7% in 2020)
- Adjusted EBITDA margin (as % of GTV)*: (2.0)% in 2021 ((0.3)% in 2020)
- Cash and cash equivalents: £1.3 billion in 2021 (£0.4 billion in 2020)

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

KEY PERFORMANCE INDICATORS

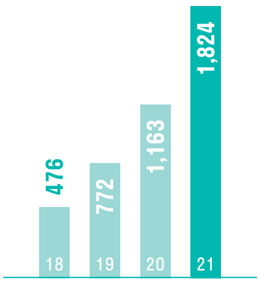
FINANCIAL KPIs

Revenue and revenue take rate*

Revenue (£m)

£1,824M

+57%



Revenue take rate* (%)

27.5%

(170) BPS

Description

Revenue is primarily generated from restaurant and grocer commissions, from consumer fees, and from restaurant and grocer sign-up fees. Revenue take rate* is revenue divided by GTV*. It is a widely used measure for understanding the proportion of total value spent by consumers on our marketplace that is captured by Deliveroo.

Performance 2021

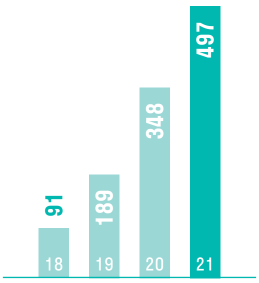
Revenue reached £1,824.4 million, a year-on-year increase of 57% in reported currency, mainly driven by the growth in GTV*. The revenue take rate* was 27.5% compared to 29.2% in 2020, with the year-on-year movement attributable primarily to investments to drive consumer acquisition (such as the New User Experience programme) and retention (via the Plus subscription offering); and investments to create differentiated content for consumers through Deliveroo's restaurant and grocery selection.

Gross profit* and gross profit margin* (as % of GTV)

Gross profit* (£m)

£497M

+43%



Gross profit margin* (%)

7.5%

(120) BPS

Description

Gross profit* is calculated as revenue less costs of sales, which primarily comprises rider costs and credit card fees. Gross profit margin (as % of GTV)* is gross profit* divided by gross transaction value (GTV)*. Gross profit margin (as % of GTV)* is considered a good measure of profitability at a transactional level.

Performance 2021

Gross profit* reached £497.3 million compared to £347.7 million in 2020, an increase of 43% in reported currency. Gross profit margin (as % of GTV)* was 7.5% compared to 8.7% in 2020, with the year-on-year movement attributable primarily to the reversal of benefits from higher basket sizes during COVID-19-related lockdowns and to initiatives to support future growth, including investments to drive consumer acquisition and retention, and to create differentiated content for consumers through Deliveroo's restaurant and grocery selection.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

Adjusted EBITDA* and adjusted EBITDA margin* (as % of GTV)

Adjusted EBITDA* (£m)

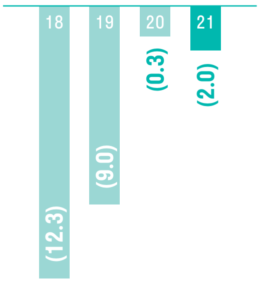
£(131)M

N.M.**

Adjusted EBITDA margin* (%)

(2.0)%

(170) BPS



Description

Adjusted EBITDA* is calculated as gross profit* less marketing and overhead* expenses. It excludes inter alia depreciation and amortisation, exceptional costs*, exceptional income*, and share-based payments charge. Adjusted EBITDA* is considered to be a measure of the underlying trading performance of the Group and is used, amongst other measures, to evaluate operations from a profitability perspective.

Performance 2021

Adjusted EBITDA* was £(131.4) million, compared to £(10.8) million in 2020, as higher aggregate gross profit* was offset by increased investments to support future growth, particularly in the second half of the year. These increased investments include marketing spend to drive consumer brand awareness, and adding technology talent to further develop the Deliveroo platform. Adjusted EBITDA margin (as % of GTV)* was (2.0)%, with a margin of (0.8)% in H1 2021 and (3.2)% in H2 2021.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

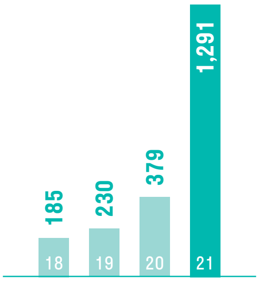
** N.M. – not meaningful.

Cash and cash equivalents

Cash and cash equivalents (£m)

£1,291M

+241%



Description

Cash and cash equivalents are a good measure of the assets that the business has available to invest in its operations and fund growth.

Performance 2021

Cash and cash equivalents were £1,290.9 million at 31 December 2021, compared to £379.1 million at 31 December 2020. Deliveroo had a strong cash inflow from the successful completion of fundraising activities in H1 2021, with £1,011.7 million net proceeds (after costs) from the IPO in April 2021, as well as £135.3 million net proceeds (after costs) from the Series H fundraising round in January 2021.

KEY PERFORMANCE INDICATORS CONTINUED

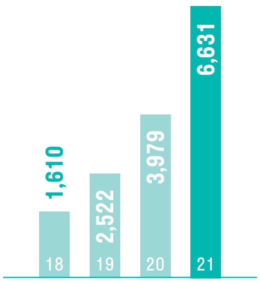
OPERATIONAL KPIs

GTV* and GTV* growth

Gross transaction value* (£m)

£6,631M

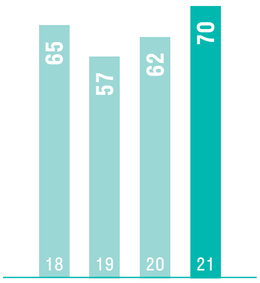
+67%



GTV* growth in constant currency* (%)

70%

+13%



Description

Gross transaction value (GTV)* is the total value paid by consumers, excluding any discretionary tips. GTV* comprises the total food basket (net of any discounts) and consumer fees, and is represented including VAT and other sales-related taxes. It is a widely used measure for understanding the total value spent by consumers on our marketplace.

Performance 2021

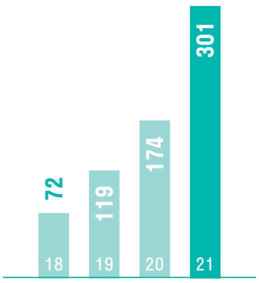
GTV* reached £6,631 million, a year-on-year increase of 67% in reported currency and 70% in constant currency*. Year-on-year GTV* growth slowed sequentially during the year, from 133% in Q1 2021 to 36% in Q4 2021, both in constant currency*. This reflects an increasingly tough comparison base in the prior year, as well as lifting of COVID-19-related restrictions during the course of 2021.

Orders and GTV per order*

Orders (m)

301M

+73%



GTV per order* (£)

£22.1

(4)%

Description

Orders represents the total number of orders delivered from our platform, including from our Marketplace and Signature offering, over the period of measurement. Order volume is considered a key driver of GTV* and also gives a measure of growth in the Group's scale. GTV per order* is GTV* divided by orders. It is a measure of the average size of each transaction on the platform, and is an important driver of both GTV* and commission revenue.

Performance 2021

Orders were 300.6 million in 2021, a year-on-year increase of 73%. This was primarily driven by an increase in monthly active consumers (MACs), helped by an increase in average order frequency (AOF). GTV per order* fell by 4% in reported currency or 2% in constant currency* to £22.1 for the year. This equates to a reduction of 80p versus 2020 as basket sizes normalised following the lifting of COVID-19-related restrictions in the majority of markets during the course of the year.

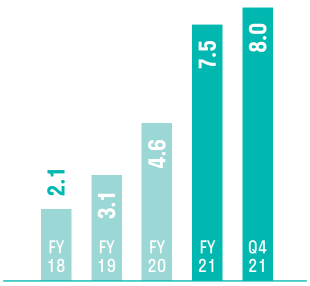
* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

MACs and AOF

Monthly active consumers (m)

8.0M

IN Q4 2021



Average order frequency (x)

3.3

+3%

Description

Monthly active consumers (MACs) is the number of individual consumer accounts that have placed an order on our platform in a given month. Average order frequency (AOF) is the average number of orders placed by active consumers in a month. The number of MACs multiplied by the AOF gives the number of orders per month, which in turn drives GTV*.

Performance 2021

In 2021, MACs averaged 7.5 million for the year as a whole, and 8.0 million in Q4, compared to 2020 figures of 4.6 million and 5.9 million, respectively. This increase reflects investments to drive consumer acquisition (such as the New User Experience programme) and retention (via the Plus subscription offering). AOF continued to increase as increased frequency among maturing older cohorts offset the addition of new cohorts, which always start with a lower frequency.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

STAKEHOLDER STATEMENT

OUR APPROACH TO STAKEHOLDERS

Deliveroo operates in a three-sided marketplace of consumers, riders and restaurant and grocery partners, and we are proud to have a differentiated proposition for each. We are driven by a commitment to improving the delivery experience for each side of our marketplace, based on our in-depth understanding of their priorities, which is gained through ongoing and meaningful engagement.

SECTION 172 STATEMENT

The Board recognises that our business and our behaviours impact our consumers, riders, restaurant and grocery partners, employees, investors and other stakeholders. As directors of Deliveroo, we must act in accordance with a set of general duties which are set out in s172 of the Companies Act 2006 and, in doing so, seek to consider the interests of our stakeholders when reaching decisions.

We are equally committed to being a diverse and inclusive company, supporting the communities in which we operate and engaging with our key stakeholders.

Supported by our Board of Directors, we aim for the highest standards of business conduct when engaging with our marketplace and our stakeholders. This is not only what we believe in but we understand that creating shared value for Deliveroo and our stakeholders is critical to our business success. Offering the best proposition to each side of our marketplace enables us to attract and retain the number of consumers, riders and restaurant and grocery partners we need to scale; while having an engaged workforce boosts the Company's productivity; engaging constructively with regulators ensures we have the licence to operate; and meaningful engagement with our investors will attract the long-term shareholder base we seek.

PRIMARY STAKEHOLDERS

CONSUMERS

Why consumers are important to us

Deliveroo's success is based on our being customer-focused. The business was founded on founder and CEO Will Shu's desire for a better service than the one that was available, and the Company continues to take decisions through the lens of the end user's experience. Deliveroo today has 8 million monthly active consumers globally and strong levels of consumer engagement and satisfaction. We think about food delivery as a hyperlocal business and we focus on our offer to consumers on a neighbourhood-by-neighbourhood level. We have spent years working to understand what consumers want and establishing a proposition that can appeal to every neighbourhood and consumer, whether families or students, in Dubai or Dublin, Sydney or Paris.

What matters to consumers

Our consumer value proposition aims to provide the best availability, selection, experience, and price, while also building an emotional connection with our brand. We refine this by listening and tailoring our offer to hyperlocal audiences, which is vital so that consumers receive a personalised platform experience. We carry out research to really understand consumers' priorities to help us create better services and experiences. Last year we received 2.4 million pieces of feedback from consumers globally.

How we engage with consumers

- We have a dedicated consumer insights team who engage regularly with groups of consumers to provide feedback on our products and services.
- We ask for feedback on their experience via our consumer app, which is shared with other consumers in the form of restaurant ratings and also taken into consideration by our team to improve the overall consumer experience.
- We regularly test product changes with groups of consumers to make sure that any alterations are in consumers' interests.
- If something goes wrong on an order, we focus on making it right as quickly as possible with nearly 2,500 care agents working around the world. We invest in ensuring that we deliver a great consumer experience, focusing on meeting ambitious targets to provide quality levels of care and constantly increasing the proportion of contacts that are resolved the first time.

Highlights

- An important part of our CVP is Deliveroo Plus, the subscription programme that unlocks unlimited free delivery for a fixed monthly fee. Deliveroo launched 'Plus Silver' in most markets in 2021. Designed with families in mind, the new 'Silver' service provides free delivery for a lower price than the original service and helps customers with a higher average basket spend, such as families, to enjoy the benefits of free delivery on their orders. Alongside this, we lowered the price of the original Plus Gold programme in Australia, France, Ireland, UK, Italy and Singapore.
- A new Deliveroo Plus rewards scheme was introduced in many markets. This restaurant-funded programme rewards Plus subscribers for their loyalty with specific restaurants.
- In the UK and Ireland (UKI) Deliveroo announced a new partnership with Amazon Prime. From September 2021, all new and existing UKI Amazon Prime members were able to receive free Deliveroo Plus membership for a year, giving them unlimited free delivery on orders over £25.
- We know our consumers care about the sustainability of the services they use, and so we have introduced a range of measures, including the provision of sustainable packaging options for partners to use in the majority of our markets.
- To ensure consumers feel confident using our service, we have strong food safety, data privacy and cybersecurity policies in place.
- To demonstrate our commitment to our consumers, Deliveroo offered consumers the chance to participate in the Company's IPO, making £50 million of shares available to them, alongside riders and restaurant and grocery partners.

How the Board engages

- The Company's performance, including consumer engagement matters and market share are discussed as part of regular Board updates through the CEO. In addition, members of the Executive Team regularly present to the Board in relation to detailed matters within these areas. This year the Board has received two 'deep dive' presentations on consumer matters which focused on the consumer value proposition, brand and consumer marketing.
- Board members have received information on customers as part of their induction. We also receive direct feedback from our Board members as they are customers themselves.

STAKEHOLDER STATEMENT CONTINUED

PARTNERS

Why our partners are important to us

Deliveroo was born out of a love of restaurants of all kinds. We are passionate about restaurants' food and supporting our partners by enabling them to reach more customers and grow their businesses. Over 90% of our restaurant partners had no delivery capabilities until we provided this opportunity through our logistics-enabled marketplace model. In 2020, Deliveroo expanded our grocery offering, giving supermarket partners the opportunity to offer on-demand delivery for the first time. In 2021, we increased our selection of restaurant and grocery partners available on the platform and Deliveroo today works with 148,000 restaurant partners and 11,000 grocers globally.

What matters to our partners

Our proposition to our restaurant and grocery partners aims to provide strong incremental demand generation, an excellent consumer experience, tools to drive profitability, and innovations for the future of online food delivery.

How we engage with our partners

- We have partner insight and experienced teams who regularly engage with groups of restaurants via surveys and interviews to provide feedback on our products and services.
- We have a partner user experience team who regularly test product changes and new products with groups of restaurants to make sure that any features meet their needs.
- We host an annual Restaurant Awards event where we ask our consumers to vote for their favourite restaurants across a number of categories.
- We have over 900 agents dedicated to engaging with our restaurant and grocery partners to ensure they have the right support.
- We have sales and account management teams in market to support our restaurant and grocery partners.

Highlights

- Significant investment in the technology organisation to innovate on the consumer experience for all three sides of the marketplace.
- Deliveroo has long been a champion of the restaurant sector and in 2021 campaigned with local Governments for our partners to be supported in their efforts to recover from the COVID-19 pandemic.
- To celebrate our partners, we launched the latest round of our Restaurant Awards in the UK and Ireland. The awards, first launched in 2018, were created to celebrate the best restaurants – and more recently grocers – available on Deliveroo.
- Launched Deliveroo Hop, offering grocery partners a rapid delivery service enabling them to reach a wider customer base.
- Deliveroo continues to offer a range of features for restaurant partners. For example: Marketer Adverts, a new feature giving restaurants easier ways to promote themselves to customers in app; a new self-serve onboarding process, allowing restaurants to onboard in as little as five minutes; and a new 'Reply to Feedback' tool allowing restaurants to respond directly to customer feedback, helping them to build closer relationships with their customers while simultaneously engendering positive sentiment among consumers.
- Editions are Deliveroo's delivery-only kitchens which offer opportunities for restaurants to expand to new areas and increase choice in local neighbourhoods for consumers. During 2021, Deliveroo rolled out more than 100 new kitchens in the UK, France, Hong Kong and the UAE.

How the Board engages

- The Board receives regular updates on matters relating to our restaurant and grocery partners through the CEO and regular presentations from members of the Executive Team. This has included a strategic discussion around grocery, dark stores and Editions from the Chief Marketplace Officer.
- Board members have received information on our restaurant and grocery partners as part of their induction programme and visits to Deliveroo Hop sites are being planned.

RIDERS

Why riders are important to us

Deliveroo riders are at the heart of the Company. Founder and CEO, Will Shu, was our very first rider. He worked doing deliveries full time for the first year of running the business and still completes deliveries today. We pride ourselves on understanding what matters most to the over 180,000 riders we work with and we develop our proposition for riders based on the things they tell us they value most.

What matters to riders

Our understanding of what riders care about has helped us to develop a proposition based on what riders value: flexible work, attractive earnings, and security.

How we engage with riders

- Deliveroo has dedicated engagement teams in each of our markets, whose role is to speak directly and regularly with riders and make sure our rider proposition best reflects riders' interests and experiences.
- Regular surveys, an in-app feedback tool and focus groups of riders, are used to ensure we understand riders' experiences of using the platform to identify new ways to improve how we work with them.
- Our care agents are available for our riders to contact about any concerns while on an order.
- Rider Forums, made up of rider representatives elected by other riders, enable riders to raise issues directly with Company management. Forums are present in some European markets and we plan to roll them out more widely.
- Deliveroo riders were supported during the Company's exit from Spain.

Highlights

- Deliveroo created a £16 million 'Thank You' Fund for riders as part of the Company's IPO, to recognise their valuable contribution. This provided riders across all markets with between £200 and £10,000, depending on the number of orders they had completed. Over a quarter of riders globally benefitted from the award.
- Deliveroo has always believed in the importance of providing riders with security alongside flexibility. Having been amongst the first platforms to offer all riders free, automatic insurance, Deliveroo has extended this insurance to cover those who are unwell and cannot work, as well as payments for new parents. This is currently available to riders in the UK, Ireland, Australia, Belgium and France, and we aim to roll this out to more markets in the future.
- In all markets we have introduced the new 'Busby' safety app for all riders, which, among other features, identifies risks on the road and will alert a rider's contacts if they are in an accident.
- In Italy, Deliveroo implemented a Collective Bargaining Agreement with our industry partners and a trade union, UGL, ensuring greater protection to riders and introducing minimum earnings while on order, supplementary benefits, a reward system, safety equipment, new insurance, training and other protections while protecting the flexibility of self-employment.
- In France, we held quarterly discussions with the elected representatives of the Rider Forum, discussing new features, and in Belgium we launched a Rider Forum to give riders a voice within the Company. In the UK we hosted Rider Roadshows across the country, attended by 6,000 riders, to hand out free kit, offer free bicycle maintenance/checks and listen to riders' feedback.
- In the UK, France, Australia, Singapore, Hong Kong, Belgium, Netherlands and Italy we offer free online learning courses to riders and their families through a partnership with Open Classrooms, including funding 110 scholarships for riders.

How the Board engages

- The Board receives regular updates on matters relating to our riders through the CEO, the Chief Marketplace Officer and the General Counsel. Updates have focused on rider status globally, as well as rider earnings satisfaction and conditions.
- Board members have received information on riders as part of their induction programme and a number of Board members have carried out deliveries to experience first hand what it is like to be a rider.

STAKEHOLDER STATEMENT CONTINUED

EMPLOYEES

Why employees are important to us

We are guided by our Company values, which set out what we expect of each other and the Company we aspire to be. We aim to live our values throughout the Company, including how we hire, reward and recognise people.

What matters to employees

At Deliveroo we aim to offer people the opportunity to build their skills and experience faster than they might elsewhere; to have a positive impact on Deliveroo, leaving their mark as we scale; and to be part of something bigger through the impact that we make together in our marketplace and communities. At Deliveroo, employees are challenged and supported in an inclusive environment.

How we engage with employees

- Deliveroo uses Google Workspace, Slack and Facebook Workplace to enable employees to communicate quickly and easily and to foster cross-functional, group working even when working remotely.
- Deliveroo uses the Peakon employee engagement survey tool, asking for employee feedback on a wide range of issues monthly, the findings of which are shared with managers and the Executive Team, with Company wide summaries shared with employees each quarter.
- The CEO holds a fortnightly Company 'All Hands' meeting which is live-streamed so that all employees are regularly updated on key events taking place in the Company including financial results, cultural activities and business initiatives. Presentations are also given by the CFO, other members of the Executive Team and other employees from across the organisation.
- We have four main Diversity, Equity and Inclusion (DE&I) and Belonging groups at Deliveroo: Wellbeing, Gender Equality, Racial Equality, LGBTQ+. These enable employees to input into Company activity and policy to ensure it is inclusive of under-represented groups.

Highlights

- We have improved UK benefits for our employees including improved/increased contributions to Employee Private Medical Insurance, the introduction of a Dental Insurance plan, a new Gym subscription benefit and optional Critical Illness and Partner Life Assurance policies.
- We believe we are building a strong team to support our journey of continued growth and want to foster a workplace culture where everyone is committed to, and able to share in, our success.
- We introduced a new 'Company Bonus Plan' which provides a bonus opportunity to over 1,700 employees and we have ensured that every employee benefits from some type of bonus plan.
- 'We are Deliveroo' was launched as a global programme to give employees the opportunity to become more familiar with Deliveroo's marketplace through voluntary sessions as a rider, in the Deliveroo care team, and in Editions kitchens.
- We hosted a series of events across our markets to mark LGBTQ+ History Month, International Women's Day, Lesbian Visibility Week, Pride, Black History Month, World AIDS Day, Transgender Awareness Week.

How the Board engages

- The Board receives regular updates on matters relating to our employees through the CEO and the Chief People Officer including in relation to culture, recruitment to align with our growth and strategic ambitions and diversity, equity and inclusion. The Chief People Officer also reports to the Remuneration Committee more specifically on recruitment and reward matters and to the Nomination Committee on leadership succession, DE&I and culture.
- Our Chair Claudia Arney engages regularly with employees and met with the Deliveroo Leadership Council (which comprises over 70 employees representing the senior leadership of the Company) to discuss our transition to public company life, her role as Chair and the role of the Board.
- The Board is committed to a constructive two-way dialogue with our employees, to enable us to better reflect their interests in future Company and strategic decisions, and to help ensure that the Company is a great place to work. As part of the Board's work to better understand the views of our people, Dominique Reiniche was appointed as the designated employee independent Non-Executive Director, whose role it is to oversee engagement between the Board and our employees. Dominique's wide ranging business expertise in both the UK and Europe will enable her to contribute valuable insights as she engages with our global employee base. For more information see our Governance Report on page 70.
- The Board and the Audit and Risk Committee also receive regular reports from the General Counsel, VP Finance, Head of Compliance and the Company Secretary to ensure that the Company has appropriate policies and procedures in place in relation to matters impacting its employees including to ensure regulatory compliance.

STAKEHOLDER STATEMENT CONTINUED

SHAREHOLDERS

Why our shareholders are important to us

Our shareholders are the owners of our business and the main source of long term funding. We are committed to considering shareholder interests and maintaining an open and regular dialogue to understand their perspectives and priorities on all aspects of the Company, including business strategy and performance, capital allocation and governance. Our focus is to deliver a strong total return for shareholders over the long term while also creating value for other stakeholders.

What matters to our shareholders

Our shareholders are concerned with a broad range of issues including, but not limited to:

- the strategy and operations of the Group;
- financial and operational performance;
- capital allocation and investment plans;
- approach to performance management and executive remuneration;
- exposure to and management of risk;
- the Group's sustainability strategy and approach to ESG topics; and
- governance structures that are in place and any changes to them.

How we engage with our shareholders

Deliveroo aims to provide investors with transparent and consistent information and interactive communication with our management. We manage relationships with the financial community through our Investor Relations (IR) programme, maintaining a two-way dialogue with existing and potential shareholders and other members of the financial community. Engagement activities include the following:

- Stock Exchange announcements and other press releases, including quarterly trading updates and half-year results with accompanying conference calls and meetings.
- Detailed Annual Report containing information on the Group's strategy, business model and financial results.
- Information on our corporate website, https://corporate.deliveroo.co.uk.
- Regular meetings for investors and analysts with Company management and the IR team at conferences, industry events and roadshows as well as on an ad hoc basis.
- Opportunity for dialogue with management and Board members on key matters, e.g. performance and executive remuneration.

Highlights

- In 2021, the CEO, CFO and IR team collectively held over 200 meetings with nearly 600 individual investors and analysts during the nine months since the IPO.
- Since the end of 2021, the Remuneration Committee Chair has met with our largest shareholders and certain proxy advisers to discuss our remuneration policy.

How the Board engages

- The Executive Directors, Chair, Senior Independent Director and other Non-Executive Directors are available to meet with investors on request and report back to the Board on investor views from these meetings.
- Board members will engage with investors through the Annual General Meeting (AGM) which will provide the opportunity for shareholders to hear from the Board about our performance during FY2021 and to ask questions.
- The Board receives regular reports from the IR team and the Company's corporate brokers on feedback from investor engagement, competitor trends, the company's share register and significant changes in shareholdings.

OTHER KEY STAKEHOLDERS

Public bodies

Why public bodies are important to us

Deliveroo seeks to be a responsible Company that engages constructively with governments and regulators where we operate. We engage proactively to ensure that authorities understand our business model and the value we add, including campaigning for regulatory change to support the interests of our marketplace and the communities in which we operate. We also partner with others where we have shared interests, for example, to promote sustainable food chains.

What matters to public bodies

Relevant governments and regulators value transparency, engagement and constructive partnership, which is what Deliveroo seeks to offer in all of our engagements.

How we engage with public bodies

- Regular dialogue with governments and regulators, bilaterally and through industry groups.

Highlights

- In France, we signed a Charter with the Ministry of Ecology to accelerate the transition (being an approach to economic development designed to benefit businesses, society and the environment), and to reduce single use plastics in the delivery sector.
- In Australia, we worked closely with the State and Federal Government to bring together platforms to publish road safety protocols for platform workers.
- In the UAE, we worked with the administration to identify suitable locations to roll out 'rider pit stops', where riders can rest, recuperate and rehydrate in between deliveries, particularly in the hot summer months.
- In Italy, we partnered with a range of local administrations to promote recycling among consumers and restaurants.
- We are engaging constructively with relevant stakeholders across the EU with regard to proposals on the future of platform work.

How the Board engages

- The Board receives regular updates through the CEO and the General Counsel on matters relating to engagement with governments and regulators in the markets where we operate.

Sustainability and local communities

Why communities and sustainability are important to us

We are committed to supporting our marketplace, being a part of the communities we serve and taking action to drive sustainability. For example, we want to play our part in reducing plastic waste, food waste and the carbon emissions created by our operations. We also want to incentivise and accelerate new behaviours that will help to deliver lasting, sustainable change across our sector, as we are uniquely placed to help consumer demand for more sustainable practices and to drive change among our partners.

What matters most to local communities and sustainability interests

As set out in our Sustainability Review on page 35, we have undertaken an assessment to understand what matters most to us and to our partners and customers. This has included the consideration of how sustainability issues interact with our business and our key stakeholders, and identifying where we have direct levers to make changes or can make change by working with our partners.

How we engage with communities and sustainability interests

- Deliveroo works with a range of charities, non-governmental organisations and other community partners to support local issues that matter to local communities.

STAKEHOLDER STATEMENT CONTINUED

Sustainability and local communities continued

Highlights

- We are seeking to appoint a Chief Sustainability Officer to ensure the integration of ESG matters into every element of the business and to lead the continuing evolution of the Company's ESG strategy, particularly how we measure our performance in this area. For details of the key pillars of focus for sustainability, please see page 36.
- In the UK we launched our 'Full Life' campaign, bringing together our restaurant and grocery partners to pledge to deliver one million meals to local charities across the country.
- As part of the Company's IPO we announced a £50 million Communities Fund, to be spent over the next five years, to support the three sides of our marketplace. Initial projects will focus on helping riders to transition towards e-vehicles, helping to reduce pollution in the communities in which we operate, and incentivising restaurants to use more environmentally sustainable packaging.
- We launched charity partnerships with the Red Cross in Italy and Belgium, Secours Populaire in France, Food From The Heart in Singapore, Feeding HK in Hong Kong, Eat UP in Australia, among others.
- We continued to make sustainable packaging options (recyclable, biodegradable, compostable items) available in the majority of markets for our partners to use. We also have market-specific initiatives, such as subsidising sustainable packaging for partners in Hong Kong, trialing reusable packaging schemes in France and continuing our opt-in for plastic cutlery in the UK.

How the Board engages

- The Board receives regular reports on ESG matters from the CEO and members of the Executive Team. The Board considered the key pillars of focus as set out in the Sustainability Review.

Suppliers

Why suppliers are important to us

Suppliers are critical to our business and our ability to execute, so we treat them as partners.

What matters to suppliers

We know that our suppliers value transparency and so we make sure we have clear and fair terms and conditions in all our agreements. We also have clear policies to encourage the highest possible standards are upheld in our supply chain, for example as set out in our Modern Slavery Statement.

How we engage with suppliers

- Regular dialogue with our suppliers by project leads.

Highlights

- During 2021 Deliveroo has commenced the build of the Deliveroo Procurement Hub to manage our external supplier spend and to ensure our values are applied appropriately with our supplier base.
- We have continued to bolster the procurement team with the addition of a number of qualified procurement professionals with a range of experience from major corporations.
- The focus of the team in 2021 has been to introduce and drive commercial sourcing, improve governance and to ensure all our major pieces of supplier work are appropriately market tested and formally contracted.
- Alongside this focus we have commenced supplier relationship management with the introduction of Quarterly Business Review processes with our providers of rider equipment . These reviews have allowed us to work with key suppliers on areas such as product design, material types, lead times and the sharing of information to drive efficiency. This process and a broader supplier relationship management approach is planned to be developed through 2022 across other business areas with the aim of achieving 'customer of choice' relationships with our major suppliers.

How the Board engages

- The Board receives regular updates on supplier matters from the CEO and the General Counsel.

SUSTAINABILITY REVIEW

BUILDING A SUSTAINABLE FUTURE

Our story

At Deliveroo we are committed to supporting our marketplace, being a part of the communities we serve and taking action to drive sustainability. We want to play our part in reducing plastic waste, food waste and the carbon emissions created by our operations. We also want to incentivise and accelerate new behaviours that will help to deliver lasting, sustainable change across our sector. As a platform we are well placed to help consumer demand for more sustainable practices, and to drive change among our partners.

This Sustainability Review sets out our first steps in building a comprehensive sustainability strategy, by setting out the key pillars our strategy will focus on, alongside some initial actions under each area. Over the coming years we will develop this strategy by making clear commitments in those areas where we are not able to set targets today, and we will continue to build out activity under each pillar to meet the objectives we are setting ourselves.

Materiality assessment

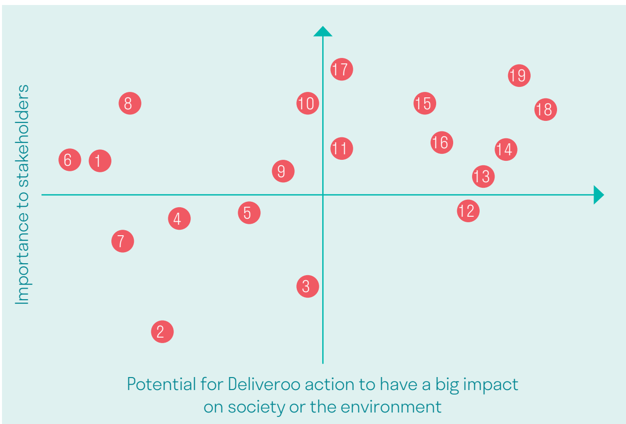
To shape the pillars of our sustainability strategy, our first step was to undertake a materiality assessment as set out below.

- We worked with a specialist sustainability consultancy in the UK to develop a comprehensive list of the sustainability issues relevant for Deliveroo and our industry. This included the consideration of external frames of reference, such as the UN Sustainable Development Goals.
- The resulting issues list was ranked in order of how important we considered the issues were for Deliveroo to address, as well as where our action could have the most impact. This involved evaluating how sustainability issues interact with our business and identifying where we have direct levers to make changes, and where we would have to work through third parties to influence change.
- We concluded that tackling plastic waste, supporting riders, helping our partners grow and become more sustainable, and building a diverse and inclusive company and marketplace, scored most highly in this exercise.
- We then calibrated the outcome of this review with views of our stakeholders, including: employees, consumers, riders, restaurant and grocery partners, policy makers and investors. This helped us to balance what mattered to us, what mattered to our stakeholders, and where we or stakeholders thought that Deliveroo action could have most impact. The diagram below shows a visual representation of this materiality assessment.

Materiality matrix

Key

1. Health and safety
2. Water use
3. Supply chain
4. Sustainable sourcing
5. Transparency
6. Talent attraction
7. Animal health
8. Executive remuneration
9. Privacy
10. Food safety
11. Human rights and modern slavery
12. Employee conditions
13. Supporting partners
14. Diversity, Equity and Inclusion
15. Nutrition, obesity and wellbeing
16. Packaging, waste
17. Climate change
18. Riders' working conditions
19. Food poverty



SUSTAINABILITY REVIEW CONTINUED

Deliveroo's sustainability strategy: the six key pillars at the heart of our mission

The six pillars below represent where we believe we can have the most impact on important issues as per our materiality assessment. These will be the priority areas of focus for us in 2022 and beyond, during which time we will set clear targets and metrics to measure and track our performance. Alongside each pillar we have set out how they support the UN's Sustainable Development Goals. This is so that we can see how our areas of focus fit within this broader set of sustainability objectives.

	UN Sustainable Development Goal	
Pillar	Direct impact	Indirect impact
1. Reaching net zero and reducing waste Reducing our own direct emissions while supporting partners and consumers to reduce their own emissions and food and packaging waste.	12. Sustainable Consumption 13. Climate action	
2. Helping partners to grow and be more sustainable Providing our partners with new opportunities to grow revenues, increase brand value and maximise profit potential from online delivery, while supporting and enabling more sustainable behaviour.	8. Decent Work and Economic Growth	10. Inequalities 9. Infrastructure
3. Riding and thriving Giving people the flexible work they value alongside the security they deserve, as well as attractive earning and learning opportunities.	8. Decent Work and Economic Growth	5. Gender Equality 10. Inequalities
4. Enabling healthier eating Giving our consumers the best selection, availability and value in healthier choices, as well as the tools to help them make informed decisions about what to order.		12. Sustainable Consumption
5. Supporting communities to help vulnerable groups Establishing the right partnerships in our communities to help to tackle food insecurity.	8. Decent Work and Economic Growth	
6. Building a diverse and inclusive company and marketplace Creating a team of diverse talents where everyone feels at home within Deliveroo, while supporting diversity, equity and inclusion across our marketplace.	5. Gender Equality	10. Inequalities

More information on our three-sided marketplace can be found in our Business Model section on page 12.

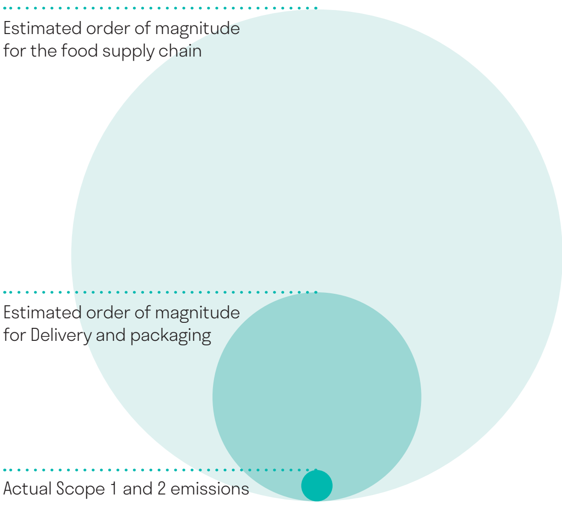
PILLAR 1

Reaching net zero and reducing waste

The first step on the path to taking positive environmental action is having a clear understanding of our current impact. This will help us set ambitious and achievable goals and allow us to measure and report progress.

Deliveroo's own emissions of carbon and other greenhouse gases are relatively small, calculated across all markets at 5,684 tCO_2e (see SECR Report on pages 42 to 43). This represents the emissions from our offices in each of our markets and the Editions kitchens we operate. Reducing these emissions is in our direct control.

As with most companies, we know that it is likely that our indirect emissions (Scope 3 emissions) will be significantly larger than our direct emissions. Using data from 2021, initial estimates suggest that our indirect emissions will likely account for over 99% of our combined direct and indirect emissions. Since they are indirect emissions, we will rely on our ability to motivate and influence partners to reduce them, since they are outside of our direct control.



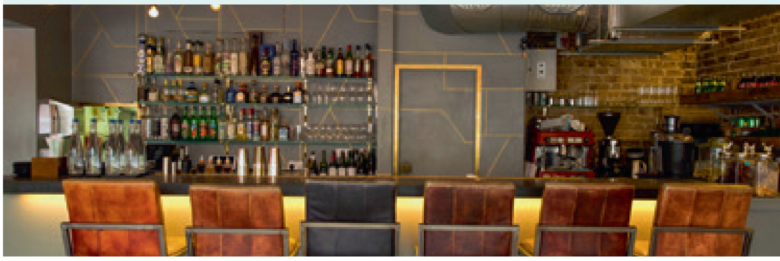
To refine these initial estimates we will work with external experts over 2022 to undertake dedicated primary research and modelling to develop a more sophisticated understanding of our indirect emissions. This analysis will focus particularly on the embedded emissions in the packaging used by our partners, as well as the embedded emissions from food production. This will help us work out what our target should be for reaching net zero.

While quantifying our impact is the first step, identifying the levers we can pull to make positive changes is the second. We will start by focusing on the action we can take to reduce our own direct emissions, before working with riders and restaurants on delivery emissions and reducing plastic packaging, and then seeking to support the wider supply chain towards more sustainable practices.

BUILDING A SUSTAINABLE FUTURE

"The sustainable packaging we buy from Deliveroo's dedicated store is fantastic! It's really reassuring to know that people ordering our food in London can just put the packaging in their recycling bins when they've finished."

Taqueria Restaurant



We estimate that our emissions will continue to increase in the short term before peaking, and then reducing over the longer term. This is because of two factors: (i) a lag between introducing measures to reduce our emissions and the point at which positive impact can be seen; and (ii) continued strong growth in orders , resulting in higher aggregate emissions even if emissions reduce on a unit basis. Due to this, we will explore whether we can effectively measure the emissions intensity per order, so that we can identify how we are performing in reducing emissions on a unit basis even as total volumes increase.

During 2022 and beyond we will:

- **Complete our Scope 3 emissions analysis so that we can set ambitious and achievable emissions reductions goals.** This includes targets to reduce the emissions from our buildings, including our Editions kitchens, as well as the emissions from our marketplace and associated supply chain. We will work with expert partners to undertake the necessary analysis and to develop a road map to achieve net zero in our physical estate.
- **Incentivise more sustainable packaging by investing up to £2.5 million from our Community Fund to subsidise the procurement of almost 17 million units of sustainable packaging.** This will start with targeted support of 50% off the cost of sustainable packaging on the Deliveroo packaging store for smaller partners in our European markets (including UKI). Alongside this incentive, we will work to develop the best targets to reduce plastic waste generated via our platform.
- **Use learnings from current electric vehicle incentives** to support further take up of zero emissions vehicles. This will include identifying a target date for reaching net zero in the rider fleet.
- **Pilot food waste reduction schemes with key partners,** and use this insight alongside our scope 3 emission analysis to identify appropriate food waste reduction targets.

SUSTAINABILITY REVIEW CONTINUED

PILLAR 2

Helping partners to grow and be more sustainable

Deliveroo works with more than 148,000 restaurants and 11,000 grocery partners worldwide. We help our partners grow their businesses by enabling them to reach more consumers via delivery and maximise the opportunities posed by the shift online within the food industry. By partnering with us, businesses get access to technology and logistics operations; multiple channels to make online food sales; data insights to guide their business; and new services to help them maximise the transition of consumers to online.

Independent analysis shows that in 2021, Deliveroo supported jobs within restuarants numbering approximately 52,000 in the UK restaurant sector; and approximately 117,000 jobs across all markets. Including jobs supported in restaurants' supply chains, this figure increases to a total of 70,000 jobs supported in the UK and 152,000 jobs across all markets – excluding the work provided to more than 180,000 riders who worked with Deliveroo in Q4 2021.

As we develop our own approach to sustainability, we recognise that we will also have a role to play in supporting our marketplace – particularly our restaurant and grocery partners – to become more sustainable too. As we evolve our strategy over the coming years, scaling up the support we give partners to act more sustainably will be a priority.

During 2022 and beyond we will continue to focus on expanding the opportunities for our partners, including plans to:

- **Expand our 'Editions' delivery-only kitchens** owned and operated by Deliveroo.
- **Further the rollout of 'Deliveroo Hop'**, which operates from delivery-only grocery stores and offers consumers grocery delivery in as little as 10 minutes.
- **Share data-driven insights with partners** to help them to improve their operational performance.
- **Pilot giving partners subsidised access to online courses** to help them run and manage their businesses, recognising that many restaurateurs are great chefs, but may have less experience running a business.
- **Help partners be more sustainable** by piloting food waste reduction schemes and by incentivising the use of more sustainable packaging (as detailed in Pillar 1).

BUILDING A SUSTAINABLE FUTURE

"We're really grateful for our relationship with Deliveroo. During the pandemic – whilst our restaurants were closed – we were able to continue serving our guests, continue supporting our charity partners, and also reach new customers across the UK. Our cafes are now thankfully back open, but we're delighted to still see our food Dishoom-ing its way to homes everyday through our fantastic partnership."

Kavi Thakrar, Co-Founder of Dishoom

PILLAR 3

Riding and thriving

Deliveroo works with over 180,000 riders globally. 85% of riders are either satisfied or very satisfied working with Deliveroo* and independent studies show that riders choose Deliveroo in preference to other work, prize flexibility and overwhelmingly favour their self-employed status.

How Deliveroo works with riders

- Riders tell us that flexibility – the ability to log in whenever they want and accept or reject any order they want without consequence – is the main reason they work with Deliveroo.
- We make sure that flexibility goes hand in hand with attractive earning opportunities.
- Deliveroo was among the first platforms to offer all riders globally automatic free accident, injury and third-party liability insurance to protect them while out on the road. We have since gone further in many markets by extending our insurance to cover periods of illness and to pay out on the birth of a child so riders can spend time at home with their family. We are aiming to roll this out globally, wherever possible depending on the level of legal risk.
- We have set up the Rider Academy to support riders' learning aspirations. We also have partnered with Open Classrooms, offering 700 free online learning courses to riders and their families. 1,135 online courses were completed in 2021, while 32 riders from the 2020/21 intake completed their Associate's degree level qualification funded by Deliveroo.

During 2022 and beyond we will enhance the proposition for riders who choose to work with us, including by:

- **Providing opportunity through skills** by improving the training support we offer so that riders can gain new skills while working with Deliveroo. We plan to provide up to £2.5 million to support riders across our markets with vocational training opportunities and support in building careers in a wider range of industries. Starting in the UK, we will also work with external partners to help riders build their CVs so they can better demonstrate the skills and qualifications they have picked up in their careers to date.
- **Making Deliveroo more inclusive for riders** regardless of sex, gender, race or background. During 2022 we will focus on understanding the reasons for underrepresentation of female riders and formulate plans to address this. We also plan to expand the range of languages we use to communicate with riders and make it easier for riders to tell us their preferred name and/or gender pronouns to improve communication between riders and partners and riders and Deliveroo.
- **Strengthening the rider voice.** We have taken steps in some markets to strengthen rider representation through the creation of rider forums, which are bodies of rider representatives elected by other riders. We will establish such forums in more of our markets in 2022 and find new ways to engage with those who choose to work with us.
- **Campaigning for change.** We will continue to champion the on-demand, self-employed model that riders want, campaigning for governments to enact legislation to enable platforms such as ours to provide benefits directly to self-employed riders free from risk.

* Figure based on Q4 2021 monthly results. During the reported period, 40,000 riders completed the survey globally, representing 22% of the riders who worked across the quarter.

BUILDING A SUSTAINABLE FUTURE

"I have a disabled daughter and wife, I'm a carer for both of them. Deliveroo is totally flexible, fits in great with being a carer at home. There's no shifts, you go online when you want, you go offline when you want."

Darren Buckland, Deliveroo Rider

SUSTAINABILITY REVIEW CONTINUED

PILLAR 4

Enabling healthier eating

Deliveroo aims to capture as many of the 21 weekly meal occasions as possible, and increased healthy options on the platform helps us achieve this objective.

Our outlook on health is simple – the way to help consumers eat more healthily is by providing them with more information and a greater selection of healthier choices on our platform, as well as improved navigation to help them find them. Together, this should make healthier eating easier, by equipping our consumers with the right detail to make more informed choices.

We know that this is a complex areas as what makes something healthy or unhealthy can often depend on what else is eaten across the week. So as well as giving more information about specific dishes, we will also explore how we can give consumers more information about what makes for a healthy and sustainable diet.

During 2022 and beyond we will focus on healthier eating by:

- **Improving selection.** We want to offer the broadest range of healthier food for all tastes, budgets and occasions. Over this year we will work on the best way of targeting our teams to deliver a minimum percentage of healthier meals in any given area, ensuring there is sufficient choice wherever we operate. To help us define what constitutes a healthier meal, we will look to find a credible third party to partner with.
- **Improving navigation and information.** To make it simpler, easier and quicker for consumers to find healthier food, we plan to enhance the in-app experience – starting in the UK – with functionality enabling partners to add more item-level nutritional information so people can select the meals that meet their needs. Over the long term this will include improving the identification of healthier, vegan and plant-based options, nutritional information, allergens, and hygiene ratings where applicable to the local market.
- **Raising awareness.** We want to put a spotlight on the healthier options on our platform, so we are working with partners such as Bite Back 2030 in the UK, to explore ways we can make it as easy as possible to be more healthy.

PILLAR 5

Supporting communities to help vulnerable groups

At Deliveroo, we want to use our network for good and play our part in supporting the communities in which we work. We don't just want to be visible on our streets – we want to support them and play an active part within neighbourhoods across the UK.

During 2022 and beyond we will support the communities in which we operate and vulnerable groups by:

- **Rolling out our 'Full Life' campaign globally**, working with local charity partners and our marketplace to reduce food waste and deliver food for those in need.

BUILDING A SUSTAINABLE FUTURE

Full Life Campaign: One Million Meals

Our Full Life campaign aims to use our unique network of consumers, riders and restaurant and grocery partners for good and support the local communities in which we operate. We know that tackling food insecurity is a priority for our consumers, which is why we launched the campaign with a new initiative to deliver one million meals to families in need. We partnered with our major partners Waitrose, Co-op and Pret A Manger to deliver free food to our charity partners, The Felix Project and FareShare.

Thanks to the support of our amazing partners, we have now delivered more than one million meals to families in need. This is an important milestone but it's just the beginning and we will continue to expand our reach and support across the UK in the months ahead.

PILLAR 6

Building a diverse and inclusive marketplace

We want Deliveroo to be a place where everyone feels able to contribute, collaborate and be true to themselves while at work. But diversity, equity and inclusion doesn't just stop at the office door – for us it also means championing diversity, equity and inclusion among our consumers, riders and restaurant and grocery partners, where we know there is more for us to do.

Celebrating difference at Deliveroo – what we already do

Recruitment

- We follow recruitment and selection best practices that are fair and appropriate to fulfil our commitment to equal opportunity. We take steps to remove as much potential bias from our hiring processes as possible.
- We ensure our hiring processes are inclusive and support our diversity goals. This includes allocating dedicated time and resources to source candidates from underrepresented groups to ensure our candidate pools are diverse.

Employee-led resource groups

- We have four employee-led resource groups centred around key inclusion initiatives and communities: Gender Equality, Wellbeing and LGBTQ+ and Racial Equity. These groups have executive sponsorship and budget to raise awareness, support their respective communities and partner with leadership and the People team on business initiatives. More information can be found on this in the People section on page 68.

Addressing algorithmic bias

- Our Data Science team initiated a review framework to help us detect and mitigate conscious or unconscious bias that could be built into our algorithms. This aims to regularly assess and monitor our algorithms to integrate the identification of potential bias as part of the roll out/ iteration process of any changes.

Platform accessibility

- Our Design team has created our new Accessible Colour Palette, which will be rolled out in 2022 to help our customers with colour blindness navigate our product with greater ease.

During 2022 and beyond we will:

- **Focus on balanced gender representation**, aiming to increase female representation in our most senior business roles from 32% to a more balanced ratio by the end of 2025. More information on the gender pay gap is set out in the People section on page 69.
- **Launch a voluntary self-identification campaign** in all markets to encourage employees to self-identify so that we can get a better picture of the Deliveroo workforce, get a better picture of their individual needs and measure their experience more accurately.
- **Increase the number of employee-led resource groups** to provide safety and support for other underrepresented communities at Deliveroo including neurodiverse, parents/ caregivers and employees with disabilities. Current groups cover Gender Equality, LGBTQ+ Inclusion; Racial Equity and Wellbeing.
- **Celebrating difference in our marketplace**, using our engagement with female riders to improve our rider proposition for female riders, and increase female rider participation; offer clear and empathetic support to all sides of the marketplace when dealing with harassment, including where that is directed deliberately at underrepresented groups; and set out a roadmap for inclusive product design focusing on accessibility making changes that enable us to give information to riders in more languages, and to allow any rider who wishes to change gender to choose how they want to be addressed when riding with us.

NEXT STEPS

Implementing our strategy

We are at the beginning of our journey to build a comprehensive sustainability strategy but plan to focus on our key pillars and the actions we have highlighted, with quarterly updates to the Board on our progress. As we continue to evolve our strategy during the coming year, we plan to establish clear commitments in these areas including how these will link to executive remuneration. As set out in more detail in the Directors' Remuneration Report, as a first step for FY2022 we are introducing an ESG measure in the annual bonus which will have a 10% weighting. It is also our intention that in FY2023 we will include an ESG performance measure that spans over a multi-year performance period.

SUSTAINABILITY REVIEW CONTINUED

Responsible business conduct

We are committed to conducting business in accordance with our values and to act with integrity.

Anti-bribery and corruption

We are committed to countering all forms of bribery and corruption and work hard to prevent and mitigate corruption risk. Our Anti-Bribery and Corruption Policy sets out our zero-tolerance approach and the conduct we expect of all employees.

As a rapidly growing company we closely monitor our evolving risk profile and in FY2021 we conducted a detailed anti-bribery and corruption risk assessment. The assessment was used to identify risk and implement additional controls, as well as ensure our anti-bribery and corruption compliance programme is maintained on a risk-targeted basis. We have procedures in place to address risks associated with working with third parties and in FY2021 we launched an updated Business Partner Code of Conduct. The Code is embedded within the procurement process, so suppliers are required to acknowledge and factor in its requirements before engaging with us. We have protocols in place where needed to conduct pre- and post-acquisition due diligence on target companies to ensure bribery and other compliance risks are timely identified and addressed. In addition, we have a whistleblowing process that provides for the reporting and investigation of suspected wrongdoing or misconduct (as summarised in the Audit and Risk Committee Report on page 86).

Modern slavery and human rights

We believe everyone has a right to safe and fair working conditions, and to be treated fairly and with respect. We recognise we have a responsibility to respect human rights, which is embedded within our policies and initiatives, some of which are described in our People section on page 66. We are committed to the prevention of abuse, and work proactively to exclude instances of forced labour, human trafficking and child labour from occurring within our business and our supply chain. We have taken steps to address this complex issue, reflected by the processes embedded across our operations, including our policies, training and due diligence procedures. More information can be found in our Modern Slavery Statement (available on our website) which summarises the risks associated with our business and supply chain as well as the activities we have undertaken to identify and address potential impacts.

Task Force on Climate-Related Financial Disclosures (TCFD)

We are supportive of the FCA extending the application of the TCFD climate-related disclosure requirements for standard listed entities in 2022 on governance, risk management, strategy, metrics and targets and scenario analysis. For the 2021 financial year we have considered a number of frameworks including the TCFD recommendations and we will report against the framework in our FY2022 Annual Report as required by the Listing Rules.

UK Streamlined Energy and Carbon Reporting (SECR)

In line with UK government Streamlined Energy and Carbon Reporting (SECR) legislation, we have calculated total operational energy and associated GHG emissions across Deliveroo Plc global portfolio for the year ended 31 December 2021.

Scope 1: Direct emissions from owned or controlled sources, e.g. natural gas for heating

Scope 2: Indirect emissions from the generation of purchased energy, e.g. electricity

Scope 3: All other indirect emissions that occur in the value chain, e.g. business mileage

Our reporting scope includes energy associated with activities undertaken by the Group only. Energy and associated emissions reported include electricity and natural gas utilised at operational sites. No other emission sources were identified as applicable for the Group's operations.

As set out above, reducing our own direct emissions while supporting partners and consumers to reduce their own emissions is a key priority for us. This is the first year we have measured beyond our UK operations and so do not have a global year-on-year comparison. 68% of our total energy consumption (from scope 1 and 2 sources) is UK based with only 32% being non-UK based. We consume more energy in the UK than other markets because, as a UK headquartered company, we have more staff and therefore larger offices in the UK, as well as having a large share of Editions kitchens.

In 2021, Deliveroo Plc total global Scope 1 and 2 emissions was calculated at 5,684 tCO_2e (2020: 733 tCO_2e). Data collected by the Group was analysed by our external consultants CBRE Global Workplace Solutions, based on 56% verifiable data and 44% estimated data. Data was collected from statements and invoices provided by utilities companies and landlords, for some locations meter readings are taken and verified by external providers. Amounts have had to be estimated for locations where a service charge is paid rather than metered invoices, where co-working spaces are used, or where it was not possible to collect metered data. Estimated data was based on CIBSE Guide F (2012) benchmarks against the total occupied floorspace for each site or estimated using pro rata data collection methods. The Group will continue to engage with suppliers and landlords to obtain increased data for its 2022 reporting.

The table on page 43 sets out data for the year end 31 December 2021 in line with the UK Streamlined Energy and Carbon Reporting (SECR) framework, including our total Global and UK operational energy and carbon emissions required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Streamlined Energy and Carbon Reporting (SECR)

	As at December 2021		As at December 2020*	
GHG Protocol	Global	UK and offshore area	Global	UK and offshore area
Scope 1 – tCO_2e emissions	**2,193**	**1,690**	—	546
Scope 2 – tCO_2e emissions	**3,491**	**1,165**	—	187
TOTAL	**5,684**	**2,855**		733
Scope 1 – natural gas	**11,967MWh/2,193tCO_2e**	**9,218MWh/1,690tCO_2e**	—	2,971MWh/ 546 tCO_2e
Scope 2 – electricity (location)	**9,775MWh/3,491tCO_2e**	**5,477MWh/1,167tCO_2e**	—	802 MWh/ 187 tCO_2e
Scope 2 – electricity (market)	**9,775MWh/3,490tCO_2e**	**5,477MWh/1,167tCO_2e**	—	—
Scope 1 – MWh consumption	**11,967MWh**	**9,218MWh**	—	2,971MWh
Scope 2 – MWh consumption	**9,775MWh**	**5,477MWh**	—	802MWh
TOTAL	**21,742MWh**	**14,695MWh**		3,773MWh
Intensity ratio – tCO_2e/100,000 orders	**1.87**	**2.03**	—	0.41
Intensity ratio – tCO_2e/£m revenue	**3.05**	**3.05**	—	0.62

* The report format shown above allows for partial comparison with previous reporting. The report for our previous year of SECR reporting (FY2020) used the format required for private, unquoted companies and as published in the Roofoods Ltd Annual Report and Accounts. As we are now a publicly listed company, we have used a different format for this year of SECR reporting which includes reporting on global emissions and energy use.

Methodology

- Our emissions have been calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emission factors have been taken from the combination of the UK Department of Business, Energy and Industrial Strategy (greenhouse gas reporting: conversion factors for 2021) and the International Energy Agency (IEA) for the 2020 year.
- The boundaries of our GHG inventory were defined using the operational control approach – which covered all emissions for which we were responsible for during the period.
- Reporting scope includes energy associated with activities undertaken by global entities directly owned by Deliveroo Plc only.
- Energy and associated emissions reported include electricity and natural gas utilised at operational sites. No other emissions sources were identified as applicable.
- Where data was collected pro rata calculation methods were used. Where these were cost only, average country electricity cost/kWh to back calculate kWh was used.
- 44% of our data set is based on estimated data. Estimates are calculated from previous consumption and published CIBSE Guide F (2012) benchmarks as detailed in this report.
- Scope 2 emissions have been calculated using both a location-based and a market-based methodology – using 2021 Conversion factors by Department for Environment, Food and Rural Affairs (DEFRA) for the UK and IEA for Rest of the World factors. Deliveroo Plc have not calculated any Scope 3 emissions for the purposes of this report.
- The primary metrics that Deliveroo Plc uses for normalisation of inter-office and annual comparison are revenue (£m) and number of orders. These have been applied for the emissions comparison above. Normalising our emissions allows for more effective year-on-year comparison. We have chosen to report against two metrics: Total number of orders as well as £million revenue. Intensity metrics have been chosen that reflect the growing nature of the group's activities, allow comparison within the food delivery industry, and with other industries. Revenue is considered the simplest metric to allow comparison across industries, and orders as the best way to consider energy usage in relation to growing activity.

Energy efficiency measures

Over the year we reviewed a number of recommendations made in the 2020 Roofoods Ltd Annual Report and Accounts to improve energy efficiency.

Due to prioritising challenges managing the COVID-19 pandemic over 2021 we decided to roll up implementation of these measures with our new sustainability strategy as set out earlier in this Sustainability Review. One of our priorities is to reduce our direct emissions, while supporting our restaurant and grocery partners and consumers to reduce theirs. In addition to the other steps outlined in this Sustainability Review, we will also:

- consider what building upgrades are appropriate as part of the decarbonisation road map referenced on page 37. This will include identifying the right targets and measures to use;
- update our guidelines on energy procurement for our buildings; and
- identify and implement other energy saving measures for our offices, Editions kitchens, and Deliveroo Hop sites.

OPERATING AND STRATEGIC REVIEW[1]

CONTINUING TO DELIVER

1. Key developments in 2021

Growth

Deliveroo made strong progress in 2021. Full year gross transaction value (GTV)* was up 70% year-on-year in constant currency*. This is at the top end of revised guidance for 60-70% growth provided in October 2021 (upgraded from prior guidance of 50-60% growth provided in July 2021 and 30-40% growth provided in March 2021). Performance in the UK was particularly encouraging, with continued growth in market share in a competitive environment. This demonstrates the differentiation of Deliveroo's consumer value proposition and focus on execution. Deliveroo expanded UK population coverage to 77% at the end of 2021 compared to 53% at the end of 2020, planting the seeds for future growth.

On-demand grocery

In the last three years, Deliveroo has built a leading position in the on-demand grocery segment, and in H2 2021 grocery reached 8% of total GTV*. Deliveroo had over 11,000 grocery partner sites live globally at the end of the year. In September 2021, Deliveroo announced the launch of a new rapid grocery delivery service. 'Deliveroo Hop' will operate from delivery-only grocery stores, enabling deliveries in as little as 10 minutes and greater inventory accuracy. This model is still in the early stages of development, and is currently being operated with several different grocery partners in the UK and Italy.

Plus

Since 2017, Deliveroo's Plus subscription programme has unlocked access to unlimited free delivery for a fixed monthly fee. In 2021, the programme was broadened significantly. In Q1 2021, a new 'Silver' tier of the programme designed for families was launched. Strong initial take-up has been further boosted since September, when Deliveroo launched a new offering with Amazon Prime, allowing all UK and Ireland Amazon Prime members to sign up for free Deliveroo Plus membership for a year, with unlimited free delivery on orders over £25/€25. Traction from the programme has been impressive, with the number of new Plus subscribers exceeding management's initial expectations; by December 2021, the number of Deliveroo Plus subscribers in UKI had approximately tripled compared to August 2021. Growth in subscribers was driven by conversion of existing Deliveroo consumers to Plus as well as bringing new consumers to Deliveroo for the first time.

Editions

Deliveroo continues to scale other category innovations that drive long-term differentiation of the consumer value proposition. Editions is Deliveroo's delivery-only kitchens concept that allows restaurant partners to bring their brands to new locations and gives consumers access to a wider range of the best, exclusive restaurant content. The rollout of Editions accelerated during the course of 2021, with over 100 kitchens added in the year of which approximately half opened in Q4 2021, bringing brands like Dishoom, Five Guys, Shake Shack and Pho to new neighbourhoods.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

1 In this section, all growth rates are year-on-year and in reported currency unless otherwise stated, and all 2020 and 2021 figures exclude results from Spain, where operations ended in November 2021 and are treated as discontinued operations. The following commentary includes discussion of statutory measures such as revenue and operating loss, as well as alternative performance measures (APMs) such as gross transaction value (GTV)*, gross profit margin (as % of GTV)* and adjusted EBITDA*, as the business also uses these metrics to monitor and assess performance. More detailed discussion of statutory results is contained in the Financial Review beginning on page 54.

SUMMARY OF DELIVEROO MONETISATION MODEL

Spain

In 2021, the Company made the difficult decision to end its operations in Spain. Deliveroo determined that achieving and sustaining a top-tier market position in Spain would require a disproportionate level of investment with highly uncertain long-term potential returns, which could impact the economic viability of the market for the Company. As such, the decision to end operations in Spain reflected the intention to focus investment and resources on the Company's other markets.

Riders

Deliveroo has provided riders with free and automatic accident and injury cover and third-party liability insurance since 2018. During Q3 2021, Deliveroo extended this free insurance to provide riders with enhanced protection in several markets. The new insurance coverage includes earnings support for riders working regularly with the Company who are unwell and unable to work for more than 7 days (backdated to day 1). In addition, insurance now entitles qualifying riders to a one-off lump sum payment following the birth or adoption of a child. Deliveroo is currently exploring extending these enhanced entitlements to additional markets. In 2021, rider attraction and retention rates remained robust despite rising job vacancies across economies as lockdown restrictions were lifted, providing further evidence that riders value the flexible self-employed work that Deliveroo offers.

Team

To support the continued growth in the business, Deliveroo welcomed many new colleagues this year. Amongst the new starters were two additions to the executive team. Eric French joined in January 2021 as Chief Marketplace Officer. Prior to joining, Eric worked at Amazon for 15 years holding a variety of leadership positions, most recently as Vice President for US Consumables where he had responsibility for the household, beauty, baby, and grocery categories. In September 2021 he was followed by Devesh Mishra, Chief Product and Technology Officer. Devesh also joined from Amazon, where most recently he was Vice President, Global Supply Chain. In this role Devesh oversaw a team of thousands made up of engineers, data scientists and product managers, building and operating a supply chain spanning 185 markets and using data analytics, predictive technology and machine learning to scale Amazon's retail and marketplace business. Both Eric and Devesh have made a real impact already, and they and the whole team are excited about executing on the opportunities ahead.

OPERATING AND STRATEGIC REVIEW CONTINUED

2. Group operating performance

£ million unless stated	2021	2020	Change reported
Orders (m)	**300.6**	173.7	73%
GTV per order* (£)	**22.1**	22.9	(4)%
Gross transaction value*	**6,631.0**	3,978.8	67%
Revenue	**1,824.4**	1,163.0	57%
Revenue take rate (as % of GTV)*	**27.5%**	29.2%	(170) bps
Gross profit*	**497.3**	347.7	43%
Gross profit margin (as % of GTV)*	**7.5%**	8.7%	(120) bps
Marketing and overheads*	**(628.7)**	(358.5)	75%
Marketing and overheads (as % of GTV)*	**(9.5)%**	(9.0)%	(50) bps
Adjusted EBITDA*	**(131.4)**	(10.8)	n.m.**
Adjusted EBITDA margin (as % of GTV)*	**(2.0)%**	(0.3)%	(170) bps
Operating loss	**(304.3)**	(208.8)	46%

** n.m. - not meaningful

Change in constant currency* was 70% for GTV* and (2)% for GTV per order*.

Gross transaction value (GTV)* was £6,631.0 million, an increase of 67%, or 70% in constant currency*. The primary driver of GTV* growth in the year was an increase in the number of monthly active consumers (MACs). MACs averaged 7.5 million during the year, an increase of 64% compared to 2020, and in Q4 2021 the average number of MACs reached 8.0 million. Average order frequency increased slightly from 3.2 times per month in 2020 to 3.3 times per month in 2021, as increased frequency among maturing older cohorts offset the addition of new consumer cohorts, which typically start with a lower frequency.

As a result of the increase in MACs and average order frequency, orders increased by 73% to 300.6 million in 2021. GTV per order* fell to £22.1, down by 80p versus 2020 as basket sizes normalised following the lifting of COVID-19 restrictions in the majority of markets during the course of the year. This effect occurred predominantly during Q2 and Q3 2021; in Q4 2021 GTV per order* stabilised, increasing by 1% in constant currency* compared to Q3.

GTV PER ORDER* (£, GLOBAL)

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

Deliveroo generates revenue primarily from restaurant and grocer commissions and from consumer fees, with limited additional revenue from advertising and other sources at this stage. In 2021, revenue was £1,824.4 million, an increase of 57%. This was below the growth rate in GTV*, reflecting a reduction in the revenue take rate* (i.e. revenue as % of GTV*) to 27.5% in 2021 from 29.2% in 2020. This reduction was the result of (i) a lower blended commission rate (primarily due to mix shifts, such as an increase in the proportion within GTV* of grocery, where commission rates are typically lower), and (ii) lower consumer fees as a percentage of GTV* (primarily due to growth in Plus, where consumer fees can be lower on a per order basis, offset on an aggregate basis by increased order frequency).

Gross profit* is calculated as revenue less costs of sales, which primarily comprises delivery costs and credit card fees. Gross profit* for the year was £497.3 million, an increase of 43% compared to 2020. The gross profit margin (as % of GTV)* was 7.5% in 2021 compared to 8.7% in 2020. Within 2021, gross profit margin (as % of GTV)* reduced from 7.8% in H1 2021 to 7.2% in H2 2021. The year-on-year and sequential movements in 2021 were driven by the reversal of benefits from higher basket sizes during COVID-related lockdowns, as well as investments to support future growth. These include investments to drive consumer acquisition (such as the New User Experience programme) and retention (via the Plus subscription offering), and to create differentiated content for consumers through Deliveroo's restaurant and grocery selection.

Investment in marketing and overheads* increased substantially in 2021 compared to the prior year. During most of 2020, Deliveroo took a very conservative approach to deploying capital, given capital constraints as a result of the CMA antitrust investigation, and the fact that long-term consumer behaviour was uncertain during the initial lockdowns in early 2020. Starting in Q4 2020, Deliveroo was much better positioned to increase investment, with a strong capital position following the conclusion of the CMA investigation in Q3 2020, the completion of the Series G and the Series H fundraising rounds, and the IPO in April 2021. Deliveroo also now has strong conviction that the pandemic has accelerated the secular shift in consumer behaviour, moving demand in food online.

Marketing and overheads* were £628.7 million in 2021 compared to £358.5 million in the prior year. Increased marketing costs year-on-year included additional spend in growth marketing (to support directly the acquisition of new consumers and retention of existing consumers) and brand marketing (to drive consumer brand awareness). Increased investment in overheads was particularly focused on technology, which will continue to be the case in 2022. Technology investment is directed towards building assets that: (1) drive direct financial benefits, through revenue generation (e.g. advertising platforms) or cost reduction (e.g. self-serve capabilities for consumers, partners and riders); (2) provide the enabling technology for particular businesses (e.g. for Deliveroo Hop delivery-only stores); and (3) provide supporting infrastructure for scaling the business efficiently (e.g. platform stability, forecasting models for consumer demand and rider supply).

Adjusted EBITDA* was £(131.4) million in the year, compared to £(10.8) million in 2020, as higher aggregate gross profit* was more than offset by a step-up in investments in marketing and overheads* to support future growth. The investments were weighted to the second half of the year, with marketing and overheads* of £286.2 million in H1 2021 increasing to £342.5 million in H2 2021.

Adjusted EBITDA margin* was (2.0)% in 2021, compared to (0.3)% in 2020. Within 2021, adjusted EBITDA margin* was (0.8)% in H1 2021 and (3.2)% in H2 2021. Both the year-on-year and sequential movements in 2021 were attributable to the reduction in gross profit margin (as % of GTV)* and increased rate of investment to support future growth that are described above.

Operating loss in the period was £(304.3) million, compared to £(208.8) million in 2020. Included in operating loss in 2021 were: depreciation and amortisation of £43.0 million (£34.4 million in 2020); share-based payments charge and accrued national insurance on share options of £87.6 million (£73.2 million in 2020); legal and regulatory settlements and provisions of £7.5 million (£70.9 million in 2020); and exceptional costs* of £35.4 million (£22.5 million in 2020).

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OPERATING AND STRATEGIC REVIEW CONTINUED

3. Segment performance

Deliveroo manages its business on a geographic basis, rather than on a product or market segmentation basis. The Company operates in two segments: the UK and Ireland (UKI) segment and the International segment, comprising the remainder of the Company's markets.

UK and Ireland

In 2021, the UKI segment represented 54% of total GTV*. Deliveroo operates in close to 250 towns and cities across the UK and Ireland.

£ million unless stated	2021	2020	Change reported
Orders (m)	**147.7**	85.9	72%
GTV per order* (£)	**24.2**	24.4	(1)%
Gross transaction value*	**3,570.0**	2,091.3	71%
Revenue	**980.7**	599.0	64%
Revenue take rate (as % of GTV)*	**27.5%**	28.6%	(110) bps
Gross profit*	**330.3**	217.2	52%
Gross profit margin (as % of GTV)*	**9.3%**	10.4%	(110) bps
Marketing and overheads*	**(239.2)**	(136.7)	75%
Marketing and overheads* (as % of GTV)*	**(6.7)%**	(6.5)%	(20) bps
Segment adjusted EBITDA*	**91.1**	80.5	13%
Segment adjusted EBITDA margin (as % of GTV)*	**2.6%**	3.8%	(120) bps

Change in constant currency* was 71% for GTV* and (1)% for GTV per order*.

In UKI, GTV* grew to £3,570.0 million in 2021, an increase of 71%. Year-on-year GTV* growth slowed sequentially during the year, from 142% in Q1 2021 to 36% in Q4 2021, both in constant currency*. This reflects an increasingly tough comparison base in the prior year, as well as lifting of COVID-related restrictions during the course of 2021. In 2021, orders grew by 72% to 147.7 million, primarily driven by a 64% increase in monthly active consumers, along with a slight increase in average order frequency. GTV per order* was down 1% in constant currency* to £24.2.

UKI revenue grew 64% to £980.7 million in 2021, primarily due to the increase in GTV*. Gross profit* was £330.3 million in 2021 compared to £217.2 million in 2020, an increase of 52%. Gross profit margin (as % of GTV)* was 9.3% compared to 10.4% in 2020. This decrease was driven by the reversal of benefits from higher basket sizes during COVID-related lockdowns, as well as accelerated investments in consumer acquisition and retention to support future growth. Adjusted EBITDA* was £91.1 million in 2021, compared to £80.5 million in 2020, as increased aggregate gross profit* was partially offset by continued investments in growth, including marketing, and headcount additions. Adjusted EBITDA* was £55.3 million in H1 2021 and £35.8 million in H2 2021, with the sequential reduction primarily reflecting the phasing of growth investments and the reversal of benefits from higher basket sizes during COVID-related lockdowns.

During the period, Deliveroo continued to add differentiated content for consumers. UKI restaurant selection was further expanded, and in 2021 the Company added c.19,000 new sites, increasing the base of restaurants by 55%. The Company also continued to roll out its grocery offering: at the end of the period, Deliveroo approaching 6,000 grocery sites live in the UKI across major partners and smaller independent partners, an increase of more than two-thirds compared to the end of 2020.

Alongside achieving strong growth in 2021, Deliveroo made excellent progress in delivering its geographic expansion plan – planting the seeds for future growth. At the beginning of 2021, the Company set out a goal to expand consumer population coverage to two thirds of the UK population by year-end 2021, up from 53% at year-end 2020. As a result of strong operational execution, the UK expansion was well ahead of the original target, with 72% coverage of the UK population achieved at the end of June and 77% at the end of December.

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International[1]

In 2021, the International segment represented 46% of total GTV*. Deliveroo's International segment comprises nine markets across Europe, the Middle East and Asia Pacific.

£ million unless stated	2021	2020	Change reported
Orders (m)	152.9	87.8	74%
GTV per order* (£)	20.0	21.5	(7)%
Gross transaction value*	3,061.0	1,887.5	62%
Revenue	843.7	564.0	50%
Revenue take rate (as % of GTV)*	27.6%	29.9%	(230) bps
Gross profit*	167.0	130.5	28%
Gross profit margin (as % of GTV)*	5.5%	6.9%	(140) bps
Marketing and overheads*	(223.0)	(123.6)	80%
Marketing and overheads* (as % of GTV)*	(7.3)%	(6.5)%	(80) bps
Segment adjusted EBITDA*	(56.0)	6.9	n.m.**
Segment adjusted EBITDA margin (as % of GTV)*	(1.8)%	0.4%	(220) bps

** n.m. – not meaningful

Change in constant currency* was 69% for GTV* and (3)% for GTV per order*.

In International, GTV* grew to £3,061.0 million in 2021, an increase of 69% in constant currency*. Year-on-year GTV* growth slowed sequentially during the year, from 125% in Q1 2021 to 36% in Q4 2021, both in constant currency.* This reflects an increasingly tough comparison base in the prior year, as well as lifting of COVID-related restrictions during the course of 2021 in European markets. In 2021, orders grew by 74% to 152.9 million, primarily driven by a 64% increase in monthly active consumers, along with a slight increase in average order frequency. GTV per order* was down 3% in constant currency* to £20.0 for the year.

Revenue for International grew 50% to £843.7 million in 2021, primarily due to the increase in GTV*. Gross profit* was £167.0 million in 2021 compared to £130.5 million in 2020, an increase of 28%. Gross profit margin (as % of GTV)* was 5.5% compared to 6.9% in 2020. This decrease was driven by the reversal of benefits from higher basket sizes during COVID-related lockdowns, as well as accelerated investments in consumer acquisition and retention to support future growth. Adjusted EBITDA* was £(56.0) million in 2021, compared to £6.9 million in 2020, as increased aggregate gross profit* was offset by continued investments in growth. Adjusted EBITDA* was £(10.3) million in H1 2021 and £(45.7) million in H2 2021, with the sequential movement primarily reflecting the phasing of growth investments and the reversal of benefits from higher basket sizes during COVID-related lockdowns.

Across the International segment, growth in 2021 was supported by strengthened relationships with restaurant partners, especially in France, Hong Kong and UAE. During the period, the Company also expanded its grocery offering, continuing the rollout with key partners such as Carrefour in France, Italy, and Belgium and Casino in France, and signing Park N Shop in Hong Kong and Picard in France. At the end of the year, Deliveroo had approaching 6,000 grocery sites live with major partners and smaller independent grocery partners across International markets.

In Q3 2021, Deliveroo determined that achieving and sustaining a top-tier market position in Spain would require a disproportionate level of investment with highly uncertain long-term potential returns, which could impact the economic viability of the market for the Company. Deliveroo announced on 30 July 2021 that it proposed to consult on ending its operations in Spain. The consultation concluded in November and Deliveroo decided to proceed with the proposal; the last day of operations was 29 November 2021. The discontinuation of operations in Spain reflects the intention to focus investment and resources on the Company's other markets.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

1 On 29 November 2021, Deliveroo ceased operations in Spain. Spain has been classified as a Discontinued Operation in accordance with IFRS 5 and as such the results from Spain are not included in this section.

OPERATING AND STRATEGIC REVIEW CONTINUED

4. The three sides of the marketplace

Since 2013, Deliveroo has pioneered on-demand food delivery via a hyperlocal three-sided online marketplace, connecting local consumers, restaurants and grocers, and riders. For consumers, Deliveroo has unlocked broad choice and fast delivery times, working with restaurants and grocers who overwhelmingly have never offered an online presence and on-demand deliveries before. For restaurants and grocers, Deliveroo not only provides logistics, but, more importantly, an incremental demand generation channel, including access to millions of new consumers alongside online tools to grow their business effectively. For riders, Deliveroo offers highly flexible work which they can rely on for attractive earnings and security. In 2021, Deliveroo made further progress in developing all three sides of the marketplace.

Consumers

Deliveroo's consumer base continued to grow through 2021, with an average of 8.0 million monthly active consumers (MACs) in Q4 2021, up 37% compared to Q4 2020 and up 123% compared to Q4 2019. Average order frequency increased in 2021 compared to 2020, and reached 3.4 per month in Q4 2021.

Group	Q1 2020	Q2 2020	Q3 2020	Q4 2020	**Q1 2021**	**Q2 2021**	**Q3 2021**	**Q4 2021**
UK and Ireland (m)	1.8	2.1	2.5	3.0	**3.6**	**3.9**	**3.8**	**4.1**
International (m)	1.8	2.1	2.2	2.8	**3.5**	**3.7**	**3.6**	**3.9**
Average MACs (m)	3.6	4.2	4.6	5.9	**7.1**	**7.6**	**7.3**	**8.0**
Year-on-year growth in MACs	27%	36%	52%	63%	**95%**	**82%**	**59%**	**37%**
2021 vs 2019 growth in MACs	—	—	—	—	**148%**	**148%**	**141%**	**123%**
Monthly frequency	3.0	3.2	3.2	3.2	**3.3**	**3.4**	**3.3**	**3.4**

Deliveroo tracks consumers on the basis of historical cohorts, with each cohort representing consumers who placed their first order on the platform in a given period (for example, the 'January 2018 cohort' represents consumers who placed their first order in January 2018). Historically, consumer cohorts have consistently increased their average order frequency over time. Encouragingly, this pattern has continued in 2021, despite lockdown restrictions easing. For example, consumers in the UKI 2018 cohort had a monthly average order frequency of 3.1x in Q4 2019, increasing to 3.5x in Q4 2020 and 3.8x in Q4 2021.

Consumer acquisition cohort	Monthly Average Order Frequency (of MACs, in UKI)					
	Q4 2016	Q4 2017	Q4 2018	Q4 2019	Q4 2020	Q4 2021
2015	2.9	3.2	3.9	4.1	5.1	5.4
2016	—	2.6	3.2	3.4	4.0	4.3
2017	—	—	3.0	3.2	3.6	3.9
2018	—	—	—	3.1	3.5	3.8
2019	—	—	—	—	3.4	3.7
2020	—	—	—	—	—	3.2

Restaurants and on-demand grocery

Restaurant selection is an important part of Deliveroo's consumer value proposition. Growth in restaurant selection increases availability and choice to consumers on a neighbourhood by neighbourhood basis. The number of partner restaurant sites continues to increase, and at the end of the year Deliveroo worked with over 148,000 restaurant partner sites globally, compared to 102,000 at the end of 2020.

As well as bringing partners' existing restaurant sites onto the platform, Deliveroo has continued to develop Editions, its delivery-only kitchens concept. Editions provides additional value to all three sides of the marketplace. Restaurant partners use Editions to bring their brands to new neighbourhoods without needing to open a new dine-in location; they also use Editions even in areas where they have a restaurant, as delivery-only kitchens allow them to separate and optimise their dine-in and delivery operations. Consumers enjoy the increased availability in their area of most-loved brands – evidenced by the fact that Editions can account for 10-15% of total orders within the zone of their delivery radius. And riders benefit from increased earnings opportunities, including the fact that the efficiency of the delivery-only kitchens means reduced wait-time at restaurants, increasing their earnings potential. During 2021, Deliveroo added more than 100 Editions kitchens to bring the total to over 300. The increased pace of expansion of Editions sites in 2021 was reflected in the increase in the Group's purchase of property, plant and equipment, which amounted to £21.4 million in 2021 compared to £5.8 million in 2020. With a strong pipeline of sites, Editions openings are expected to continue to bring the best, exclusive restaurant content to a wider range of consumers.

Deliveroo also continues to develop its on-demand grocery offering. This offers powerful synergies with the core platform, representing incremental demand to the restaurant offering and providing an effective customer acquisition channel.

Unit economics for grocery offer potential for further improvements by driving higher basket sizes, improving selection and inventory management, and by adding non-commission revenue from fast-moving consumer goods (FMCG) companies as advertising spend in the category moves online.

On-demand grocery continued to grow as a percentage of total GTV* over the last two years, increasing to 8% of total GTV* in H2 2021, compared to 6% in H2 2020. In UKI, Deliveroo now has approaching 6,000 grocery sites live with major partners and smaller independent partners. Coverage has reached 76% of the UK population with major grocery partners, including Waitrose, Co-op, Morrisons and Sainsbury's, up from 36% at the end of Q1 2020. In International, Deliveroo now has approaching 6,000 partner sites live. Growth has been driven by continued rollout with key grocery partners, such as Carrefour in France, Italy, and Belgium, Casino in France, and Park N Shop in Hong Kong.

To complement its leading network of partner store-picked grocery sites, Deliveroo launched a new rapid grocery delivery service called 'Deliveroo Hop' in September 2021. Hop operates from delivery-only grocery stores run by Deliveroo, working in partnership with established grocers. The first Hop stores were established in London in partnership with Morrisons; since the end of 2021, further Hop partnerships have been launched in the UK with Waitrose and in Italy with Carrefour.

Hop enables deliveries in as little as 10 minutes, greater inventory accuracy, and a wider product range – including partner-branded products such as Waitrose own-label products and Morrisons 'The Best' range. The service benefits from a deep integration between Deliveroo's new grocery management technology, existing logistics algorithms and network of delivery riders, as well as partners' established supply chain.

Riders

Riders are a vital part of Deliveroo's three-sided marketplace and Deliveroo works with over 180,000 riders globally. Riders value the flexible work Deliveroo offers, enabling them to set their own work patterns without having to plan ahead, select which orders to accept or reject, and to work with multiple companies simultaneously. This is reflected in high satisfaction ratings, with 85% of riders globally saying they are satisfied or very satisfied working with Deliveroo.

Deliveroo continues to see strong rider application pipelines and rider retention rates. In 2021, as lockdowns eased across several markets in Q2 and Q3 and the availability of employment vacancies increased, rider applications and retention remained high, underlining the popularity of the work Deliveroo offers.

Since 2018, Deliveroo has provided riders with free and automatic accident and injury cover and third-party liability insurance. During Q3 2021, Deliveroo extended this to provide riders with enhanced protection in several markets. The new insurance coverage Deliveroo offers includes earnings support for riders working regularly with the company who are unwell and unable to work and qualifying riders are now entitled to a one-off lump sum payment following the birth or adoption of a child. Deliveroo is currently exploring extending these enhanced entitlements to additional markets.

The independent contractor status of riders continues to be the subject of scrutiny in certain markets. Highlights of the material developments that occurred in 2021 in Deliveroo's markets are:

- In the UK, the Court of Appeal confirmed in June by unanimous decision that riders are self-employed, the fourth such judgement in the UK courts;
- In France, the Paris Court of Appeal confirmed in April that Deliveroo offers self-employed work and the Government has brought forward legislation that protects platform workers' self-employed status; there are also ongoing challenges into historical models in France that are being defended;
- In Italy, Deliveroo continues to work in a Collective Bargaining Agreement that recognises riders as self-employed and settled the investigation into a historical model by the health and safety authorities; challenges to certain of Deliveroo's models by other Italian authorities remain ongoing;

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OPERATING AND STRATEGIC REVIEW[1] CONTINUED

4. The three sides of the marketplace continued

Riders continued

- In Spain, a new law outlining criteria to determine the status of platform workers came into force in August; this will not impact Deliveroo on an ongoing basis as separately, Deliveroo decided to end operations in Spain, having determined that achieving and sustaining a top-tier market position in Spain would require a disproportionate level of investment with highly uncertain long-term potential returns;
- The European Union published proposals for a reform to platform work, which Deliveroo believes could provide welcome clarity on the tests to determine the status of platform workers; Deliveroo is contributing to the consultation process.

At any given time, Deliveroo will be involved in regulatory investigations, audits, claims, court cases and appeals, as well as individual and collective legal claims in any market. Deliveroo will continue to disclose developments in relation to rider matters that management considers to be material in the context of both the relevant country and the business as a whole.

5. Outlook and guidance

A key focus for Deliveroo in 2022 and beyond is making progress on the Company's longer term path to profitability. Deliveroo was profitable on an adjusted EBITDA* basis in H2 2020. In 2021, unit economics were impacted by two factors: a reversal of the benefits seen from higher basket sizes during COVID-related lockdowns; and increased investment in order to capture growth opportunities. From 2022 onwards, Deliveroo expects its adjusted EBITDA margin (as % of GTV)* to improve, driven by expansion of gross profit margin (as % of GTV)* and reduction of marketing and overheads (as % of GTV)*.

In 2022 and beyond, the European consumer will face some headwinds. Consumer price indices are expected to be high for some period of time. Inflationary pressures have been building in recent months; this has been exacerbated by the grave crisis in Ukraine, and the broader geopolitical and economic impacts of this crisis are only just beginning to be felt. Coupled with interest rate rises, consumers will be operating under a different spending environment in the quarters ahead. How this impacts consumer staples and discretionary categories, and where delivery of restaurant food and groceries fits into that environment, is not clear yet.

An inflationary environment will also impact the other sides of Deliveroo's marketplace. Restaurant and grocery partners will face challenges from rising costs across a range of inputs, including food, fuel and labour. Higher fuel prices will also affect many riders, despite the vast majority of orders being delivered on two-wheel vehicles. Deliveroo will monitor all of these impacts closely and ensure that consumer pricing adequately reflects this reality.

After operating against the backdrop of COVID-19 for an extended period, many markets have now been out of full lockdown restrictions for about a year. Management believes that COVID was a catalyst to accelerate the existing trend of adoption in the online food delivery category. It is encouraging that consumers remained engaged through 2021 even after the removal of lockdown restrictions, but it is still early to determine how cohorts acquired during COVID times will behave over the long term. Furthermore, new user acquisition is expected to be more difficult and costly than during COVID times.

Deliveroo is committed to continuing to drive sustainable growth and strengthen the levers of profitability. Expectations for 2022 reflect caution on the factors outlined above, but management is confident in the Company's ability to adapt financially to a rapidly changing macroeconomic environment and provides the following financial guidance:

- **2022 GTV* growth:** expected to be in the range of 15–25% (in constant currency*), with higher growth rate in H2 than in H1, given tough comparison base in H1 (and especially Q1) as last year's COVID restrictions are lapped;
- **2022 adjusted EBITDA*:** expected to be in the range of (1.5)–(1.8)% as a % of GTV*; this is an improvement against (2.0)% for FY 2021 and (3.2)% for H2 2021;
- **Medium-term:** GTV* growth expectations maintained in the range of 20–25% p.a. (in constant currency*); Deliveroo aims to reach adjusted EBITDA* breakeven at some point during H2 2023–H1 2024, the next key milestone on the path to achieving its longer term profit ambitions;
- **Longer-term:** Deliveroo aims to reach an adjusted EBITDA margin (as % of GTV)* of 4%+ by 2026 with further upside potential beyond 2026, driven by an expansion of gross profit margin (as % of GTV)* and reduction of marketing and overheads (as % of GTV)*.

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Exhibit 1: path to profitability

Adjusted EBITDA margin (% of GTV)*

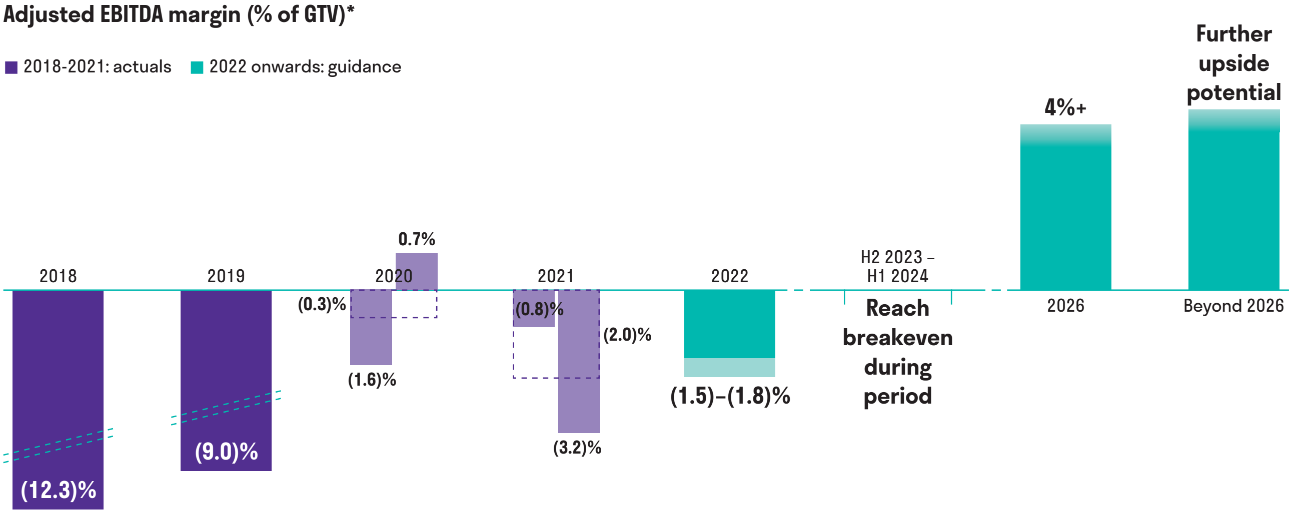

Exhibit 2: profitability levers and illustrative impact

	% of GTV*			
	2021	2026	bps chg	Key components
Revenue	27.5%			Commission, consumer, and advertising revenue; refunds
Cost of sales	(20.0)%			Delivery costs; card fees
Gross profit*	**7.5%**	**~10–11%**	~250–350	
Marketing	(4.0)%			Consumers (performance, own digital, brand-building) and rider marketing
Overheads	(5.5)%			Semi-variable (operations and sales); people (tech and non-tech); facilities and other
Marketing and overheads*	**(9.5)%**	**~(6)–(7)%**	~250–350	
Adjusted EBITDA*	**(2.0)%**	**4.0%+**	600+	

2021 GTV* % rounded to nearest 50 bps for illustrative purposes.

Revenue levers

- Increase AOV* (e.g. by upselling)
- Optimise consumer pricing
- Develop high quality advertising model
- Reduce fraud and improve order accuracy

Cost of sales levers

- Reducing 'rider experience time' (e.g. wait time at restaurant, handover to consumer)
- Increase network density and batching
- Reduce card fees

Marketing and overheads* levers

- Improve marketing efficiency/targeting
- Increase automation (e.g. self-service support for partners and consumers)
- Drive operating leverage with scale

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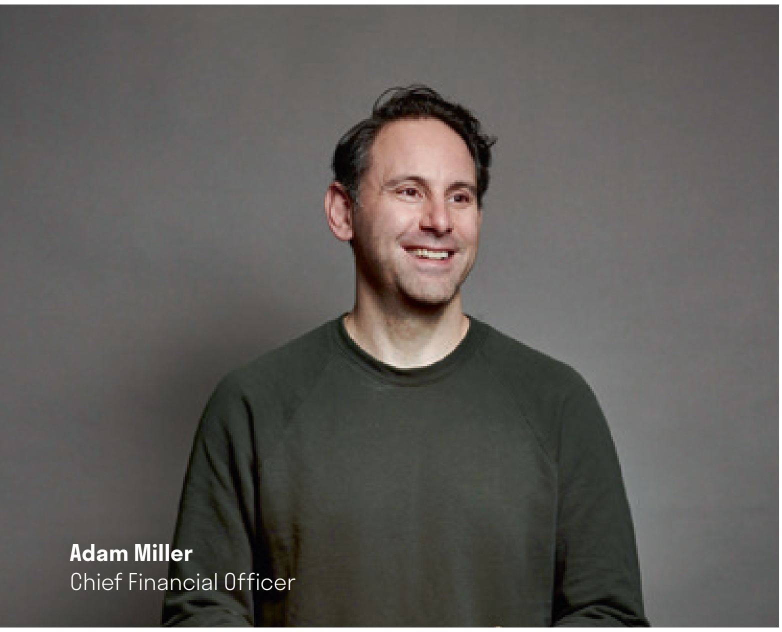
FINANCIAL REVIEW[2]

BUILDING A SOLID PLATFORM



Adam Miller
Chief Financial Officer

Income Statement (see page 146)

Revenue

Revenue was £1,824.4 million in 2021 compared to £1,163.0 million in 2020, an increase of 57% or £661.4 million. The increase in revenue was primarily the result of increased orders, driven by growth in monthly active consumers.

Cost of sales

Cost of sales increased to £1,327.1 million in 2021 from £815.3 million in 2020, an increase of 63% or £511.8 million. This increase was driven by higher aggregate rider costs as a result of increased orders, and reflects a year-on-year decline in the rider cost per order as operational efficiency continued to improve.

Administrative expenses

Administrative expenses were £785.9 million in 2021 compared to £548.0 million in 2020, an increase of 43% or £237.9 million. This increase was primarily due to higher sales and marketing costs and an increase in staff costs.

£ million unless stated	2021	2020	Change reported
Gross transaction value*	**6,631.0**	3,978.8	67%
Gross profit*	**497.3**	347.7	43%
Gross profit margin* (as % of GTV*)	**7.5%**	8.7%	(120) bps
Marketing and overheads*	**(628.7)**	(358.5)	75%
Marketing and overheads* (as % of GTV*)	**(9.5)%**	(9.0)%	(50) bps
Adjusted EBITDA*	**(131.4)**	(10.8)	n .m.**
Adjusted EBITDA* margin (as % of GTV*)	**(2.0)%**	(0.3)%	(170) bps

2 In this section, all growth rates are year on year and in reported currency unless otherwise stated.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

** n.m. - not meaningful

Other operating income
Other operating income was £3.1 million in 2021 compared to £4.0 million in 2020, a decrease of 23% or £0.9 million. The decrease was primarily due to a reduction in relief grants introduced in 2020 as a consequence of the impact of COVID-19 on the food industry.

Other operating expenses
Other operating expenses were £18.8 million in 2021 compared to £12.5 million in 2020, an increase of 50% or £6.3 million. This was due to increased spend on rider kit during the period as overall delivery volume increased; this was not offset by income from the sale of rider kit, since the Company typically absorbs the majority of the cost of riders' equipment and clothing.

Finance income
Finance income was £7.3 million in 2021 compared to £0.9 million in 2020, an increase of £6.4 million. This increase was primarily due to an increase in unrealised foreign exchange gains.

Finance costs
Finance costs were £1.2 million in 2021 compared to £4.7 million in 2020, a decrease of £3.5 million. This decrease was primarily due to a decrease in unrealised foreign exchange losses.

Income tax
Income tax charge was £5.5 million in 2021 compared to a credit of £4.2 million in 2020. This movement is primarily due to an increased recognition of deferred tax in 2020 and an additional current tax charge in 2021 due to increased taxable profits in certain overseas markets.

Loss for the period
Loss for the period was £303.7 million in 2021 compared to £208.4 million in 2020, as a result of the movements described above.

Alternative Performance Measures*
To supplement performance assessment, Deliveroo uses Alternative Performance Measures ('APMs'), which are not defined under IFRS.

Gross transaction value*
Gross transaction value (GTV)* is a widely used measure for understanding the total value spent by consumers on the marketplace. GTV* was £6,631.0 million in 2021 compared to £3,978.8 million in 2020, an increase of 67% (70% in constant currency*).

Gross profit margin (as % of GTV)*
Gross profit margin (as % of GTV)* is considered a measure of profitability at a transactional level. The gross profit margin (as % of GTV)* was 7.5% in 2021 compared to 8.7% in 2020.

Marketing and overheads*
Management believes that Deliveroo's business model can have a high degree of operating leverage on its fixed cost base over time. For the purposes of assessing and managing performance, the fixed cost base has been split into two major categories: marketing and overheads. Marketing and overheads* were £628.7 million in 2021, compared to £358.5 million in 2020, an increase of £270.2 million or 75%.

Adjusted EBITDA*
Adjusted EBITDA* is considered to be a measure of the underlying trading performance of the business. It is used, amongst other measures, to evaluate operations from a profitability perspective, to develop budgets, and to measure performance against those budgets. Adjusted EBITDA* was £(131.4) million in 2021 compared to £(10.8) million in 2020. The movement of £120.6 million was the result of increased aggregate gross profit* being more than offset by increased investments in marketing and overheads* to support future growth. Adjusted EBITDA margin (as % of GTV)* was (2.0)% in 2021, compared to (0.3)% in 2020; adjusted EBITDA margin (as % of GTV)* was (0.8)% in H1 2021 and (3.2)% in H2 2021.

	Reconciliation to financial statements	
	2021 £m	2020 £m
Operating loss	**(304.3)**	(208.8)
Depreciation	**19.3**	16.6
Amortisation	**23.7**	17.8
EBITDA	**(261.3)**	(174.4)
Share-based payments charge and accrued national insurance on share options	**87.6**	73.2
Legal provisions and other settlements	**7.5**	70.9
Exceptional items* (see note 11)	**34.8**	19.5
Adjusted EBITDA*	**(131.4)**	(10.8)
Marketing and overheads*	**628.7**	358.5
Gross profit*	**497.3**	347.7

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

FINANCIAL REVIEW* CONTINUED

Cash Flow Statement (see page 149)

Cash flows from operating activities

Net cash outflow from operating activities was £(167.7) million in 2021 compared to a net cash inflow of £7.4 million in 2020. The increase in net cash outflow from operating activities was primarily driven by the £120.6 million increase in adjusted EBITDA* loss in 2021, as well as a lower working capital inflow in the year.

Within 2021, there was a net cash inflow from operating activities of £134.0 million in H1 2021 and a net cash outflow of £(301.7) million in H2 2021. This difference was mainly attributable to the following factors: (1) the adjusted EBITDA* loss was £(25.7) million in H1 2021, increasing to £(105.7) million in H2 2021; (2) in H1 2021, cash flows from operating activities benefited from an increase in payables of £132.1 million related to the timing of employee tax and social security payments on share options exercised on IPO, which reversed in H2 2021; (3) H1 2021 benefited from a more favourable timing of the period-end cut off than in H2 2021, meaning that Deliveroo held a higher amount of payables due to restaurants at 30 June 2021 (£104.4 million) than at 31 December 2021 (£62.8 million).

Cash flows used in investing activities

Net cash flows used in investing activities were £58.4 million in 2021 compared to £25.4 million in 2020, an increase of £33.0 million. Purchases of property, plant and equipment increased to £21.4 million in 2021 from £5.8 million in 2020 mainly related to the rollout of Editions delivery-only kitchens. Investment in capitalised development costs increased to £34.6 million in 2021 from £20.5 million in 2020 in connection with the growth of the technology team and associated development work undertaken across our platform. This includes investing in assets that: (1) drive direct financial benefits, through revenue generation (e.g. advertising platforms) or cost reduction (e.g. self-serve capabilities for consumers, partners and riders); (2) provide the enabling technology for particular businesses (e.g. for Deliveroo Hop delivery-only stores); and (3) provide supporting infrastructure for scaling the business efficiently (e.g. platform stability, forecasting models for consumer demand and rider supply).

Cash flows from financing activities

Net cash inflow from financing activities was £1,139.0 million in 2021 compared to a net cash inflow of £167.1 million in 2020. The strong cash inflow was primarily due to £1,011.7 million net proceeds (after costs) from the IPO in April 2021, as well as £135.3 million net proceeds (after costs) from the Series H fundraising round in January 2021.

Balance sheet (see page 147)

Following the successful completion of fundraising activities in H1 2021, Deliveroo had a strong financial position at the end of 2021. Cash and cash equivalents were £1,290.9 million at 31 December 2021, compared to £1,626.7 million at 30 June 2021 and £379.1 million at 31 December 2020. As at 31 December 2021, Deliveroo had no debt outstanding. The Company has £75 million and €87.5 million of available loan finance in the form of a Revolving Credit Facility ("RCF"), none of which has been drawn down.

Provisions at 31 December 2021 were £81.7 million, a reduction of £30.5 million compared to £112.2 million at 31 December 2020. This reduction is principally related to a release of £21.9 million to accruals for settlements reached with labour inspectors (which is expected to be paid in H1 2022), and the utilisation of provisions of £11.4 million as a related payment to the tax office in an overseas jurisdiction. These have been offset by the recognition of further provisions for legal, regulatory and contractual matters, principally in some of the Group's overseas territories.

Total equity was £1,073.7 million at 31 December 2021, compared to £175.1 million at 31 December 2020. This movement primarily reflects the issue of share capital in the year of £1,150.2 million partially offset by the total comprehensive loss for the year of £317.0 million.

Dividend and dividend policy

No dividend has been declared or paid in the current or comparative periods. Given the early stage of maturity of the online food category, Deliveroo remains focused on investing to maximise long-term free cash flow per share, believing that this is the best way to drive long-term shareholder value. The dividend policy will be reviewed on an ongoing basis, but the Company does not expect to declare or pay any dividends for the foreseeable future.

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RISK MANAGEMENT AND OUR PRINCIPAL RISKS

MANAGING OUR RISKS EFFECTIVELY

How are risks effectively managed at Deliveroo?
At Deliveroo, risks are identified, analysed and reviewed on a regular basis, with responses designed to be commensurate with the determined likelihood and impact, and in alignment with the Group's overall strategy. This includes designing and implementing controls to reduce the likelihood of the risk occurring and/or mitigate the impact of risks on the Group's operations. The Deliveroo Risk Management and Internal Control Framework (the Framework) formalises ownership of, and the process for identifying, prioritising and responding to, risk. An effective and well-maintained Risk Management Framework contributes significantly to the overall resilience, agility and sustainability of an organisation, helping to ensure that we achieve our strategic objectives and mission.

The Framework does not eliminate risk. Instead, it serves to reduce the likelihood of risks materialising, and also prepare the business to manage the impact, by adapting and recovering if they do.

The Framework is also not focused entirely on the negative connotations of risk. Instead, we balance and prioritise responses to risk to achieve the reward we foresee from executing on our strategy. Therefore, there are risks we may want to accept or pursue as a business, as we seek to achieve our stated mission of becoming 'the definitive online food company'. The Framework enables us to respond accordingly, making conscious and informed decisions with an appreciation for the overall risk profile of the Group.

For risk management to be effective, it needs to be integrated throughout the organisation and ingrained in the way that we operate. The Board is ultimately responsible for establishing procedures to manage risk, overseeing the internal controls framework, and determining the Group's risk appetite. The Board has delegated the responsibility for monitoring the effectiveness of the Group's risk management and internal control systems to the Audit and Risk Committee. It does this by directing and reviewing the work of executive management and the key governance functions within the Group including the Risk, Control and Compliance and Internal Audit teams. The Chair of the Audit and Risk Committee updates the Board on the Committee's activities in this regard as appropriate. Certain responsibilities and activities have been delegated throughout the business to achieve this integration, as summarised by the diagram below.

GOVERNANCE AND CULTURE (BOARD AND AUDIT AND RISK COMMITTEE)

- Define desired culture, values and tone
- Risk oversight
- Define Risk Appetite
- Establish effective control framework

STRATEGY AND OBJECTIVE SETTING (EXECUTIVE TEAM)

- Response to Board and Audit and Risk Committee expectations
- Formulate strategic initiatives
- Delegate ownership response

RISK MANAGEMENT (SENIOR LEADERSHIP TEAM)

- Identify, analyse, measure, respond to and prioritise risks
- Periodically review and report on risks and associated response

INTERNAL CONTROL MANAGEMENT (HEAD OF SUB-DEPARTMENT/FUNCTION)

- Define/maintain clear processes
- Implement and monitor effectiveness of controls
- Identify opportunities for enhancements

RISK MANAGEMENT AND OUR PRINCIPAL RISKS CONTINUED

How are risks effectively managed at Deliveroo? continued

The Board defines the Group's risk appetite as being the amount of risk the Group is willing to accept in pursuit of the Group's strategic objectives. This varies depending on the type of risk and the nature of the objective or activity, which may change over time. In evaluating risks and opportunities, we seek to protect the long-term value and reputation of our brand, while maximising commercial benefits to support responsible and sustained growth. The Group's risk appetite relating to our principal risks has been considered and approved by the Board and will be reviewed annually.

The Risk, Control and Compliance team maintains the Framework, principally, monitoring and co-ordinating risk management and internal control activities across the Group.

Deliveroo has adopted the 'Three lines of defence model', as outlined below, to provide ownership, management and oversight of risk on behalf of the Board. As part of the establishment of the third line, the Head of Internal Audit joined in December 2021.

Line 1 – Management

Management are the owners of specific risks and controls. This ownership requires them to ensure that any changes in risks are identified and controls are updated to account for these accordingly. They are also responsible for the effective operation of those controls, which requires sufficient supervision and review.

Line 2 – Risk, Control and Compliance

The Risk, Control and Compliance team performs risk assessments across the Group in partnership with risk owners, evaluating the appropriateness of proposed risk responses. The team partners with management to assist in designing and implementing controls, as well as performing root cause analysis where necessary. Other teams also play a role in second line, including the Legal and Information Security teams.

Line 3 – Internal Audit

The Internal Audit team performs testing of key controls as planned and agreed with the Audit Committee to provide assurance that they are designed and operating effectively, as well as providing recommendations and support to drive continuous improvement in the management of risk and internal controls.

What does the Framework comprise of?

The six components of the Framework are outlined in summary below.

Identification 1	Apply a top-down and bottom-up approach to identifying risk across the business
Analysis 2	Understand the nature and complexity of the risk using a 'data first' approach, where available
Measurement 3	Measure the inherent and residual risk in terms of likelihood and impact
Response 4	Determine our strategy for each risk based on our Risk Appetite
Prioritisation 5	Prioritise our response to risks based on those presenting the greatest level of risk
Review and reporting 6	Evaluate the effectiveness of our risk response strategy and report to relevant stakeholders regarding the development risk over a period and proposed actions going forward

How are risks identified and analysed?

Risks are identified using both a 'bottom up' and 'top down' approach.

The Risk, Control and Compliance team maintains a regular dialogue with Risk Owners, making updates to risk registers and planning enhancements to risk responses in relation to any changes. On a quarterly basis, we facilitate this via workshops where the Risk, Control and Compliance team provide objective challenge, specifically in relation to the completeness of the risks, and the judgements and thought process applied by Risk Owners in determining the likelihood and impact. Following these workshops, Risk Owners must sign off the risks and responses within their remit. To gain a deep understanding of each risk, these workshops incorporate process mapping, data analysis and root cause analysis depending upon the nature and complexity of each risk.

Risk Owners are senior leaders responsible for securing and deploying resources in the functions which each risk primarily relates to, or is driven by. They have the relevant expertise to identify and measure each risk, and the authority to deploy resources to respond to it while balancing competing priorities.

Our Policy, Public Affairs, Tax, Information Security, and Legal teams 'horizon scan', flagging any potential emerging risks they become aware of before they impact the business. They work collaboratively with relevant teams to plan mitigating actions as appropriate.

How are risks measured?

Risks are measured by multiplying the likelihood of the risk crystallising with the impact of the risk event, measured on a scale of 1-5, with 1 being the lowest and 5 being the highest. Likelihood is stated in terms of probability.

Likelihood	×	Impact	=	Risk score
5 Probable – 80% chance		Reputational		25
4 Reasonably possible – 60% chance		Financial		
3 Possible – 40% chance		Compliance		
2 Unlikely – 20% chance		Operational		
1 Remote – 10% chance		Strategic		1

The types of impact are consolidated into the categories of Reputational, Financial, Compliance, Operational, and Strategic Impact. When measuring a particular risk, there may be multiple types of impact that could occur. The impact score is determined by reference to quantitative and qualitative guidance which enables Risk Owners to evaluate the significance of the impact of the risk in each category. For example, Operational impacts include the severity of the incident linked to our Incident Management Framework. Therefore, to avoid an excessively complex method of measurement, we use a 'watermark' approach, scoring the risk by the highest impact event, with the greatest likelihood. This enables us to prioritise risks based on a single risk score, while using the other impact types for context when designing the response to the risk.

How are risks responded to and prioritised?

Our strategy for responding to and prioritising risks directly correlates with our risk appetite. As part of the quarterly reviews with Risk Owners, commitments to enhance responses for existing risks, or design and implement responses for emerging risks are agreed. These commitments form the basis for the Risk Roadmap where the Risk, Control and Compliance team are directly involved in advising Risk Owners, or more indirectly as part of monitoring progress during each quarter.

The Risk, Control and Compliance team maintains the risk register for the Group, which includes the residual risk based on controls currently in operation, but also the forecast residual risk when new or enhanced responses have been implemented. This enables us to forecast the impact on each workstream and balance priorities across the organisation.

The Framework includes five different response types as outlined below:

Accept
Take no action to change the severity of the risk, i.e. within Risk Appetite

Avoid
Seek to prevent the risk crystallising, i.e. there is a zero tolerance for associated risks

Pursue
Convert risks into opportunities i.e. tailoring risk response to unlock value

Reduce
Take action to reduce the likelihood and/or impact of the risk i.e. risk level is greater than Risk Appetite

Share
Transfer a portion of the risk or collaborate externally to eliminate some of the risk, e.g. insurance

Where the response is to Avoid, Reduce or Share the risk, this results in the design, implementation or enhancement of control activities.

Where possible to do so, we seek to automate control activities, harnessing our technological resources and experience.

How are risks reported on?

Following the reviews with Risk Owners in Q1 2022, the Group Risk Committee will also meet on a quarterly basis to evaluate any changes to existing risks, new risks that have emerged, and particularly, whether committed responses to risks are sufficient in the context of the determined risk appetite. The Group Risk Committee comprises representatives from each Line 2 and Line 3 function, including Legal, Regulatory Compliance, and Internal Audit. The Committee will be chaired by the Risk, Control and Compliance team who will summarise the output of the risk reviews.

The output of the risk reviews will also be shared with the Executive Team on a quarterly basis for their review, input and challenge, ensuring we allocate resources appropriately and hold risk owners to account for the committed responses to risks.

The Risk, Control and Compliance team formally reports to the Audit and Risk Committee at least bi-annually on the principal risks, as well as the activities of the team in respect of continuously enhancing the risk management practices of the Group. This reporting also outlines the Risk Roadmap, which summarises the key projects planned in respect of risk management and internal control for the remainder of the calendar year.

RISK MANAGEMENT AND OUR PRINCIPAL RISKS CONTINUED

Our principal risks and uncertainties

Our principal risks are those which could have the most significant impact on the achievement of our strategic objectives, our financial performance, and our long term sustainability. Our principal risks change over time as the likelihood and impact of the risk vary due to internal or external factors.

The following pages set out the Group's principal risks for the year ended 31 December 2021. We provide additional context to demonstrate how the risks are linked to our strategy, as well as key mitigations and any changes in the profile of the risk during the year.

Description	Mitigation	Change in 2021
Service availability		
We depend on our network infrastructure, software, content delivery processes, and associated key third-party services and software to operate our platform and to receive process and fulfil orders. Any significant disruption in service, including from a distributed denial of service attack, could materially impact our operations, reputation and financial performance. **Primary impact type** Operational **Link to strategy** Strengthen levers of profitability **Risk appetite** Low	The Tech team operates in accordance with our Change Control Standard, which requires formal planning, as well as appropriate review and approval for all changes. Should an incident arise, the Engineering team utilises a formalised Incident Management Framework, alongside an 'on-call' rota, ensuring that incidents are resolved in a timely manner, while maintaining channels of communication with consumers, riders, and restaurant and grocery partners.	**No Change** – As a technology business that executes continuous development, relying upon bespoke systems for our operations, this continues to be a principal risk, but one we are acutely aware of and continuously monitoring.
Cyber and data security		
We are responsible for protecting all personal data we receive from consumers, riders, partners and employees. For the sensitive data we hold and process, we could face significant reputational and legal consequences as well as financial loss if we fail to protect this information from security threats, including Ransomware. **Primary impact type** Compliance **Link to strategy** Drive sustainable growth **Risk appetite** Low	We operate robust application and infrastructure security controls designed to prevent, identify and respond to information security threats.	**Increased** – IPO, continued growth, new product offerings with physical locations and access to systems, continuously evolving security landscape.
Three-sided marketplace		
Our business model relies on a three-sided marketplace, and to achieve profitability, we must continue to acquire and retain consumers and restaurant and grocery partners, and maintain a balance between supply and demand for riders, as well as growing AOV* and/or order frequency to develop our business, which may be difficult to maintain. **Primary impact type** Strategic **Link to strategy** Invest in differentiated value propositions **Risk appetite** High	We are continuously focused on the enhancement of the value proposition for consumers, riders and restaurant and grocery partners.	**No Change** – This is a core element of our strategy and business model and we consider that we have continued to enhance our value proposition for all sides of our marketplace. We have seen strong consumer, rider, and restaurant and grocery partner acquisition and retention throughout 2021, but as we continue to grow, this will remain a principal risk, particularly considering macro factors such as inflation in our markets more generally.

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Description	Mitigation	Change in 2021
Rider model and rider status		
Our business would be adversely affected if our rider model or approach to rider status and our operating practices were successfully challenged or if changes in law required us to reclassify our riders as employees including with retrospective effect. **Primary impact type** Compliance **Link to strategy** Invest in differentiated value propositions Drive sustainable growth **Risk appetite** Low	Policy and employment legal teams continuously focus on ensuring our rider model is compliant with local laws and regulations and are actively defending any challenges to our rider model. We proactively engage with government bodies to discuss proposals or consultations.	**No Change** – Our rider model continues to be a principal risk for the Group. The level of risk differs by market depending upon specific local circumstances, including legislative changes, but the overall profile of this risk is unchanged. In assessing this we considered the European Commission's proposal for a Directive on improving working conditions in platform work, our exit from Spain, and the positive outcome from the Court of Appeal in the UK and judgements in our other markets which have confirmed riders' self-employed status.
Key commercial relationships		
We rely on various national and global brands in each of the markets in which we operate, sometimes on an exclusive basis. The loss of such relationships or the inability to enter into new relationships (on commercially attractive terms or at all) could adversely affect our business. **Primary impact type** Strategic **Link to strategy** Invest in differentiated value propositions Drive sustainable growth **Risk appetite** Medium	Our commercial teams in each of our markets develop strong working relationships with our partners to foster mutual success.	**No Change** – We have continued to add new significant national and global brand accounts to the platform across both restaurant and grocery partners. Notwithstanding normal account churn, the risk to growth of losing any of these brands remains static.
Reputation and brand		
Our reputation, brand and ability to build and retain trust with new and existing stakeholders (including shareholders), may be adversely affected, including by unfavourable or inaccurate publicity or events beyond our control (including the misconduct by our employees, partners or riders). This could negatively impact our future performance and prospects. **Primary impact type** Reputational **Link to strategy** Drive sustainable growth **Risk appetite** Low	We ensure that we carefully vet our prospective partners and riders. We proactively contact our consumers, riders and partners when something goes wrong.	**No Change** – As a marketplace platform this is an inherent risk.

RISK MANAGEMENT AND OUR PRINCIPAL RISKS CONTINUED

Our principal risks and uncertainties continued

Description	Mitigation	Change in 2021
Attracting and retaining key personnel		
We rely on the skills and experience of our key personnel, and our business may be adversely affected if we cannot attract and retain the talent required to solve the complex problems presented by our three-sided marketplace. **Primary impact type** Operational **Link to strategy** Invest in differentiated value propositions **Risk appetite** Low	We strive to provide, and continuously enhance, an attractive value proposition for employees, including through the creation of an inclusive environment where our people can grow fast and leave their mark.	**Increased** – A key component of our growth strategy is to innovate and invest to create the most efficient logistics network for our platform and to generate tech-driven efficiencies across our marketplace and in our operations. To achieve this it is critical that we attract and retain the best, highly skilled engineering and technology talent. Although we have successfully attracted key hires, including at a senior level during the year, we compete for this specialist technology talent in a highly competitive global marketplace where levels of variable pay can be significantly higher. As a result it can be a challenge to attract and retain such personnel.
Competition		
We operate in a highly competitive industry and must compete effectively to succeed. We may not be able to achieve or maintain a position in each of our markets that is sufficient to support the business sustainably for the long term. **Primary impact type** Strategic **Link to strategy** Drive sustainable growth **Risk appetite** High	We plan and execute strategic initiatives targeted at achieving or maintaining a #1 or strong #2 market position, including through the continuous enhancement of the value proposition for consumers, riders, and restaurant and grocery partners.	**No Change** – Although there has been market consolidation and continued growth of rapid grocery partners, the landscape remains as competitive as previous years.
Managing growth		
We are a rapidly growing company and if we do not manage our growth and evolution successfully, or we fail to execute on our strategy, our business will suffer. **Primary impact type** Strategic **Link to strategy** Drive sustainable growth **Risk appetite** High	Formal strategic planning and budgeting cycles are operated quarterly, half-yearly and annually. Our spend controls ensure that costs are monitored against the budget. We are evolving our regulatory and compliance infrastructure to support our growth requirements.	**No Change** – We continue to carefully manage investments made in the pursuit of long term value.
Financial condition		
We have in past periods incurred, and may in future periods incur, net losses, which could affect our need and ability to access additional capital to grow our business. **Primary impact type** Strategic **Link to strategy** Strengthen levers of profitability **Risk appetite** Medium	Our spend controls ensure that costs are monitored against the budget.	**Reduced** – Following the successful completion of fundraising activities in H1 2021, Deliveroo has a strong financial position.

Description	Mitigation	Change in 2021
Compliance with other laws and regulations		
We are subject to the laws and regulations of numerous national and local authorities and changes to, or uncertainty regarding, the applicable laws, regulations or regulatory environment may adversely affect our business. **Primary impact type** Compliance **Link to strategy** Drive sustainable growth **Risk appetite** Low	Our Policy, Public Affairs, Tax, Information Security, and Legal teams 'horizon scan', flagging any potential emerging risks they become aware of before they impact the business, working collaboratively with relevant teams to plan mitigating actions as appropriate. We proactively engage with government bodies to discuss proposals or consultations.	**No Change** – No other significant changes in the period that adversely affect our business.
External environment and events		
Our business could be affected by the actions of governments, political events or instability, or changes in public policy in the countries in which we operate. Adverse economic conditions could impact consumers' discretionary spending, and in turn, our growth and profitability. **Primary impact type** Strategic **Link to strategy** Drive sustainable growth Strengthen levers of profitability **Risk appetite** Medium	We are continuously focused on the enhancement of the value proposition for consumers, including enabling access to a broad selection aligned to a hyperlocal market.	**Increased** – Continued economic pressure, including inflation, could impact consumers' discretionary spending, and in turn, our growth and profitability.

VIABILITY STATEMENT

The Directors have voluntarily complied with Provision 31 of the UK Corporate Governance Code, in which the Directors are required to assess the viability of the Group over an appropriate viability period. As part of this assessment, the Directors have issued a Viability Statement declaring that they believe the Group is able to continue to operate on normal terms and meet its liabilities for the three year period from December 2021, taking into account its current financial position and forecasted position, the resilience of the food delivery industry and its principal risks.

Assessment period

In considering the viability of the Group, the Directors considered the three year period from 31 December 2021 to 31 December 2024, the Group's strategy and its principal risks (pages 20 and 57), in order to assess the Group's viability and prospects. This period is aligned with the Group's planning process, and strategic planning period. It is a longer period than the period used to assess going concern, but it is still assessed on a sufficiently detailed level taking into account, as far as possible, the anticipated development of the food delivery market, and the economies in the countries in which we operate. Given the relatively early stage in our corporate lifecycle, along with the pace of change in our business, the Directors have concluded that a three-year time horizon is the most appropriate period for the viability review.

Performance

Over the last three years, the Group has grown revenue by £1,348.2 million, from £476.2 million in FY2019 to £1,824.4 million in FY2021, which represents a CAGR of 56%.

Long term prospects

Within the three-year time horizon of the viability assessment, we expect to continue delivering on our strategic plan, and on an adjusted EBITDA* basis, the Company aims to reach breakeven in H2 2023 – H1 2024, driven by an improvement in both gross profit margin (as % of GTV)* and marketing and overheads* as a % of GTV*.

Planning process

The Group's overall strategy and business model, as set out on pages 12 and 20 are fundamental to driving growth in the business and therefore its future prospects.

The Group's future prospects are assessed through the strategic planning process. The strategic planning process involves a detailed review of each country plan by the CEO and CFO. This is done in conjunction with the Executive Team, and the country leadership teams, and culminates in a presentation to, and discussion with, the Board. The strategic plan then forms the basis of the budget, applying the various levers and key assumptions related to growth rates across the Group. Progress against the budget is then reviewed monthly and reported to the Board. The output of this process reflects the Directors' best assessment of the future prospects of the Group over the next three years, and represents a reasonable expectation of results, particularly considering the uncertainty surrounding the current state of the economy and the lingering effects of COVID-19.

Stress testing

Two stress test scenarios were then applied to the model to determine the model's sensitivity, and these two scenarios were also combined to form a worst case stress test.

The first scenario modelled a downturn in trading of 10.8% in order growth volume, which was equal to that seen at the start of the COVID-19 crisis when many restaurant partners were shut, alongside an increase in operating expenses of 5.4% reflecting the 12 month Consumer Price Inflation rate . Under this scenario a reduction in order volumes and basket sizes was assumed.

A second scenario was modelled in relation to the availability of cash in the Group which assumed the cash payment of legal provisions and contingent liabilities on a straight line basis for an 18 month period from January 2022 to June 2023, with all amounts recognised as contingent liabilities over the forecast period.

The worst case stress test modelled the combined effect of the two stress test scenarios above. Despite the severity of this case, no mitigating actions were modelled, to determine whether the Group had sufficient cash to maintain viability under this case.

As described in the CEO letter, on page 7, the European consumer faces headwinds from higher inflation and the broader geopolitical and economic impacts of the conflict in Ukraine which will likely affect the other sides of our marketplace. As a result, we have modelled a further downside scenario assuming a much lower CAGR in our GTV* of 10%. In this extreme scenario, the Group had sufficient cash for the viability period, although certain mitigating actions within the Group's control were required. As evidenced at the beginning of the COVID-19 crisis, the Group's cost base provides flexibility to enable the Company to adjust its expenditure to react to events.

No possible mitigating actions were modelled as part of this exercise, nor did we model receipt of any available government support or other alternative sources of funds.

Based upon the outcome of the scenarios tested, which showed that the Group's forecasted cash position would remain positive throughout, the Directors confirm that they have a reasonable expectation that the Group will be able to continue in operation to meet its liabilities as they fall due over the three-year assessment period, and going concern and viability would be maintained.

Viability

As at 31 December 2021, the Group had net assets of £1,073.7 million, together with total cash and cash equivalents of £1,290.9 million. Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities and obligations as they fall due over the period to 31 December 2024.

The Company raised £1.1 billion in net proceeds from the IPO in April 2021 and series H fundraising in January 2021, ending 2021 with no borrowings and £1.3 billion in cash and cash equivalents. This has resulted in a strong financial position and sufficient cash reserves for the Group to draw down on if needed.

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NON-FINANCIAL INFORMATION STATEMENT

This section of the Strategic Report constitutes Deliveroo's Non-Financial Information Statement, produced to comply with sections 414CA and 414CB of the Companies Act 2006.

The information listed is incorporated by cross reference.

Reporting Requirement	Policies and standards which govern our approach	Where to find more information
Environmental matters	• Streamlined Energy and Carbon Reporting • Our sustainability strategy and six key pillars	• Sustainability Review, pages 35 to 43.
People	• Our Culture and Values • Equal Opportunities Policy • Diversity Policy • Our Code of Conduct • Family Support Policies (including Paternity, Maternity and Adoption leave)	• Directors' Report, pages 131 to 136. • People section, pages 66 to 69. • Sustainability Review, pages 35 to 43. • Stakeholder Statement, pages 26 to 34. • Gender Pay Gap Report on the Deliveroo website.
Respect for human rights	• Health and Safety Policy • Privacy Policy • Mental Health and Wellbeing Policies • Transparency in the Supply Chains and Modern Slavery Statement • Modern Slavery Policy • Anti-Bullying and Harassment Policy	• Sustainability Review, pages 35 to 43. • Annual Modern Slavery Statement on the Deliveroo website.
Social matters	• 'We are Deliveroo' Volunteering programme • Volunteering and Public Duties Policy	• Sustainability Review, pages 35 to 43. • People Section, pages 66 to 69.
Anti-corruption and anti-bribery	• Anti-Bribery and Corruption Policy • Anti-Fraud Policy • Anti-Money Laundering Policy • Spending Deliveroo Money Policy • Related Parties and Conflicts of Interest Policy • Speak-up Policy	• Audit and Risk Committee Report, pages 86 to 92. • Sustainability Review, pages 35 to 43.
Additional disclosures	• Group risk management processes and procedures	• Business Model, pages 12 to 17. • Key Performance Indicators, pages 22 to 25. • Principal Risks, pages 60 to 63.

PEOPLE

MAKING AN IMPACT

Deliveroo's employee value proposition

At Deliveroo, we offer an exciting environment in which to build a career, where individuals can leave their mark on our business as we scale rapidly. Our employees can work alongside talented colleagues in an inclusive environment which provides them with the opportunity to be part of something bigger through the impact we can make together in our marketplace and communities.

Specifically our employee proposition is as follows:

GROW FAST

We offer the same growth opportunity to our people that we have experienced as a business namely, a fast-paced, dynamic culture where people can stretch themselves and broaden their experiences while working with brilliant people in collaborative, supportive teams. We are rapidly scaling our learning and development offering, by rolling out manager and commercial training programmes and with established training via LinkedIn learning. In 2022 we are launching initiatives to clarify and accelerate career paths and to provide coaching for senior management.

LEAVE YOUR MARK

Although we have grown fast there are still large parts of our business which are still in the early or build phases. That means we innovate and solve problems at speed and the problems we are looking to solve are distinctive and challenging. People in all roles, at all levels of Deliveroo, have the opportunity to have a tangible impact on the business and our success.

BE PART OF SOMETHING BIGGER

Regardless of the area of the business, we encourage our people to develop a deep understanding of our three-sided marketplace and the communities in which we work.

Our proposition is underpinned by our values. They are also integral to our Performance Review process and are tracked through our monthly employee engagement survey which asks for feedback on how we are living up to our values.

Employee volunteering

We have launched charity partnerships in many of our markets – from working with the Red Cross in Italy and Belgium to supporting Secours Populaire in France, Food From The Heart in Singapore, Feeding HK in Hong Kong, Eat UP in Australia and The Felix Project in the UK. Additionally, all employees receive a paid day off, annually, to volunteer with a charity of their choice.

Our consumers, riders and restaurant and grocery partners are at the heart of everything we do. Since Will Shu became the first rider in 2013, we have always encouraged employees who want to experience the business from the viewpoint of our different types of customers. This year we launched our 'We Are Deliveroo' programme. This programme encourages employees to volunteer to spend time as a rider making deliveries, to work in our Care team or to do a shift in one of our Editions kitchens.

"AT DELIVEROO, EVERYONE'S VIEWS ARE IMPORTANT SO LISTENING CAREFULLY TO OUR PEOPLE IS AN INTEGRAL PART OF OUR CULTURE."

Our approach to employee engagement

At Deliveroo, everyone's views are important so listening carefully to our people is an integral part of our culture. In December 2020, we launched a new engagement tool – Peakon – which provides a continuous employee engagement platform. This means that our employees' voices can be heard throughout the year, that we can engage deeper and more flexibly on a range of topics and reflect the feedback in 'real time' into departmental action plans. Our overall engagement score has moved +0.6 since December 2020 from 7.5 to 8.1 in December 2021, compared to a benchmark movement of +0.1 in the same time period for comparable companies. This signifies improved sentiment across four engagement areas: 'Belief (in product)', 'Satisfaction (in job)', 'Loyalty (to Deliveroo)' and 'employee NPS.

We share news and engage with employees on a regular basis through a number of different forums and mechanisms. Our fortnightly Company-wide meetings, which are usually led by our CEO, provide an opportunity to update employees on key activities within the business. This has included financial results, cultural activities, business developments and diversity, equity and inclusion (DE&I) initiatives. Several times a year we also have open Q&As with our Executive Team. These Company-wide meetings are supported by regular team level meetings where employees can engage with leadership teams and hear more specific updates relevant to their part of the business. Our communications platforms (Workplace and Slack) also encourage dialogue and interaction between employees daily. In 2021, we also established our first Senior Leadership Forum – the Deliveroo Leadership Council comprising over 70 of the senior leaders of the business– which meets on a monthly basis to discuss Company strategy and issues impacting the business.

PEOPLE CONTINUED

Diversity, equity and inclusion at Deliveroo

Deliveroo is committed to creating an inclusive environment and diverse organisation where different perspectives are listened to and people of all backgrounds are welcome. Over the last year we have made significant steps in our approach to DE&I. In May 2021, we appointed a Director of DE&I who has since established a team dedicated to DE&I matters.

An important part of Deliveroo's approach to DE&I has been to establish DE&I and Belonging groups (DIB), which currently include Gender Equality, Racial Equality, LGBTQ+ and Wellbeing. These groups enable employees to engage on Company policy and activity to ensure they are inclusive of under-represented groups. They also run their own programme of events, contributing to greater education and awareness across the Company. Over the course of 2021, the DIB groups have organised a wide range of events and initiatives including the following:

- the 'Spotlight On Series' – a global interview series with women at Deliveroo;
- a co-ordinated month of activity to support Pride including the launch of a Pronouns awareness campaign;
- the launch of the Deliveroo School of Allies, an external resource website which provides educational content for allies of the LGBTQ+ community; and
- the hosting of a series of events during Black History Month including a Q&A session with David Olusoga OBE and an 'in-conversation' session on intersectional allyship with Lady Phyll.

The DE&I commitment at Deliveroo starts with our Board and Executive Team. The Executive Team has continued its advocacy and support for DE&I through the following initiatives:

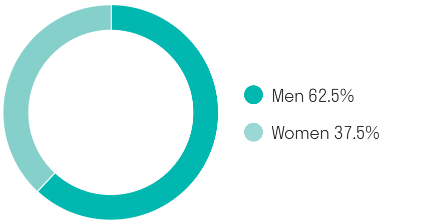
- Executive Sponsorship of our DIB groups;
- meetings with the DIB leaders to advise, sponsor and participate in various events as panellists, facilitators and speakers; and
- commencing its own dedicated programme of training and development.

Our Board is also committed to supporting management's efforts on DE&I matters and so it receives regular updates on Company progress including planned engagement by Dominique Reiniche our designated Employee Non-Executive Director, as well as reflecting diversity principles in its own succession planning. Further information on this is set out in the Governance Report on page 70.

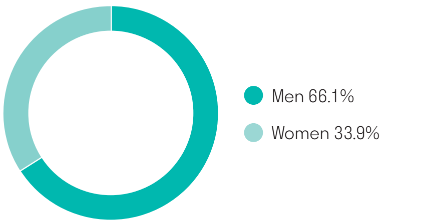
A key area for improvement is the need to address the gender pay gap and the balance of female representation, particularly at senior levels and in our technical teams within Deliveroo. The aim is to drive sustainable change through a multi-year action plan.

Gender diversity (as at 31 Dec 2021):

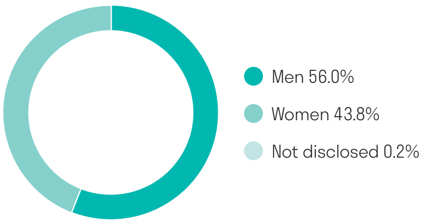
Gender split of directors (of PLC): 8



Gender split of senior managers (excluding CEO and CFO): 109



Gender split of all employees of the Group: 3,108



Gender pay gap stats (2020/21 report):

Mean gender pay gap:	Median gender pay gap:
37.2%	24.7%
Mean bonus gap:	**Median bonus gap:**
14.3%	-23.2%

The Executive Team is very supportive and has been highly engaged in taking steps to establish our response and action plan to address these areas through changes in our hiring, progression and compensation policies as well as leadership development programmes. Most notably, we launched a tailored leadership programme for women in mid-level roles to help support future progression and opportunities for inclusion in the Women in Hospitality, Travel and Leisure (WiHTL) global female leader programme.

During 2021 we also rolled out unconscious bias training across the Company and included an introduction to DE&I at Deliveroo as part of our induction programme for all new joiners. In early 2022, we launched our global Self-ID programme encouraging as many employees as possible to self-identify. This will enable us to get a better picture of Deliveroo's workforce, their individual needs and to measure their experience more accurately.

Technology is at the heart of our Company and so we believe that we have a responsibility to support change and to lead by example. As such, we have extended our DE&I commitment to address DE&I issues across the broader technology industry by joining over 600 other companies as a signatory of the Tech Talent Charter (TTC), a non-profit organisation leading the movement to address inequality in the UK tech sector. By joining the TTC we are signalling our commitment to improving diversity, equity and inclusion in the UK tech sector and within our own tech organisation.

Supporting our people during a global pandemic

We are a global business and the COVID-19 pandemic has had a significant impact across our markets, which is ongoing. Given the complexity around COVID-19's global impacts and the various government responses, we have had to respond flexibly to events. However, what has remained consistent throughout these difficult times has been the focus of our leadership teams across Deliveroo on maintaining our culture and supporting our employees.

At the outset of the pandemic we moved swiftly to close our offices in all markets and to provide suitable working-from-home equipment for those who needed it. When it became apparent during 2021 that the pandemic was continuing, we developed guidance for our employees by launching our new 'Remote and Home Working' policy which set out a number of different work location options based on employee roles. For those employees who work from our offices when government guidelines permit, we have instituted policies and protocols in each of our markets to safeguard employee health and safety, which include measures such as social distancing, limiting office desk capacity, temperature checks and lateral flow tests. These measures have been tailored to comply with local government regulations and best practice.

As well as keeping our office environment safe, we have taken steps to provide enhanced wellbeing support throughout a challenging year. We provided free access for all employees to the Headspace app, have run wellness weeks with multiple events for employees and continued to provide access to free counselling sessions via our Employee Assistance Programme. In recognition of the importance of giving people time off to recharge, in addition to our annual leave allowance we have given employees extra time off post our IPO and during the holiday period in December.

Building the organisation and competing for talent

Deliveroo competes for talent in a highly competitive market, and being able to hire well and quickly is critical to the competitiveness of our business. In 2021 we made significant progress in building the capabilities needed to recruit top talent, including growing our internal recruiting function from 14 to 104 staff, which enabled us to reduce our dependence on third-party recruitment agencies, more than double the size of our technology organisation in the UK and launch our first Deliveroo Hop sites in the UK.

2021 was a challenging year for hiring and 2022 is set to be no less challenging, particularly in technology. Part of our strategy to remain competitive has been to increase our talent pool by expanding into new geographies (such as building a new engineering hub in India and a remote hub in Poland), as well as opening fully remote opportunities for certain types of roles. More broadly, we will continue to invest in building the capabilities and expertise needed to scale recruitment efficiently, such as targeted marketing and branding initiatives to position Deliveroo as an employer of choice for the best talent.

CHAIR'S INTRODUCTION TO GOVERNANCE

CHAIR'S INTRODUCTION TO GOVERNANCE

Claudia Arney
Chair

On behalf of the Board, I am pleased to introduce our first Governance Report as a publicly listed company.

The IPO and establishing a PLC Board

This has been an incredibly exciting yet challenging year for the Company culminating in our becoming a listed company on 7 April 2021 (Admission). During the early part of the year, the Executive Directors and the pre-IPO Board were focused on navigating the business through the COVID-19 pandemic, while also undertaking the intense work needed to successfully complete an IPO process. The IPO was a significant undertaking for our leadership, the project team and our advisers, and I would like to extend my gratitude to them for guiding us through this exciting new chapter in Deliveroo's history.

As we prepared to become a public company, the Board underwent significant change to ensure that it was properly structured from a corporate governance perspective, as well as to establish the proper processes and policies needed as a public company. Alongside our Founder and CEO Will Shu and CFO Adam Miller, prior to IPO we welcomed two independent Non-Executive Directors to the Board, namely Rick Medlock and Lord Wolfson, and Non-Executive Director Tom Stafford.

Governance and diversity

Although with a standard listing we are not required to comply with the requirements of the UK Corporate Governance Code (Code), in recognition of the importance of good governance as a Board we committed on IPO that we would voluntarily comply with certain aspects of the Code that the Board considers appropriate in light of the nature of our business and our strategy going forward. In particular, we confirmed that we would actively recruit additional independent Non-Executive Directors to ensure that the composition of the Board and its Committees was fully compliant with the Code.

"AS WE PREPARED TO BECOME A PUBLIC COMPANY, THE BOARD UNDERWENT SIGNIFICANT CHANGE TO ENSURE THAT IT WAS PROPERLY STRUCTURED FROM A CORPORATE GOVERNANCE PERSPECTIVE."

Accordingly, since Admission we have continued to strengthen Board membership with the appointment of Karen Jones CBE, Dominique Reiniche and Peter Jackson as additional independent Non-Executive Directors. Karen was also appointed as our Senior Independent Non-Executive Director and Dominique as our Designated Employee Non-Executive Director. Each of our Directors brings to the Board their own set of unique skills, experience and knowledge acquired over successful careers in a variety of industries and in areas that are crucial to our business.

An experienced and diverse Board better supports the Board's discussions on the strategic, operational and sustainability issues that affect the Company today or may do so in the future. Maintaining a diverse culture on the Board is crucial and I am pleased to report that our Board make-up is in line with the recommendations from the Hampton-Alexander Review target for Women on Boards and the Parker Review target for ethnic diversity. You can read more on how we consider the diversity of our Board in the Nomination Committee Report found on pages 84 to 85.

Following from the experience we have gained from our Board work since Admission and with the additional Board appointments, we also reviewed our Committee composition to rebalance membership and workload, with the result that our Board and Committees are Code compliant. For more information on our Committee memberships, please see our Director biographies on pages 72 to 74.

Board focus

It has been a busy time for the Board since Admission as we have worked hard to get to know the business, establish the routines of a PLC Board and assist the Company in its transition to public company life, as well as getting the Company ready for its full year results. Our goal throughout as a Board has been to set a clear tone from the top, acting responsibly in decision-making and in the management of risk to achieve our strategic ambitions to ensure the long-term, sustainable success of the business.

An important focus for the Board is our stakeholders and how their interests are considered as part of our decision-making. All three sides of our marketplace are incredibly important to us and we have to make our platform deliver real value for all of them to be successful in our mission to be the definitive online food company. We also consider our people, our investors and our local communities. For more information on how the Board has considered our stakeholders, see the Stakeholder section on page 26. For more information on our people, see the People section on page 66.

COVID-19 has had a significant impact on us all, and made for a challenging IPO process. While our Board and Committees have managed to work effectively virtually, we look forward to more opportunities to be together which, as a new Board, is important for us to get to know each other better to continue to build trust and a team dynamic. I am grateful to Board members for their hard work, flexibility and support, which has enabled us to make progress at pace.

This report explains in more detail the corporate governance structures in place, the work of the Board and its Committees since Admission, and our planned focus for FY2022.

Yours sincerely,

Claudia Arney
Chair
24 March 2022

BOARD OF DIRECTORS

An experienced and diverse Board better supports discussions on the strategic, operational and sustainability issues which affect the Company today or may do so in future.

Key to Committees

A Audit and Risk Committee N Nomination Committee R Remuneration Committee Committee Chair

Claudia Arney
N

Chair

Joined: 23 November 2020

Appointed to Deliveroo Plc:
19 March 2021

Remuneration Committee Chair (until 1 June 2021)

Experience

Claudia Arney began her executive career at McKinsey & Company, before holding roles at Pearson, the Financial Times, Goldman Sachs, and HM Treasury. She was CEO of Thestreet.co.uk, and Group Managing Director at EMAP.

Claudia's previous non-executive director experience includes Chair of the Remuneration Committee at Halfords plc, Senior Independent Director of Telecity Group plc, Governance Committee Chair at Aviva plc, Non-Executive Director at Ocado Group plc and Non-Executive Director and Interim Chair of the Premier League.

Other appointments

- Derwent London plc – Non-Executive Director and Chair of the Remuneration Committee
- Kingfisher plc – Non-Executive Director and Chair of the Remuneration Committee
- Panel on Takeovers and Mergers – Member

Favourite Deliveroo cuisine

Pasta

Will Shu

Chief Executive Officer

Appointed as CEO: 1 February 2013

Appointed to Deliveroo Plc:
19 March 2021

Experience

Will Shu founded Deliveroo in February 2013, alongside his childhood friend Greg Orlowski. The two paired technology with the nation's best-loved restaurants to bring great-tasting food straight to people's front doors. While running the London-based company takes up most of his time, Will still enjoys regularly delivering food orders on his bike.

Prior to Deliveroo, Will worked in a number of finance roles in New York and London.

Other appointments

None

Favourite Deliveroo cuisine

Korean

Adam Miller

Chief Financial Officer

Appointed as CFO: 23 July 2020

Appointed to Deliveroo Plc:
25 February 2021

Experience

Adam Miller joined Deliveroo in early 2019 as Vice President, Corporate Strategy. He stepped into the role of interim CFO later that year before his permanent appointment in July 2020. Adam has played a pivotal role in helping Deliveroo navigate the impact of COVID-19 preparing the Company to emerge in a strong position, as well as preparing for the Company's IPO.

Before joining Deliveroo, Adam worked at travel company Expedia group for seven years, where he held a number of senior positions, including Vice President, Strategic Partnerships and Vice President, Strategy and Analytics, managing large teams and functions across markets. Immediately before joining Deliveroo, Adam was Chief Revenue Officer at CarTrawler, a B2B travel technology platform.

Other appointments

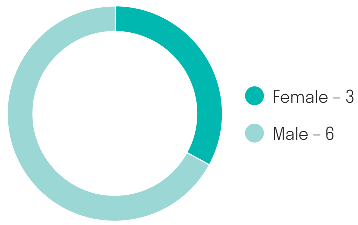
None

Favourite Deliveroo cuisine

Pizza

Board skills

Board gender diversity



Karen Jones, CBE

N R

Senior Independent Non-Executive Director

Appointed to Deliveroo Plc: 1 June 2021

Appointed as SID: 1 January 2022

Audit and Risk Committee (until 1 January 2022)

Nomination Committee (from 1 January 2022)

Experience
Karen Jones brings a wealth of experience in the restaurant, food and hospitality sectors, including founding Café Rouge and creating and leading the formation of the Spirit Group. Karen also has strong experience in executive remuneration having previously chaired the Remuneration Committees of ASOS plc and Booker plc.

Other appointments
- Prezzo – Executive Chair
- Hawksmoor and Mowgli – Chair
- Crown Estate – Non-Executive Director
- Firmenich AG – Board Member

Favourite Deliveroo cuisine
Pasta Carbonara

Rick Medlock

A N R

Independent Non-Executive Director

Joined: 1 October 2020

Appointed to Deliveroo Plc: 19 March 2021

Experience
Rick Medlock has had a highly successful career as a CFO in the technology industry, working for a range of international FTSE 100 and Nasdaq listed businesses during periods of high growth. He has held a number of CFO positions throughout his career, including at NDS group plc, Inmarsat plc and Worldpay Group plc. He was also previously Chair of BluJay Solutions. Rick brings a wealth of experience as a former Non-Executive Director and Audit Committee Chair of several technology-driven businesses, such as Sophos group plc, Edwards Vacuum, and Thus plc.

Rick was also previously the Chair of Momondo Group and Chair of the Audit Committee for LoveFilm UK Limited.

Other appointments
- Datatec Ltd – Non-Executive Director
- Smith & Nephew plc – Non-Executive Director and Chair of the Audit Committee

Favourite Deliveroo cuisine
Pizza

Dominique Reiniche

A N R

Independent Non-Executive Director, Designated Employee NED

Appointed to Deliveroo Plc: 1 May 2021

Experience
Dominique Reiniche has a wealth of operational experience in Europe and also international consumer marketing and innovation experience. Dominique started her career with Procter & Gamble AG before moving to Kraft Jacobs Suchard AG (now Mondelez) as Director of Marketing and Strategy where she was also a member of the Executive Committee.

Dominique previously held a number of senior roles at Coca-Cola Enterprises and at Coca-Cola Company, including President – Western Europe, President – Europe, and Chair – Europe. Dominique was a Non-Executive Director of Peugeot-Citroen SA until December 2015, of AXA SA until April 2017 and of Severn Trent Plc until July 2021.

Other appointments
- Eurostar International Ltd Group – Chair
- Chr. Hansen Holdings A/S – Chair
- PayPal Europe – Non-Executive Director
- Mondi plc – Non-Executive Director.

Favourite Deliveroo cuisine
French

BOARD OF DIRECTORS CONTINUED

Key to Committees

A Audit and Risk Committee N Nomination Committee R Remuneration Committee Committee Chair

Tom Stafford

Non-Executive Director

Appointed to Deliveroo Plc:
19 March 2021

Experience

Tom Stafford is co-founder and managing partner of DST Global, the internet investment firm. The firm's past and current portfolio includes Facebook, Alibaba, JD.com, Meituan, Airbnb, Nubank, Klarna, Robinhood, Doordash, Checkout.com, Spotify and Farfetch.

Other appointments

- DST global – Managing partner

Favourite Deliveroo cuisine

Sushi

Lord Simon Wolfson of Apsley Guise

N

Independent Non-Executive Director

Joined: 18 January 2021

Appointed to Deliveroo Plc:
19 March 2021

Remuneration Committee (until 16 November 2021)

Experience

Lord Wolfson was educated at Radley and Trinity College, Cambridge, where he graduated with a degree in law. He started working for Next in 1991 as a sales assistant and joined the board as Sales and Marketing Director in 1997. In 1999 he was made Managing Director and was appointed Chief Executive in August 2001. Simon is currently the longest-serving FTSE 100 CEO.

Other appointments

- Next plc – Chief Executive Officer
- House of Lords – Peer
- Charles Wolfson Charitable Trust – Trustee
- Policy Exchange (think tank) – Trustee

Favourite Deliveroo cuisine

Chinese

Peter Jackson

A N

Independent Non-Executive Director

Appointed to Deliveroo Plc:
1 January 2022

Experience

Peter Jackson has extensive experience in leading global digital consumer businesses. He is currently the Chief Executive Officer of Flutter Entertainment plc having been appointed in 2018 following five years of experience as a Non-Executive Director of Betfair and then Paddy Power Betfair.

Peter was Chief Executive Officer of Worldpay UK (an operating division of Worldpay Group plc) and Head of Global Innovation at Banco Santander, as well as a director of Santander UK Group Holdings plc. Peter's previous experience also includes Chief Executive Officer of Travelex and senior positions at Lloyds Banking Group.

Other appointments

- Flutter Entertainment plc – Chief Executive Officer

Favourite Deliveroo cuisine

Thai Chicken Curry

GOVERNANCE REPORT

It has been a busy time for the Board as we have worked hard to get to know the business, establish the routines of a PLC board and assist the Company in its transition to public company life.

Overview

This Report sets out the Board's corporate governance structures and work from Admission to 31 December 2021. Together with the Directors' Remuneration Report on pages 93 to 130, it includes details of how the Company has applied the principles and complied with the provisions of the 2018 UK Corporate Governance Code.

Compliance with the 2018 UK Corporate Governance Code (Code)

The Code requires companies listed on the Premium List of the London Stock Exchange to describe in the Annual Report how they have applied the main principles of the Code and also any areas where companies do not comply with the Code provisions. Although with a Standard Listing we are not required to comply with the requirements of the Code, in recognition of the importance of good governance, as a Board we committed on IPO that we would voluntarily comply with certain aspects of the Code that the Board considers appropriate in light of the nature of our business and our strategy going forward. The Directors consider that following the actions taken during FY2021 the Company is fully compliant with the Code save for the following: (i) we have not disclosed emerging risks in our Risk Section (provision 28) but plan to do so for FY2022: (ii) the Board has conducted an effectiveness review but as the Committees have been constituted for a short time since Admission, they did not undertake a formal review (provision 21) but will do so for FY2022; and (iii) it is noted that Karen Jones was appointed as Senior Independent Director on 1 January 2022 (provision 12).

Independence

The composition of the Board has continued to evolve during 2021 and up to the date of this Report. At the date of this Report our Board comprises nine members: the Chair, the CEO, the CFO and six Non-Executive Directors, of whom five are considered independent for the purposes of the Code.

Over half of our Board (excluding the Chair) comprises independent Non-Executive Directors and the composition of all Board Committees complies with the Code. Our Chair, Claudia Arney, was considered independent on appointment. More information about our Directors is set out on pages 72 to 74.

The roles of the Chair and CEO are clearly separated in accordance with the Schedule of Responsibilities approved by the Board. The Directors are appointed by the Board and are subject to annual re-election by shareholders at the Company's AGM.

Board and Committee effectiveness reviews

The Board has conducted a review of their performance and the Senior Independent Director undertook a review of the Chair's performance, with the results set out on page 81. With the Committees constituted for a short number of months since Admission, the Committees did not undertake a review but will do so in 2022. Although the Code requires that an externally facilitated evaluation takes place at least every three years, the Board has committed to conducting an external evaluation during 2022.

Committee Chair experience

The Audit and Risk Committee Chair meets the specific requirements with regard to recent and relevant financial experience during the period under review.

The Remuneration Committee Chair had been a member of a remuneration committee for more than 12 months prior to her appointment having previously chaired the Remuneration Committees of ASOS plc and Booker plc.

Please refer to the Director Biographies on pages 72 to 74.

Auditor appointment and tenure

Our current auditor, Deloitte LLP, was appointed for FY2018. Our lead partner, Mark Lee-Amies, has been in place since FY2020.

GOVERNANCE REPORT CONTINUED

Overview continued

Non-audit fees policy
Our non-audit fees policy is disclosed on page 90, along with the fees paid by the Company for IPO non-audit work undertaken during FY2021.

Internal audit
Our Head of Internal Audit was appointed in December 2021, and work is underway to evolve our internal audit function. More information on this is set out on page 91.

Chair and Non-Executive Director remuneration
The remuneration arrangements for the Chair and the Non-Executive Directors can be found in the Directors' Remuneration Report on pages 93 to 130 and are in accordance with the Company's Articles of Association. This reflects the necessary time commitments and responsibilities of those roles and does not include any performance-related elements.

Employee and stakeholder engagement
The Board is committed to a constructive two-way dialogue with our employees, to enable us to better reflect their interests in future Company and strategic decisions, and to help ensure that the Company is a great place to work. As part of the Board's work to better understand the views of our people, Dominique Reiniche was appointed as the designated employee independent Non-Executive Director (employee NED), whose role it is to oversee engagement between the Board and our employees. Dominique's wide ranging business expertise in both the UK and Europe will enable her to contribute valuable insights as she engages with our global employee base. Given the relatively short time since the IPO, management has been working with Dominique to ensure she receives the right information about our employees and organisation, and to set up an engagement schedule to enable her to listen to employee views first-hand. Dominique receives reports on monthly feedback from our employees through our Peakon surveys and discusses the outcome with the Chief People Officer. A particular initial focus for Dominique is progress with our Diversity, Equity and Inclusion (DE&I) initiatives and so she will be meeting with the Director of DE&I and her team at the end of March 2022. More information on the ways in which the Company engages with its employees and other key stakeholders can be found in the Stakeholder section on page 26 and in the People section on page 66.

Diversity
Information about the diversity of our Board, including how this will be factored into succession planning and senior management development, can be found in the Nomination Committee Report on page 84. Information about the wider Company Diversity, Equity and Inclusion strategy can be found in our People section on page 66.

Board leadership and Company purpose

The Board's role
The Board is collectively responsible for delivering the long term success of Deliveroo for the benefit of its shareholders and wider stakeholders. The Board leads and provides direction in the setting of strategy and overseeing its implementation by management. The Board also sets the clear tone from the top by satisfying itself that Deliveroo's purpose, values and culture are aligned with its strategy.

The specific activities undertaken by the Board during the year are set out on page 79. The Board also monitors the Group's operations within an agreed framework of controls, allowing risk to be assessed and managed within agreed parameters. This is discussed further in the Risk Report on page 57 and the Viability statement on page 64.

To maximise the effectiveness and ensure sufficient time and attention can be devoted to key matters, the Board has delegated authority in certain areas to its principal Board committees. The Board has established terms of reference that set out the matters that it must approve (see page 77) and the specific responsibilities that it has delegated to its principal committees: the Audit and Risk Committee, Remuneration Committee, Nomination Committee and the Market Disclosure Committee. The roles and responsibilities of each Committee are set out in formal terms of reference, which are determined by the Board, and reviewed at least annually. These are available for review on the Company's website at https://corporate.deliveroo.co.uk/. Reports from each of these Committees are provided on the following pages.

Board meetings are structured to allow open discussions. At each meeting the Directors are made aware of the key discussions and decisions of the principal Committee by the respective Committee Chairs. All Board and Committee meetings are minuted and formally approved at the next meeting. Board minutes contain details of the Directors' decision making processes and any follow-up actions or concerns raised by the Directors.

DELIVEROO'S GOVERNANCE FRAMEWORK

Board of Directors

Nomination Committee

Read more on page 84

Audit & Risk Committee

Read more on page 86

Remuneration Committee

Read more on page 93

Market Disclosure Committee

Matters Reserved for the Board

The Board's terms of reference provide that the Board must consider and approve the following:

- The Group's purpose, values, general strategy and objectives including assessing and monitoring the Group's culture and its alignment with these.
- Review of business performance relative to the Group's business plans and budgets.
- Major capital expenditure and changes to the Group's corporate structure, including significant acquisitions and disposals.
- Financial reporting including major changes to accounting policies or practices.
- Approval of the Group dividend policy including any recommendation of a final dividend.
- Major changes to the capital structure including borrowings and tax and treasury management.
- Ensuring a framework of prudent and effective controls and establishing procedures to manage risk and to oversee the internal control framework.
- Determining the nature and extent of the principal risks the Group is willing to take to achieve its long term strategic objectives (the Group's 'risk appetite').
- The Group's corporate governance and compliance arrangements and engagement with stakeholders.

Chair

There is a clear separation of responsibilities between the Chair, Claudia Arney, and the CEO, Will Shu. The Chair is responsible for leading and managing the business of the Board primarily focused on strategy, performance, value creation and accountability, setting and sustaining the culture and purpose of the Company, and ensuring the Board's overall effectiveness, governance and Director succession planning.

The Chair also ensures effective communication between the Board, management, shareholders and the Company's wider stakeholders. The Chair works collaboratively with the Chief Executive Officer in constructively challenging and helping to develop proposals on strategy, setting the Board agenda and ensuring that any actions agreed by the Board are effectively implemented.

Chief Executive Officer (CEO)

Will Shu, is responsible for developing, implementing and delivering the agreed strategy and for the operational and strategic management of the Company. He is also responsible for supporting Directors' induction into the business by providing the necessary resources for developing and updating their knowledge and capabilities concerning the Company, including access to Company operations and members of the workforce.

GOVERNANCE REPORT CONTINUED

Deliveroo's governance framework continued

Chief Financial Officer (CFO)

Adam Miller, is a member of the Executive Team reporting to the CEO. His role is to lead the financial management, risk and internal control teams and to oversee the Company's relationship with the investment community.

Senior Independent Non-Executive Director (SID)

The Senior Independent Director, Karen Jones, supports the Chair in her role and leads the Non-Executive Directors in the oversight of the Chair. The SID is also available as an additional point of contact for shareholders.

Non-Executive Directors

The Non-Executive Directors provide constructive challenge and strategic guidance, offer specialist advice, and hold management to account. They monitor the performance and delivery of the strategy within the risk parameters and control framework set by the Board.

The Company Secretary

The Company Secretary, Catherine Sukmonowski, acts as secretary to the Board and each of the Committees. She is responsible for supporting the Chair and the Board in delivering the Company's corporate governance agenda and ensuring that it has the policies, information, time and resources it needs in order to function effectively and efficiently. All Directors have access to the advice of the Company Secretary.

The Executive Team

Execution of the Group's strategy and the day-to-day management of the Company's activities are delegated to the Executive Directors with the support of the Executive Team.

In particular, the Executive Team is responsible for:

- furthering the strategy, business objectives and targets established by the Board;
- approving the expenditure and other financial commitments within its authority levels; and
- discussing, formulating and approving proposals to be considered by the Board.

Members of the Executive Team and other senior managers from across the business are regularly invited to present at Board meetings and to engage in debate on specific matters about which the Board may require greater insight. A culture of open dialogue and debate between the Board as a whole, the Executive Directors and the Executive Team is actively encouraged. This is supported through regular dialogue with, and reports from, management to ensure that the Board is kept up to date on developments.

Board leadership and Company purpose continued

Board focus

The Board has been extremely busy since Admission, having met for six scheduled Board meetings and an additional two unscheduled meetings. Further to the IPO and the establishment of a new PLC board, an important area of focus has been on establishing appropriate and effective Board ways of working and aligning this with management ways of working. The aim is to ensure that the Board can operate efficiently and has the information on the business it requires and to facilitate the discussion of key matters of strategic and financial importance. As we continue to work together as a Board and the Company continues to acclimatise to its listed status, we will continue to hone this over the coming months, including reflecting on the feedback from the Board Effectiveness Review as set out on page 81.

Board and Committee attendance for regularly scheduled meetings during 2021 is set out on page 80. During this period, the Board has been very mindful of our stakeholders and the possible impacts of events on them. More information on our key stakeholders is on page 26.

Board focus during 2021 and up to the date of this Report was on the following key areas/activities:

Company strategy and performance

- Regular reports from the CEO at each meeting detailing the performance of the business against the strategic goals and macro-economic impact on the business.
- Board strategy day to discuss/agree the strategic objectives of the business and reconfirm the Company's mission statement/purpose.
- Approval of the 2022 plan and budget.
- Regular reports from the Executive Team on global operations and key areas of the business and competitor context.
- Regular reports from the General Counsel on material litigation, regulatory and other matters impacting the business.

Financial and investor updates

- Regular reports from the CFO at each meeting detailing the financial performance and progress against plans and analysts' consensus.
- Consideration and approval of financial statements and announcements including the Annual Report and preliminary results announcement.
- Investor relations updates including regular updates from the Director of Investor Relations and broker presentations on investor engagement and feedback, market reaction to announcements and analysts' views.

Governance, people and culture

- Adoption on IPO of Board/Committee governance structures, terms of reference and relevant public company policies and procedures.
- Presentations from advisers on duties of listed company directors.
- Approval of the annual calendar and workplan for the Board and Committees.
- Consideration of Board succession matters including the appointment of additional independent Non-Executive Directors, the SID and Committee composition.
- Consideration of Board and organisation gender and wider diversity.
- Updates from the Nomination Committee, Chief People Officer and Employee NED on culture and DE&I employee matters.
- Regular reports from the Chairs of the Audit and Risk, Remuneration and Nomination Committees on the work of those Committees and from the Company Secretary on governance matters.
- Approval of the appointment of joint corporate brokers.
- Review and approval of the investor relations plan.
- Approval of plans/resolutions for the 2022 Annual General Meeting.

Wider stakeholders

- Consideration of stakeholder impacts of the exit from Spain.
- Consideration of rider earnings, benefits and conditions.
- Consideration of impacts on restaurants partners and customers.
- Consideration of employee matters including organisation, culture, gender pay, diversity, equity and inclusion.
- Consideration of investor views on strategy, performance and executive remuneration.
- Consideration of the key pillars of our ESG strategy.

GOVERNANCE REPORT CONTINUED

Board leadership and Company purpose continued

Board and Committee attendance

During FY2021 since Admission, the Board held six scheduled meetings. Individual attendance is set out below. Additional unscheduled meetings were held as and when required, throughout the year. The Board held a number of additional ad hoc meetings and the Non-Executive Directors also met on a number of occasions with the Chair, and with the Chair and CEO.

Board and Committee scheduled meeting attendance from Admission to 31 December 2021

Director	Board	Audit and Risk	Nomination	Remuneration
Directors as at 31 December 2021				
Claudia Arney (Chair, Chair of Nomination Committee)[1]	6/6	n/a	2/2	1/1
Will Shu (CEO)	6/6	n/a	n/a	n/a
Adam Miller (CFO)	6/6	n/a	n/a	n/a
Karen Jones CBE (SID, Chair of Remuneration Committee)[2]	3/5	2/3	n/a	2/2
Rick Medlock (Chair of Audit and Risk Committee)	6/6	4/4	2/2	3/3
Dominique Reiniche	6/6	4/4	2/2	3/3
Tom Stafford	6/6	n/a	n/a	n/a
Lord Wolfson[3]	6/6	n/a	2/2	1/2

1. Claudia Arney was Chair of the Remuneration Committee pending Karen Jones becoming Chair on her joining the Board on 1 June 2021.
2. Karen Jones joined the Board on 1 June 2021. Absence due to commitments prior to her joining the Board which could not be altered.
3. Lord Wolfson stepped down from the Remuneration Committee on 16 November 2021. Absence due to a prior commitment.

Appointment and election of Directors

The identification and appointment of our Non-Executive Directors was an important factor in establishing our new governance structure on IPO. A full, detailed search was undertaken, led by executive search firm Egon Zehnder, to find individuals with the right mix of skills and experience for our business and ambitions. This is described in more detail in the Report from the Nomination Committee on page 84.

All of our Directors have service agreements or letters of appointment and the details of their terms are as set out in the Directors' Remuneration Report. The Chair and Non-Executive Directors are expected to devote necessary time to perform their duties properly. This is expected to be approximately two to three days per week for the Chair and two days per month for the Non-Executive Directors. The Chair and Committee Chairs may be required to spend additional time over and above this to carry out their extra responsibilities. Any external appointments require prior Board approval.

The Board considers all Directors to be effective and fully committed to their roles and to have sufficient time to perform their duties. The Board has delegated to the Nomination Committee the responsibility for monitoring the Non-Executive Directors' external roles and commitments to ensure they remain able to devote an appropriate amount of time to their roles at the Company. In line with the recommendation of the Code, all Directors will be offering themselves for election at the Company's Annual General Meeting ('AGM').

The service agreements and letters of appointment are available for inspection at the Company's registered office during normal business hours. No other contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested existed during or at the end of the financial year.

Board induction, training and information flow

The Non-Executive Directors each received a comprehensive induction plan on joining the Board, including the following:

- a detailed overview of the operations of each key area of the business through materials and meetings with key members of the Executive Team;
- training on their statutory duties as directors of public companies and the new governance structure for the Board and its Committees; and
- meetings with the external auditor and advisers as appropriate.

The Board is committed to continuing training and professional development of Directors and intends to continue to refine this process.

The Directors have continuous access to senior management expertise and receive regular detailed presentations on key areas of the business. Additionally, Directors have access to the advice and services of the Company Secretary and independent and professional advice at the Company's expense should they determine that this is necessary to discharge their duties.

Post-IPO a key focus of the Chair and the Committee Chairs has been to work closely with the Company Secretary to plan the annual calendar of Board/Committee meetings and establish agendas to ensure that financial, regulatory and governance requirements are met throughout the year, as well as providing sufficient time to focus on strategy and key areas of the business. Another focus has been to establish an appropriate cadence for ways of working to ensure that information is made available to Board/ Committee members on a timely basis and is of a quality appropriate to enable the Board and its Committees to effectively carry out their respective duties. The Chair and the Committee Chairs continue to work with management to improve the approach to agendas and papers, and to discuss the information which would be most useful for the Board and Committees to receive, including between formal meetings.

An agenda and accompanying pack of detailed papers are circulated to the Board in advance of each Board meeting. Currently these include reports from the Executive Directors, other members of senior management and external advisers. Members of senior management may be invited to present relevant matters to the Board. All Directors are able to request additional information on any of the items to be discussed. The Board receives monthly financial information on the Company and updates on litigation, compliance and other key matters which may arise between meetings.

Board and Committee evaluation and effectiveness

The Board conducted an effectiveness review of its performance led by the Chair and supported by the Company Secretary. The Senior Independent Director led a review of the Chair. With the Committees constituted for a short number of months since Admission, they did not undertake a review but will do so in 2022.

As the Board had recently been constituted, the focus of the review was to obtain feedback on progress with Board effectiveness and ways of working so far, and to seek recommendations for improvements, as well as to consider the key priorities for the business and the Board during 2022.

Common themes which emerged from this collective feedback were as follows:

- The Board comprised high-quality, experienced individuals with a good balance of diversity and relevant skills. Board members were engaged, prepared carefully for meetings, and the quality of debate was high and centred on the right issues. The Chair showed collaborative leadership and chaired the meetings well, ensuring that all voices were heard and that the Board navigated difficult topics constructively.
- There was good engagement between the Non-Executive Directors and the Chair and between the Non-Executive Directors and the Executive Directors (and wider Executive Team) outside of Board meetings.
- As the Board was new and the Executive Team was getting used to the heightened demands of public company life, there could be improvements made to ensure more effective communication between Board members and between the Non-Executive and Executive Directors. Also to ensure the right balance between Non-Executive challenge and support of the Executive Directors.

To address this feedback the following was agreed.

- Board focus during 2022 should include strategy, the review of key areas of the business, investor engagement and Company culture.
- There should be more 'physical' Board meetings and positive opportunities to engage outside the boardroom to continue to build trust and a team dynamic.
- Board papers and information flow between Board meetings should be improved. Papers should be more focused and consistent in relation to what is being communicated, the impacts on strategy/the business and what is being asked of the Board.
- There should be more opportunities for the Non-Executive Directors to learn about the business including site visits.

Although an externally facilitated review is required only once every three years, the Board agreed that it would be useful to hold an external review during the autumn 2022, to provide the Board with useful insights having had time to operate as a unit.

External directorships

It is recognised that non-executive directorships can provide a further level of experience for Executives that can benefit the Company. As such, Executive Directors may usually take up one non-executive directorship (broadly equivalent in terms of time commitment to a FTSE 350 non-executive directorship role) subject to the Board's approval as long as there is no conflict of interest. Neither of the Executive Directors currently has any other directorship outside the Group.

GOVERNANCE REPORT CONTINUED

Board leadership and Company purpose continued

Board succession and diversity

Board succession planning is focused on ensuring the right mix of skills and experience on the Board. All new appointments are based on merit, keeping in mind that to deliver our strategy we need a Board which is diverse and inclusive. Consequently, we believe in the importance of diverse Board membership, including in relation to gender, social and ethnic backgrounds, cognitive and personal strengths, tenure, and relevant experience.

The Board recognises the Hampton-Alexander Review target for women to represent 33% of boards, and the Parker Review target for wider diversity of at least one director of colour on the board by 2021 for FTSE100 companies, and by 2024 for FTSE250 companies. Accordingly, the Board has agreed its aim to maintain these goals provided this is consistent with the prevailing skills and diversity requirements of the Company as and when seeking to appoint a new Director. As at the date of this Report, the targets for Board gender and wider diversity have been met.

Directors' conflicts of interest

Directors have a statutory duty to avoid situations in which they may have interests that conflict with those of the Company unless that conflict is first authorised by the Board. As permitted under the Companies Act 2006, the Company's Articles of Association allow Directors to authorise conflicts of interest and, in accordance with its terms of reference, the Board has established a policy and set of procedures for managing and, where appropriate, authorising actual or potential conflicts of interest. This is monitored by the Nomination Committee.

Our Directors must report any changes to their commitments to the Board, immediately notify the Company of actual or potential conflicts or a change in circumstances relating to an existing authorisation, and complete an annual conflicts questionnaire. Any conflicts or potential conflicts identified are considered and, as appropriate, authorised by the Board in accordance with the Company's Articles of Association.

As part of our year-end processes all situational conflicts that have been authorised have been reviewed and it was concluded that the potential conflicts had been appropriately authorised, and that each Non-Executive Director is able to dedicate sufficient time to the Company's affairs. No circumstances existed which would necessitate that any prior authorisation be revoked or amended, and the authorisation process continued to operate effectively.

Our relationship with stakeholders

The Board recognises that our business and our behaviours impact our shareholders and other stakeholders, and that stakeholder engagement is a key element of delivering a sustainable business. This activity is taken across our business at different levels of the organisation with steps taken to ensure that the Board is aware of this activity and can also engage with stakeholders as appropriate. The Board receives regular updates from the CEO and the CFO on these matters, as well as from senior management within the business with particular expertise or responsibility for dealing with the stakeholders involved. Information on our key stakeholders, the Board's s172 statement and how the Board considered stakeholder interests during the year are set out in the Stakeholder section on page 26.

Investors

The Board is committed to maintaining good communications with existing and potential shareholders. The Chair, CEO and CFO met, in line with COVID-19 protocols, with a large number of shareholders as part of the IPO process. Following the IPO, the CEO and CFO have met with investors after each announcement relating to the Company's financial performance and otherwise as set out below.

In relation to investor relations activity, the CEO, the CFO and the Investor Relations team collectively held over 200 meetings with nearly 600 individual investors and analysts during the year since the IPO. Since the end of 2021, Karen Jones, our Remuneration Committee Chair, has met with our largest shareholders and with certain proxy advisers to discuss our Remuneration Policy. The Director of Investor Relations provided regular updates to the Board on Investor Relation activity including investor feedback and other market matters.

Management also hosted webcasts for all reported results and market updates to take questions from investors and analysts to ensure an open dialogue with the market.

Presentations given to analysts and investors covering the Group's annual and interim results, along with all results and other regulatory announcements as well as further information for investors, are included on the investor relations section of our website at https://corporate.deliveroo.co.uk/. Further information on our engagement with shareholders is set out on the next page under Annual and General Meetings of shareholders.

Whistleblowing

There is an appropriate mechanism for employees and contractors to report any concerns regarding suspected wrongdoing or misconduct. The Whistleblowing Policy is made available to all employees and contractors on joining the business and is published on the Group People Portal. Training in this area is refreshed alongside other associated topics, such as the Inside Information and Share Dealing training that was delivered to all employees and contractors in March 2021.

Any reports received are investigated by the People, Legal, Risk, Control and Compliance or Regulatory Compliance teams depending on the nature of the concern, with significant findings reported to the Audit and Risk Committee and the Board. Further information on this is in the Audit and Risk Committee Report on page 86.

Annual and General Meetings of shareholders

All shareholders may ask questions by contacting us and we usually encourage them to attend our AGM where they will have the opportunity to interact with Board members and ask questions.

The Notice convening the 2022 AGM will be made available to shareholders in advance of the meeting. This will provide shareholders with the appropriate time, as set out in the FRC's Guidance on Board Effectiveness, to consider matters. Separate resolutions will be proposed on each substantially separate matter. The results of the proxy votes on each resolution will be collated independently by the Company's registrar and will be published on the Company's website after the meeting.

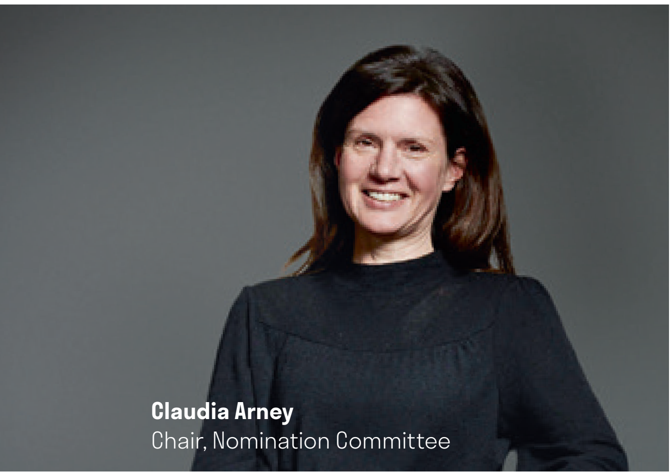
Fair, balanced and understandable

The Annual Report and Accounts is required, as a whole, to be 'fair, balanced and understandable' and to provide the information necessary for shareholders to assess the Group's position and performance, business model, and strategy. The Audit and Risk Committee considered, on behalf of the Board, whether the 'fair, balanced and understandable' statement could properly be given on behalf of the Directors. The Committee considered the associated assurance processes (as set out on page 92) and provided a recommendation to the Board that the fair, balanced and understandable statement could be given on behalf of the Directors. Based on this recommendation, our Board is satisfied that it has met this obligation.

A summary of the Directors' responsibilities in relation to the financial statements is set out on page 137. The report of the external auditor on page 138 includes a statement concerning their reporting responsibilities.

NOMINATION COMMITTEE REPORT

RIGOROUS AND TRANSPARENT



Claudia Arney
Chair, Nomination Committee

Committee Members

- Rick Medlock
- Dominique Reiniche
- Lord Wolfson
- Karen Jones, CBE (1 January 2022)
- Peter Jackson (1 January 2022)

As Nomination Committee Chair, I am pleased to present the Committee's first Report for the year ended 31 December 2021.

The role of the Committee is to establish formal, rigorous and transparent procedures for the appointment of Directors to the Board and senior executive officers of the Company. In addition, it is responsible for reviewing the succession plans for the Executive and Non-Executive Directors. More information on the Committee's responsibilities is set out on page 85.

Committee effectiveness

As the Committee has only been established for a short time, we have not conducted a formal performance review but plan to do so during FY2022 and will report on this in the 2022 Annual Report. The outcome of the Board Effectiveness Review can be found on page 81.

Membership

In addition to myself as Chair, during FY2021 the Committee comprised three independent Non-Executive Directors: Rick Medlock, Dominique Reiniche and Lord Wolfson. Karen Jones CBE and Peter Jackson joined the Committee on 1 January 2022 with the result that all of our independent Non-Executive Directors currently sit on the Committee. The Committee is considered to be independent for Code purposes as it is comprised solely of independent Non-Executive Directors.

The Company Secretary is secretary to the Committee and the CEO, Chief People Officer and other members of the senior management team may be invited to attend for all or part of a Committee meeting as appropriate.

Appointing the new Board and other activities during the year

We engaged executive search firm Egon Zehnder in July 2019 to assist with our search for the first independent Non-Executive Directors to be appointed to the new PLC Board. A clear brief was set and a skills mapping exercise undertaken to ensure that prospective candidates would possess the right skills and experience to contribute effectively to strategic and business discussions and to support the Company in achieving its ambitions. The brief also ensured that candidates would be the right fit in terms of our organisational culture particularly, to ensure a strong, accessible and diverse Board. A shortlist of suitable candidates was drawn up and interviews conducted by myself and members of the pre-PLC Board. The Committee is satisfied that

Egon Zehnder has no other connection with the Company or any of its Directors and that the advice it received is independent.

I was appointed as Non-Executive Chair of the Company, Rick Medlock as independent Non-Executive Director, and Audit and Risk Committee Chair, Lord Wolfson as independent Non-Executive Director and Tom Stafford as Non-Executive Director, effective 19 March 2021. Although as a standard listed company we are not obliged to comply with the UK Corporate Governance Code, in recognition of the importance of good governance we committed on IPO that we would voluntarily comply with certain aspects of the Code that the Board considers appropriate in light of the nature of our business and strategy going forward. As such, post-IPO we have continued to strengthen the Board with the appointment of Dominique Reiniche as Independent Non-Executive Director on 1 May 2021, Karen Jones, who joined as independent Non-Executive Director and Remuneration Committee Chair 1 June 2021, and Peter Jackson, who joined as independent Non-Executive Director on 1 January 2022. Karen was also appointed as our Senior Independent Non-Executive Director from 1 January 2022.

Following from the experience we have gained from our work since IPO and with the appointment of additional independent Non-Executive Directors, the Committee conducted a review of Board Committee composition with changes made to rebalance Board Committee membership and workload. The details of Committee composition are set out in the relevant Committee reports. We are now fully compliant with the Code in relation to the composition of our Board and Committees.

The Committee's other areas of focus during the year included the consideration of culture and values within Deliveroo – particularly diversity, equity and inclusion (discussed in more detail below) – and the talent capability within the Executive Team and other senior management. These will continue to be important areas of focus for FY2022.

Diversity, equity and inclusion

The Board believes that its perspective and approach can be greatly enhanced through diversity of gender, social and ethnic backgrounds, cognitive and personal strengths, tenure and relevant experience. We recognise that the delivery of our strategy requires the promotion of a high-performing culture, characterised by a diverse and inclusive workforce. This view underpinned the approach taken to the independent Non-Executive Director search described above, and going forward the Board is committed to ensuring that this continues to be the approach taken in respect of the composition of the Board and the Executive Team. All recommendations for Board and Executive Team appointments will be made on merit and to secure an appropriate balance of skills and experience across our leadership.

In terms of its current composition, the Board meets the recommendations of the Hampton-Alexander Review relating to gender diversity with three of our nine Board members (one third) being women. This includes myself as Chair of the Board and this Committee, Karen Jones as Remuneration Committee Chair and Senior Independent Non-Executive Director and Dominique Reiniche as our Employee Non-Executive Director. In relation to wider diversity we also meet the recommendations of the Parker Review, in respect of Will Shu our Founder and Chief Executive Officer. Looking to the future, the Committee will ensure that all longlists of potential Board and senior leadership appointments appropriately reflect diversity of gender and ethnicity.

In terms of our senior managers as at 31 December 2021, 66.1% of our leadership were male versus 33.9% female. Details of gender diversity across the wider business can be found in the People section on page 66. This data shows that there is still much work to be done in this area, particularly in increasing opportunities for women to move into senior roles. This will be an important area of ongoing focus for the Company and will be monitored by the Committee in the coming year. More information about wider diversity, equity and inclusion at Deliveroo and the range of initiatives planned and underway can be found in our People section on page 66. Our Gender Pay Gap Report can be found on our website on https://corporate.deliveroo.co.uk/.

Director induction and training

All new Directors received full inductions on joining the Board including induction materials relating to key areas of the business, one-to-one sessions with the Chair and members of the Executive Team, and site visits. In recognition of the Company's recent IPO, all Directors undertook training on their statutory duties and on the effective operation of public listed company boards. Further details on the Board's induction and training processes are set out on page 80 of the Governance Report.

Claudia Arney
Chair, Nomination Committee
24 March 2022

ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Committee include:

- The regular review of the structure, size and composition of the Board to ensure it has the proper balance of skills, experience, independence, and diversity.
- Making recommendations to the Board in relation to the composition of its committees.
- Succession planning for Directors and senior executives, including oversight of the development of a diverse pipeline for succession, with a view to addressing the leadership needs of the Company to ensure that it can continue to compete effectively in the marketplace.
- Identifying and nominating candidates to fill Board vacancies including managing the search process.
- Keeping under review potential conflicts of interests of Directors disclosed to the Company and developing appropriate processes for managing such conflicts where necessary.
- Overseeing Board induction training and evaluation.
- Overseeing the Company's policy, objectives and strategy on Board, senior management and workforce diversity, equity and inclusion.

AUDIT & RISK COMMITTEE REPORT

MONITORING ALL ASPECTS OF REPORTING AND RISK

Rick Medlock
Chair, Audit & Risk Committee

Committee Members

- Dominique Reiniche
- Karen Jones (until 1 January 2022)
- Peter Jackson (1 January 2022)

Focus for 2022

- Continue to monitor PLC governance and ways of working.
- Monitor our risk and internal controls processes as these become further embedded, including the establishment of our internal audit function.
- Consider the key risks to the business.
- Consider TCFD compliance.
- Oversee the completion of planned accounting process improvements and automation.

As Chair of the Audit and Risk Committee, I am pleased to present the Committee's first Report as a listed company for the period ended 31 December 2021.

The Committee fulfils a vital role in the Company's governance framework, providing valuable independent challenge and oversight of the accounting, financial reporting and internal control and risk management processes. I joined the pre-IPO Company in October 2020 and took over as Chair of the pre-existing Audit Committee which was reconstituted in its current form shortly prior to Admission on 7 April 2021, when it adopted the Committee Terms of Reference which can be found at https://corporate.deliveroo.co.uk. Our key areas of responsibility are set out on page 87.

There was significant work done in the run-up to IPO to ensure that the Company has the appropriate corporate governance foundations as a publicly listed company, including robust policies and procedures in relation to the assessment of risk, internal controls, and financial accounting and reporting. This included the consideration of the recommendations of the Financial Position and Prospects Procedures (FPPP) Report produced by Deloitte LLP, investment in resource and technology to improve accounting controls, and the establishment of the framework for the operation of the Committee.

The Committee met on four occasions from Admission

"THE COMMITTEE FULFILS A VITAL ROLE IN THE COMPANY'S GOVERNANCE FRAMEWORK PROVIDING VALUABLE INDEPENDENT CHALLENGE AND OVERSIGHT."

to 31 December 2021 with the focus on approving the Committee's ways of working and annual work plan to the end of FY2022, the ongoing review of progress against the recommendations set out in the FPPP Report, briefings on our key risks and approach to assessing risks, the monitoring of ongoing improvements to accounting and other processes (such as whistleblowing and adoption of the Non-Audit Services Policy) and regular updates on key litigation and compliance matters, information and cybersecurity, rider matters and adequacy of engineering and technology resource. The decision was taken to create a separate internal audit function and to appoint a Head of Internal Audit, who joined the Company in December 2021. The Head of Internal Audit will evolve the risk-based internal audit plan and resource to establish the internal audit function during FY2022. More detail on the Committee's work during 2021 and up to the date of this Report is set out page 88.

An important area of Committee work is to oversee the work undertaken by our external auditor, Deloitte LLP (Deloitte). Deloitte was appointed as external auditor with effect from FY2018. The external auditor is required to rotate the audit engagement partner every five years. The current engagement partner, Mark Lee-Amies, began his appointment from the 2020 financial year. The Committee has carried out a review of the effectiveness and independence of Deloitte and has recommended to the Board that it is reappointed as auditor at the Company's 2022 AGM. Further information on the Committee's role in oversight of the external audit is set out on page 90.

The remainder of this Report contains the work of the Committee and matters addressed by it during the period, which should be read in conjunction with the Independent Auditor's Report from page 138 and the Group's financial statements from page 146. This includes the significant accounting matters and issues relating to the financial statements that the Committee assessed, which can be found on page 89.

Following a review of Board Committee composition during the year, Karen Jones stepped down from the Committee and Peter Jackson has joined the Committee, in each case with effect from 1 January 2022. I would like to thank Karen for her contribution during this first important year for the Committee. As the Committee was constituted fairly recently and with the changes to our membership, our first Effectiveness Review will take place during FY2022.

Rick Medlock
Chair, Audit and Risk Committee
24 March 2022

KEY RESPONSIBILITIES

The Committee's responsibilities include the following:

- Monitoring the integrity of the Group's financial statements and any formal announcements relating to the Group's financial performance, including the review of significant financial reporting judgements contained in them.
- Consideration of the Group's Viability Statement and going concern assessment.
- Providing advice (where requested by the Board) on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model, and strategy.
- Establishing the selection and appointment procedures for an external auditor and the conduct of any competitive tender process for the provision of external audit services including making recommendations to the Board about the appointment, reappointment, resignation or removal of the external auditor.
- Overseeing the relationship with the external auditor, including: reviewing the findings of the audit and external auditor's report as well as management's responsiveness to the external auditor's findings; assessing the effectiveness of the external audit process and quality (taking into consideration relevant UK professional and regulatory requirements); monitoring their effectiveness, independence, qualifications and expertise; and negotiating and approving the terms of engagement and remuneration.
- Developing and implementing a policy on the engagement of the external auditor to supply non-audit services and approving such services while considering the impact this may have on auditor independence and reporting to the Board on any improvement or action which may be required.
- Reviewing the arrangements for the employees to raise concerns in confidence, about possible improprieties in financial reporting or other matters with the aim of allowing a proportionate and independent investigation and appropriate follow-up action.
- Monitoring and reviewing the effectiveness of the Group's annual internal audit function.
- Advising the Board on the Group's overall risk appetite, tolerance and strategy and on the current risk exposures and future risk strategy. This includes monitoring the effectiveness of the Group's Risk Management and Internal Control Framework, including the adequacy and effectiveness of the internal financial controls and whether risk management is embedded within the Group, through regular assurance reports from management, internal audit, external audit and others on matters related to risk and control.
- Reporting to the Board on how the Committee has discharged its responsibilities.

The Committee meets at least four times a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. The Committee has formal terms of reference which can be viewed on the Company's website at https://corporate.deliveroo.co.uk. Committee attendance for the period is set out on page 80.

AUDIT & RISK COMMITTEE REPORT CONTINUED

Committee membership and Code compliance

The Committee currently comprises three independent Non-Executive Directors: Rick Medlock, Dominique Reiniche and Peter Jackson. Karen Jones was a member of the Committee during FY2021 and stepped down on 1 January 2022, when Peter Jackson joined the Committee. The Committee is considered to be independent for Code purposes as it is made up solely of independent Non-Executive Directors.

The Company Secretary is secretary to the Committee. The Board Chair, CFO, VP Finance, Head of Compliance, General Counsel, Head of Internal Audit, external auditor and other senior members of the finance team also routinely attend meetings by invitation.

The Code stipulates the following:

- the Committee, as a whole, shall have competence relevant to the sector in which the Company operates. All Committee members have past employment experience in either finance or accounting or senior management roles and have knowledge of financial reporting and/or international businesses. As such, the Board is satisfied that the Committee, as a whole, has the relevant business sector competence. Details of the Committee members' experience can be found in their biographies on pages 72 to 74; and
- at least one Committee member should have recent and relevant financial experience. Rick Medlock meets this requirement as he has held a number of CFO positions throughout his career and is a qualified chartered accountant. Rick is also the Audit Committee Chair for Smith & Nephew plc.

Main activities during 2021 and following the year end

During the period from Admission until 31 December 2021 and following the year end the Committee focused on the following key areas:

- Committee annual calendar and agenda planning.
- The adoption of the Committee's terms of reference.
- Corporate governance matters including the ongoing review of progress on the actions contained in the Financial Position and Prospects Procedures (FPPP) Report as well as other regulatory updates.
- Review of principal risks, risk management and internal controls processes and monitoring the appointment of the Head of Internal Audit.
- Review and approval of new and/or amended policies including the Non-Audit Services Policy.
- Regular updates on: information and cybersecurity; general accounting processes and subsidiary financial statement preparation and audit improvements; tax matters; litigation; engineering and technology resource; insurance; and the evolution of whistleblowing policy/procedures.
- Review and approval of the external audit plan, audit fees, reports from the external auditor and subsequent audit findings.
- Review of the UK Corporate Governance Code requirements relating to year-end matters including, among others, the review of the Group's accounting policies, key accounting judgements, significant financial reporting matters, principal risks, going concern and viability, the effectiveness of the Group's risk management and internal control systems, and 'fair, balanced and understandable' reporting in the 2021 Annual Report.
- Review of financial reporting matters including the approval of market announcements for the interim results, trading updates and the preliminary 2021 year-end results as well as the review and approval of the 2021 Annual Report.

The Committee held one private session during FY2021 with the external auditor, without members of management being present.

Financial reporting and significant financial judgements

The Annual Report seeks to provide the information necessary to enable an assessment of the Company's position and performance, business model, strategy, and principal risks.

The Committee assists the Board with the effective discharge of its responsibilities for financial reporting, and for ensuring that appropriate accounting policies have been adopted and that management has made appropriate estimates and judgements.

In preparing the financial statements for the period, there were a number of areas requiring the exercise of a high degree of estimation. These areas have been discussed with the external auditor to ensure the Group reaches appropriate conclusions and provides the required level of disclosure. The significant issues considered by the Committee in respect of the Annual Report are set out on page 89.

Significant matters for the year ended 31 December 2021	How the Committee addressed these matters
Revenue recognition	Revenue accounting policies and recognition criteria have been assessed in relation to the key streams: commissions, user fees, restaurant sign up fees and packaging. An element of estimation and judgement is involved in relation to: • identifying the principal in the elements of the transaction; • accounting for customer credits; and • deferral period for restaurant sign up fees. In relation to the recognition of new customer acquisition and retention credits, IFRS 15 'Revenue from contracts with customers' does not specify requirements or guidance on the treatment of such costs where the debit is in excess of the transaction price, i.e. in excess of the delivery fee for which the consumer is our customer. As such, judgement is applied in the classification of such costs. Based on detailed reports and discussions with management and the external auditor, the Committee reviewed and assessed the timing and appropriateness of the adopted revenue recognition policy under IFRS15 and is satisfied that the judgements made were reasonable.
Provisions and contingent liabilities	The group is subject to various legal and regulatory investigations and challenges across its jurisdictions. Judgement is applied in assessing each matter on a case by case basis, with reference to the criteria set out in IAS 37 Provisions, contingent liabilities and contingent assets and all the available information in relation to each case, including the existence of an obligation, scope of any claims and the likelihood of any associated economic outflow, the availability of reliable data for the quantification of any economic outflow, is reviewed to determine whether a provision or a contingent liability is indicated, and if so the measurement of the amount.
Going concern and viability statement reporting	The Committee discussed the Group's considerations in assessing the appropriateness of adopting the going concern basis of accounting and considered the financial statement disclosures in respect of adopting the going concern basis in preparing the financial information. The Committee concluded that adopting the going concern basis and the disclosures given were appropriate. The Committee discussed the key assumptions used in evaluating the long-term viability of the Group, the time period for the Viability Statement and the stress and reverse stress testing used as a basis for conducting the overall assessment. The Committee concluded that the assumptions made and the wording included in the Viability Statement were appropriate.
Other matters	Capitalised development costs – judgement is exercised in identifying the development projects which meet the recognition criteria set out in IAS 38 Intangible assets, and the committee has reviewed management's proposed revised approach for the identification and measurement of recognisable costs. The new approach focuses on obtaining more granular project-by-project information on a quarterly feedback cycle, to ensure that there is a regular review of ongoing projects which meet the criteria for capitalisation, and ensure that the measurement of those costs can be done reliably.

AUDIT & RISK COMMITTEE REPORT CONTINUED

External auditor

The Committee's responsibilities include making a recommendation on the appointment, reappointment and removal of the external auditor and overseeing their effectiveness and independence. The Committee assesses the qualifications, expertise, resources and independence of the external auditor and the effectiveness of the audit process.

During the period the Committee approved the terms of engagement with Deloitte for FY2021, the external audit plan and the proposed audit fee. The Committee reviewed the audit process and the quality and experience of the audit partners engaged in the audit, and also considered the extent and nature of challenge demonstrated by the external auditor in its work and interactions with management. The Committee also assessed the performance of the external auditor in respect of the overseas subsidiary audits. Auditor independence and objectivity was assessed including the nature of other work undertaken for the Group as set out below.

The Committee considers that the Company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review.

Non-audit services

The Committee recognises that the independence of the external auditor is an essential part of the audit framework and the assurance that it provides. In line with the Financial Reporting Council's (FRC) Ethical Standard, the Committee has adopted a policy which sets out a framework for determining whether it is appropriate to engage the Group's auditor for non-audit services and for pre-approving non-audit fees. The overall objective of the policy is to ensure that the provision of non-audit services does not impair the external auditor's independence or objectivity. The total value of non-audit services that can be billed by the external auditor will normally be restricted by a cap set at 70% of the average audit fees for the preceding three years, as defined by the FRC.

The policy sets out the nature of non-audit services for which the auditor may be engaged, as long as the Committee is satisfied that the safeguards proposed by the auditor are sufficient to mitigate any real or perceived threats to their objectivity or independence. The following annual limits and approvals will apply to non-audit fees subject always to the review and approval twice annually of any non-audit projects approved by the VP Finance or the CFO.

- In any one financial year, the VP Finance has the authority to approve projects which, in aggregate, do not exceed £100k, in anticipated or approved fees.
- Where, in aggregate, anticipated and approved non-audit fees, in any one financial year, exceed £100k, but are less than £250k, the projects must be approved by the CFO.
- Where, in aggregate, the anticipated and approved fees, in any financial year, exceed £250k, the project(s) must be approved by the Committee, in advance of any formal commission.

During FY2021 the external auditor was engaged to provide permitted non-audit services in relation to the IPO which completed in April of £1.7 million. (FY2020: £0.9 million of non-audit services fees were paid.) Details of the fees paid to the external auditor during the financial year can be found in note 26 to the financial statements.

Evaluation of internal controls

The Board is ultimately responsible for the Group's system of internal controls and risk management and it discharges its duties in this area by:

- determining the nature and extent of the principal risks it is willing to accept in achieving the Group's strategic objectives (the Board's risk appetite); and
- challenging management's implementation of effective systems of risk identification, assessment and mitigation.

The Committee is responsible for reviewing the effectiveness of the Group's internal control framework and risk management arrangements. The system of internal controls is designed to manage rather than eliminate the risk of not achieving business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. This process complies with the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued by the FRC. It also accords with the provisions of the Code.

Details of the Group's risk management process and the management and mitigation of principal risks together with the Group's Viability Statement can be found in the Risk Report on page 57 and Viability Statement on page 64.

The Board, through the Committee, has carried out a robust assessment of the principal risks facing the Group and agreed the nature and extent of the principal risks it is willing to accept in delivering the Group's strategy (the Board's risk appetite). It has considered the effectiveness of the system of internal controls in operation across the Group for the period covered by the Annual Report and up to the date of its approval by the Board. This review covered the material controls, including financial, operational and compliance controls and risk management arrangements.

Control environment

Our internal control framework is built upon established entity-level controls which include mandatory training in relation to the Group's key corporate policies. The Group defines its processes and ways of working through documented standards and procedures which guide the way the Group operates.

The key corporate policies include the following areas:

- Inside Information, Disclosure and Share Dealing;
- Whistleblowing;
- Related Parties and Conflicts of Interest;
- Anti-Bribery and Corruption;
- Anti-Facilitation of Tax Evasion;
- Anti-Fraud;
- Anti-Money Laundering; and
- Information Security.

There are established procedures for the delegation of authority to ensure that decisions are made at an appropriate level within the business dependent on either the magnitude or nature of the decision.

Access to our IT systems and applications is designed to be provided subject to access provisioning processes with the principle of 'least privilege', as appropriate, to enable an individual to perform their role and to enforce appropriate segregation of duties within business processes.

On joining the Group all employees are required to confirm that they have read and understood the key corporate policies, as well as other policies and standards that specifically relate to their role.

The Group continues to strengthen the control environment by embedding the Risk Management and Internal Control Framework within each function. A summary of the key risk management activities undertaken by the Group is included in the Risk Report on page 57 and Viability statement on page 64.

During FY2021 the Risk, Control and Compliance team, with the help of 'risk owners', was responsible for administering the Risk Management and Internal Control Framework and for reporting to the Committee on the status of agreed enhancements to key controls, particularly in respect of the automation of those controls. In the absence of an Internal Audit function, the Risk, Control and Compliance team performed focused testing of certain key controls, particularly in areas of fraud risk. The Compliance Roadmap for 2021 was agreed with the Committee.

The Group continues to develop its 'three lines of defence' assurance model with the objective of embedding effective risk management and control throughout the business and providing assurance to the Board and the Committee of the effectiveness of internal control and risk management across the organisation.

This comprises the following:

- First line of defence – Functional management who are responsible for embedding risk management and internal controls into their business processes.
- Second line of defence – Functions that oversee or specialise in risk management and compliance-related activity. They monitor and facilitate the design and implementation of effective risk management and control activities by the first line. These functions include Risk, Control and Compliance; Regulatory Compliance; Finance; Information Security; Legal; and Company Secretariat.
- Third line of defence – Functions that provide independent objective assurance to the Board, Audit and Risk Committee and senior management regarding the effectiveness of the first and second lines of defence. For FY2021 the Risk, Control and Compliance Team fulfilled an element of this role. From FY2022 this will include the Head of Internal Audit, who joined the Company in December 2021.

Internal audit

The Internal Audit function provides independent, objective assurance that the first two lines of defence are operating effectively and advice on how they could be improved. Tasked by, and reporting to the Committee, it provides an evaluation, through a risk-based approach, on the effectiveness of governance, risk management and internal control to the Board, the Committee and senior management. The Head of Internal Audit joined the Company in December 2021 and reports to the CFO with an independent reporting line to the Committee Chair. The Head of Internal Audit will evolve the risk-based internal audit plan and resource to establish the internal audit function during FY2022, and will provide regular reports to the Committee on progress with establishing the function and its activities. The Committee will assess the effectiveness of the internal audit function on an annual basis.

Whistleblowing

As required by the Code, it is important to ensure there is an appropriate mechanism for employees and contractors to report any concerns regarding suspected wrongdoing or misconduct and that the Board should routinely review this mechanism and the reports arising from its operation. The Committee receives regular reports on this, and assists the Board in ensuring that adequate arrangements are in place for the proportionate and independent investigation of such matters as well as appropriate follow-up action, with the findings reported regularly to the Board.

AUDIT & RISK COMMITTEE REPORT CONTINUED

Whistleblowing continued

The Whistleblowing Policy is made available to all employees and contractors on joining the business and is published on the Group People Portal. We refresh training in this area alongside other associated topics, such as the Inside Information and Share Dealing training that was delivered to all employees and contractors in March 2021.

The People, Legal, Risk, Control and Compliance or Regulatory Compliance teams investigate any reports received depending on the nature of the concern. The Group provides employees and contractors with a form that enables anonymous reporting if the reporter does not wish to disclose their identity. The investigation outcomes, significant findings and status are reported to the Committee on a regular basis.

Financial reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting. These are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes.

The financial reporting internal control system covers the financial reporting process and the Group's process for preparing consolidated accounts. It includes policies and procedures which require the following:

- the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions including the acquisition and disposal of assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with International Financial Reporting Standards; and
- reasonable assurance regarding the prevention or timely detection of unauthorised use of the Group's assets.

There are also specific disclosure controls and procedures around the approval of the Group's Financial Statements.

Fair, balanced and understandable assurance framework

The Board recognises its duty to ensure that the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Board requested that the Audit and Risk Committee undertake a review and report to the Board on its assessment.

The key elements of the assurance framework for the assessment are as follows:

- the process by which the Annual Report and Accounts were prepared, including detailed project planning and a comprehensive review process;
- review of the drafting and verification processes and drafts of the Annual Report and Accounts by the Annual Report Steering Committee;
- comprehensive reviews undertaken by the Executive Directors, members of the Executive Team and other members of senior management to consider content accuracy, regulatory compliance, messaging and balance;
- the review of the Annual Report and Accounts by the Audit and Risk Committee placing reliance on the experience of the Committee members;
- reports prepared by senior management regarding critical accounting judgements and key financial areas; and
- discussions with, and reports prepared by, the external auditor.

The Committee received confirmation from management that the assurance framework had been adhered to for the preparation of the 2021 Annual Report.

The Committee provided a recommendation to the Board that the 'fair, balanced and understandable' statement could be given on behalf of the Directors. The Board's confirmation is set out on page 83.

DIRECTORS' REMUNERATION REPORT

CHAIR'S ANNUAL STATEMENT

Karen Jones CBE
Chair of the Remuneration Committee

Committee members[1]

• Karen Jones CBE (Chair)	Independent
• Dominique Reiniche	Independent
• Rick Medlock	Independent
• Lord Wolfson[2]	Independent

The Remuneration Committee (the 'Committee') comprised four independent Non-Executive Directors during the financial year. Lord Wolfson stepped down from the Committee on 16 November 2021. Consequently, the Committee currently comprises three independent Non-Executive Directors. The Committee's full terms of reference are available on Deliveroo's corporate website at: https://corporate.deliveroo.co.uk/. Key responsibilities and focus areas for the year for the Committee are set out on page 99.

1. See Governance Report for information on attendance.
2. Stepped down from the Committee on 16 November 2021.

Key sections of this report

As Chair of the Remuneration Committee, I am pleased to present this first Report on Directors' Remuneration since Deliveroo's Admission to the London Stock Exchange on 7 April 2021. I was appointed as the Chair of the Committee on 1 June 2021.

This report is divided into three sections:

1. The Annual Statement which explains the full background to the Committee's work and our approach to Directors' remuneration.
2. The proposed Remuneration Policy (the 'Policy'), which is the Group's framework for Directors' remuneration and will be put to a shareholder vote at the Annual General Meeting (AGM) in May 2022 and, if approved, will be binding from that date for three years.
3. The Annual Report on Remuneration, which sets out the remuneration outcomes for the portion of the financial year that the Group was incorporated up to 31 December 2021, and details how we seek to implement the Policy for FY2022.

Context for Deliveroo's remuneration

As a Committee, it is our responsibility to make decisions which support the Group's long-term business strategy, and which align with the Group's culture as well as best practice and high standards of corporate governance. We are mindful that executive pay is an area of public interest. In addition, the nature of our brand and business and the complexity of our stakeholder base, which includes our employees, restaurant and grocery partners, customers, riders, wider communities, and shareholders, mean that our remuneration practices must be clear and transparent to all.

DIRECTORS' REMUNERATION REPORT CONTINUED

CORE REMUNERATION STRUCTURE

Summary of our core remuneration structure
Deliveroo's ongoing (post-IPO) Executive Director remuneration structure consists of three components:

1 Fixed remuneration	2 Annual bonus plan	3 Long-term incentive plan
Comprises salary, benefits and pension.	In the form of cash and deferred shares linked primarily to challenging financial annual performance targets based on the delivery of the Board approved budget (the 'annual bonus').	In the form of shares linked to multi-year strategic performance targets (the 'PSP awards') measured over three years with a two-year post-vesting holding period.

Chair's annual statement continued

Context for Deliveroo's remuneration continued

I would like to take this opportunity to explain the rationale for our approach to executive remuneration and how we developed our Policy. In anticipation of the Company's listing on the London Stock Exchange, an extensive review of executive remuneration was undertaken to ensure the Policy would be appropriate in a listed company context. The Non-Executive Directors who were appointed at that time developed key aspects of the Policy with input and support from the Company, its major shareholders, financial advisers, and independent remuneration advisers. In our IPO prospectus, we set out details of the key features of the Group's approach to executive remuneration. The proposed Policy is in substantially the same form as we set out in the IPO prospectus. In early 2022, the Committee also conducted an extensive shareholder consultation exercise on the proposed Policy, with our major shareholders representing approximately 77% of our issued share capital and proxy advisers (Institutional Shareholder Services, Glass Lewis and the Investment Association). The consultation exercise provided shareholders and proxy advisers with an opportunity to comment on the Group's approach to remuneration and the rationale for the proposed Policy. No changes were made to the proposed Policy following the shareholder engagement exercise. More detail about the shareholder consultation exercise is set out on page 97 in this letter.

A key component of our growth strategy is to innovate and invest to develop the best value proposition and to build a durable competitive advantage. This includes creating the most efficient logistics network for our platform and to generate tech-driven efficiencies and innovation across our marketplace and in our operations. To achieve this, it is critical that we attract and retain the best, highly skilled engineering and technology talent. We compete for this talent in a highly competitive global marketplace, comprising well-established online food delivery companies, new market entrants, other online platforms and large global technology companies and emerging competition from the likes of independent restaurants, grocers and other chains. This critical need to compete for talent effectively, underpins our principles and remuneration framework to ensure that we succeed in building value for shareholders.

We have sought to ensure that our remuneration framework is flexible and competitive by providing for a significant weighting on variable remuneration for our Executive Directors. This is consistent with the leveraged pay models offered by many of our competitors, whilst still ensuring that our overall incentive levels are capped and consistent with UK plc pay models. The Policy also provides flexibility to enable the use of restricted shares in exceptional recruitment circumstances to reflect remuneration practices adopted by our global competitors for talent.

To meet our strategic objectives and in light of these factors, the Committee believes that it has struck the right balance between reflecting the very real market pressures we experience for key specialist talent with our obligations as a UK listed company and the accompanying market norms and shareholder expectations.

Fixed remuneration
Salaries for the CEO and CFO have been set at £600,000 and £500,000 per annum, respectively. There will be no further increases for FY2022.

Annual bonus
In May 2021, targets were set for the FY2021 annual bonus based on the Board approved budget. The FY2021 annual bonus was based purely on financial measures related to the Group's financial and operational KPIs. The measures were growth in Gross Transaction Value (GTV)*, adjusted EBITDA* and gross profit margin (as % of GTV)* (the latter acting as a downward multiplier).

The maximum annual bonus opportunity for the CFO was 180% of salary. One-half of any payout is delivered in cash with the remaining half deferred into shares. Shares will vest after three years subject to continued employment. The annual bonus aligns with the delivery of our annual

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

budget commitments and, through deferral, ensures that a substantial amount of the annual bonus remains aligned with long term creation of value for shareholders. The CEO, Will Shu, does not currently participate in the annual bonus and this will be the case for the duration of the Policy period.

Long-term incentive plan
For the PSP awards, the Committee has set the normal annual maximum opportunity for Executive Directors at 600% of salary. The CEO, Will Shu, does not currently participate in PSP awards and this will be the case for the duration of the Policy period.

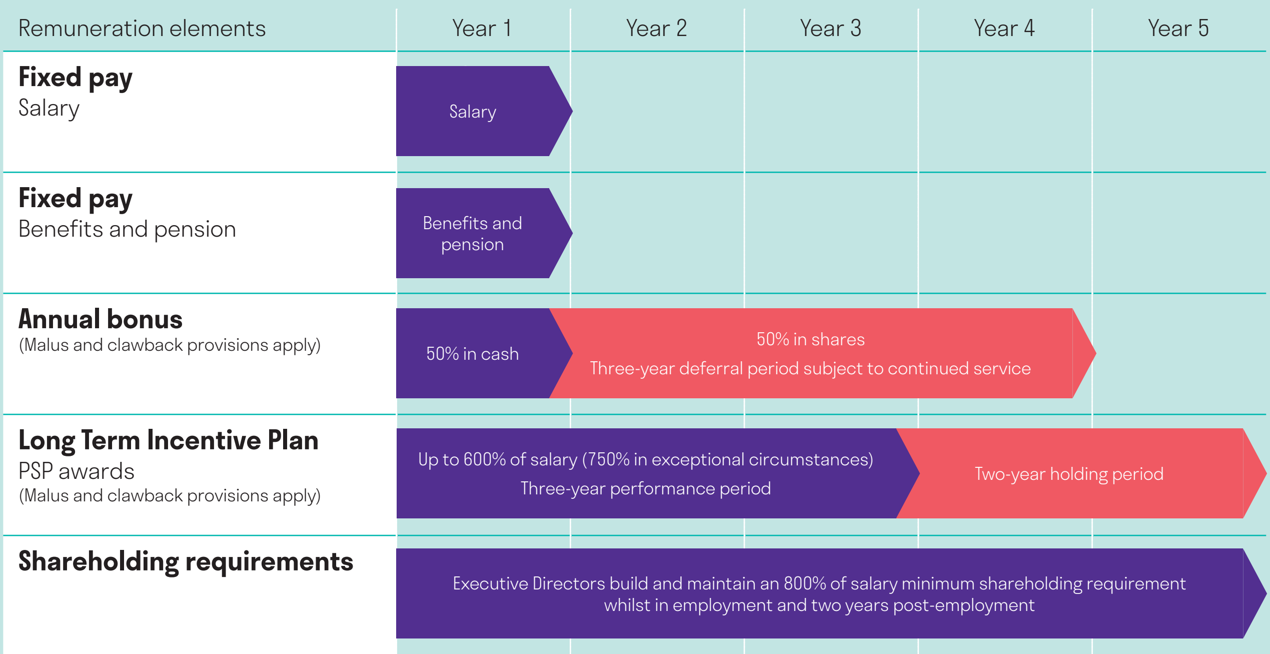
In the case of recruitment, an exceptional one-off limit applies to the PSP awards of up to 750% of salary. This can be used together with a one-off restricted share award (the 'RSP award') equal to 750% of salary. The Committee retains flexibility to use these exceptional one-off limits to support the remuneration principles around hiring talent in a highly competitive global marketplace where levels of variable pay can be significantly higher. However, the Committee will use this flexibility only when it is considered to be in the best interests of the Company and its shareholders. The exceptional limits will only ever be applied on a one-off basis for a new recruit, therefore, in future years the individual will be granted the normal PSP award maximum under the Policy (600% of salary).

In assessing the appropriate level of 'sign-on' equity incentive, the Committee will take into consideration a range of factors including any buy-out awards which, for the avoidance of doubt, are outside of these limits, subject to the proviso that we will not pay more than we consider necessary to attract talent of the required calibre. As part of our annual plan and budget, management has developed a very thoughtful strategy around our technology organisation and the approach to tech hiring which embodies the key principles that top quality leadership will ultimately: (i) dictate the quality of talent across the organisation, particularly in relation to problem solving and the building up of unique expertise; and (ii) ensure that we have the critical expertise to realise our ambitions faster. Consequently, the assessment of any 'sign-on' incentive by the Committee will include a careful consideration of whether this would represent an appropriate alignment with our overall tech hiring strategy.

The Committee recognises that the Group's long term incentive opportunity levels are high and that one-off RSP awards are not common in the UK PLC environment. However, as noted above, these tools will be used carefully to ensure that we can compete for the best talent with the right skills as we seek to execute on a very ambitious and challenging growth strategy, and they remain lower than opportunity levels offered by some of our key competitors. The Committee believes that our remuneration approach aligns the long term interests of executives and shareholders, as the Executive Directors will only earn exceptional total remuneration levels if challenging long term performance targets are met and the Group maximises enterprise value.

OUR REMUNERATION POLICY

This diagram sets out the key features of the Policy. Our Policy is forward looking and, if approved, is intended to govern the remuneration of the Company following Admission for three years from the date of the AGM.



DIRECTORS' REMUNERATION REPORT CONTINUED

Chair's annual statement continued

Pay arrangements for our Founder and CEO, Will Shu

Will Shu will not participate in the annual bonus and in the PSP awards for the duration of this Policy period. This decision was taken due to the size of Will's shareholdings, his founder status, and the Restricted Stock Units (RSU) award which was granted to Will prior to the IPO.

Following extensive consultation and the approval of shareholders, Will was granted 27,087,000 RSUs (as at 31 December 2021, 2,479,000 of these RSUs have vested) as a one-off award. Details of this award were included in the prospectus. This one-off RSU award underpins Will's ongoing incentivisation and retention in his role following IPO. The shareholders felt that it would be meaningful to award Will 'real' shares in the form of RSUs. As the value of this award is dependent on Deliveroo's share price, it aligns Will's interests directly with the interests of shareholders over the long term. As the award is multi-year in nature with vesting through to April 2028, it recognises Will's role in delivering long term sustainable value for shareholders and wider stakeholders.

Due to the requirements under the remuneration reporting regulations the one-off RSU award is included in the year of grant and so it is included within the single figure of total remuneration for FY2021. The award has been valued based on the IPO price of £3.90 and this results in a value of £105,639,000 for FY2021 single figure purposes. The actual value of the RSUs at vesting will be based on the share price at the time of vesting. There is a direct link between the actual value of the RSU award and the shareholder experience as the ability for Will to gain and lose value is dependent on share price performance at a level which is material to his total wealth.

The one-off RSU award was part of the remuneration agreed whilst the Company was private and, therefore, it is not part of the remuneration provided as a listed company. In line with what was done previously at the vesting of Will's RSUs, it will be necessary for Will to sell shares to satisfy tax liabilities on vesting. Further information on the one-off RSU award is set out on page 121.

Performance and reward outcomes for FY2021

Business performance highlights

Deliveroo performed well in 2021, delivering an excellent year of growth, making further UK market share gains, strengthening our leading position in on-demand grocery and continuing to scale our differentiated offerings, Plus and Editions. This has translated into a good financial performance with full year GTV* up 70% year-on-year in constant currency*. Adjusted EBITDA* was a loss of £(131) million compared to £(11) million in 2020, reflecting the reversal of benefits from higher basket sizes during Covid-related lockdowns, as well as increased investments in marketing and technology to support future growth.

- Growth in GTV* was 70% (in constant currency* and excluding Spain)
- Adjusted EBITDA* was (£(131) million (excluding Spain)
- Gross profit margin (as % of GTV)* was 7.5% (excluding Spain)

Full details of the FY2021 performance targets and actual performance against the targets are set out on page 123.

As a result of FY2021 performance, the formulaic outcome for the CFO, Adam Miller, was 80% of the maximum opportunity, resulting in an outcome of £720,000. Fifty percent (50%) of the annual bonus will be paid in cash and the remaining 50% will be paid in deferred shares which vest in three years (DSP awards).

The Committee undertook a robust review of the formulaic outcome for FY2021 and considered a range of reference points as part of its review, including the outcomes relative to the Board approved budget, Deliveroo's progress against its long term strategic plans, the wider stakeholder experience during FY2021 and the inputs and efforts of the CFO during FY2021. No discretion was exercised to adjust the formulaic outcome. However, the Committee recognises that Deliveroo's share price has been volatile and when reviewing the wider stakeholder experience, this was a key consideration. As a result, the Committee decided that the IPO price of £3.90 will be used to calculate the number of shares that will be granted under the DSP awards (i.e., the deferred element of the annual bonus). By using the IPO price to determine the number of shares that will be granted, this results in an implied reduction of the face value of the overall annual bonus. The Committee believes this approach appropriately reflects the shareholder experience whilst also recognising the Group's strong operating performance and the performance of the CFO.

PSP awards in FY2021

The first PSP awards were made under the Deliveroo Incentive Plan (DIP) to the CFO and the senior management team on 15 May 2021. The PSP awards ensure continued lock-in of the management team, which is critical to the execution of our ambitious long term growth strategy. Some of the management team, including the CFO, also hold pre-existing Restricted Stock Units (RSUs) which will continue to vest. The Committee believes that the PSP awards together with the pre-existing RSUs helps to ensure management maintain strong alignment with the long-term performance of the Company and the interests of shareholders. The CEO, Will Shu, does not currently participate in PSP awards and this will be the case for the duration of the Policy period.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

The PSP awards are subject to stretching performance targets based on a total shareholder return (TSR) performance matrix covering both absolute and relative TSR. The TSR matrix ensures that participants only receive payouts where long term value is delivered to shareholders, which is the Company's priority. The matrix means that both absolute and relative TSR must be exceptional for full payouts to be delivered. Payouts occur on a straight-line basis between each of the performance points, with the starting point for measurement of TSR for Deliveroo being the IPO price of £3.90. In line with our normal maximum long term incentive opportunity, the CFO's award was equal to 600% of salary. The IPO price of £3.90 was used to calculate the number of shares which were granted. On the actual date of grant of the PSP award, the closing share price was £2.34. Therefore, the face value of the PSP award was 360% of salary.

The Committee has discretion to adjust vesting outcomes if it is felt they are not appropriate in light of the overall underlying Company performance and shareholder experience over the relevant period. Page 123 provides full details of the performance targets.

Pre-Admission legacy incentives

Many members of our senior management team hold equity incentives which were in place prior to Admission to ensure ongoing retention, incentivisation and alignment with shareholder interests. For the CEO and CFO, this includes pre-existing RSUs which are subject to time-based vesting only. Whilst these RSUs will continue to vest, they relate to pre-Admission incentives and will not form part of the Group's ongoing remuneration arrangements.

Details of the RSUs were reported in the IPO prospectus and for full transparency are set out in this Report on pages 121 to 122. Full details of the CEO and CFO's share interests, including those acquired as a result of the vesting of RSUs, are set out on page 124 and we will continue to provide full disclosure in future years.

Shareholder consultation

In early 2022 we conducted an extensive shareholder consultation exercise with our major shareholders representing approximately 77% of our issued share capital and the main proxy advisers (Institutional Shareholder Services, Glass Lewis and the Investment Association). Many of our shareholders are pre-IPO shareholders and are familiar with aspects of our Policy as its key features were communicated in our IPO prospectus. However, the Committee wanted to ensure that shareholders and proxy advisers were provided with the opportunity to comment on the Group's approach to remuneration and the rationale for the proposed Policy. The Committee found the engagement process to be incredibly valuable and we are grateful for the feedback that was shared both in relation to the proposed Policy, but also more broadly on the development of the Group's executive remuneration framework. No changes were made to the proposed Policy following the shareholder engagement exercise. On behalf of the Committee, I would like to thank all those who engaged with us during this process. We remain dedicated to continuous and open dialogue with our shareholders and proxy advisers. We will also consider any feedback received at the AGM and throughout the year.

Implementation for FY2022

The maximum opportunity for the PSP awards will remain 600% of salary. We recognise that our share price has been volatile since the Company listed. To help ensure that we mitigate against windfall gains we will grant PSP awards to the CFO using a share price of £3.90 (the IPO price) if the actual share price at the date of grant is below this.

The structure of the performance conditions has not changed from the FY2021 PSP awards and vesting will remain dependent on a matrix of absolute and relative TSR. While there will be no change in the measurement of relative TSR (vs the FTSE 100), the Committee has reviewed the approach to setting the absolute share price targets to ensure that they remain valid and challenging. These targets are set out on page 126 and take into account: (1) the significant differential between the current share price and the IPO price of £3.90 and investor sentiment around technology company valuations; (2) the number of shares awarded to the CFO reflects the IPO price and not the current share price which in effect reduces the face value of the award to a more conservative level relative to the market; and (3) the current macroeconomic environment and trading conditions. Full details of the TSR matrix are set out on page 123. It is expected that the grant will take place following our AGM in May 2022. As noted above, the CEO will not participate in PSP awards during this Policy period. There has been no change to the relative TSR targets from the FY2021 PSP award.

DIRECTORS' REMUNERATION REPORT CONTINUED

Chair's annual statement continued

Deliveroo employees

Our diverse and talented employees are critical to the delivery of our strategy and our long term success. We are committed to creating an inclusive working environment for all our employees and to rewarding them in a fair manner. Widespread equity ownership in the business is viewed as culturally important and the majority of employees receive equity-based awards. Share ownership enables employees to think and operate as owners and is an important tool for retention. On page 127 we have included information on our total reward approach and our accomplishments towards fostering an inclusive and engaging working environment.

The Committee is made aware of pay and employment conditions throughout the Group and is mindful of this when making decisions on executive pay. It is also responsible for overseeing wider all-employee pay and ensuring incentives support our Company purpose, culture and values. The Committee receives regular updates from the Chief People Officer on recruitment and reward matters and how these align with the wider organisation, and has considered specialist technical recruitment planning with the Chief Product and Technology Officer.

The Board is committed to a constructive two-way dialogue with our employees, to enable us to better reflect their interests in future Company and strategic decisions, and to help ensure that the Company is a great place to work. As part of the Board's work to better understand the views of our people, Dominique Reiniche has been appointed as the designated employee independent Non-Executive Director, whose role it is to oversee engagement between the Board and our employees. Dominique's wide ranging business expertise in both the UK and Europe will enable her to contribute valuable insights as she engages with our global employee base. Given the relatively short time since the IPO, management has been working with Dominique to develop an engagement strategy to enable her to listen to employee views first-hand, and to ensure she receives the right information about our employees and organisation. Dominique receives reports on monthly feedback from our employees through our Peakon surveys and discusses the outcome with the Chief People Officer. A particular initial focus for Dominique is progress with our Diversity, Equity and Inclusion (DEI) initiatives and so she is meeting with the Director of DEI and her team at the end of March. More information on the ways in which we engage with our employees and other key stakeholders can be found in the Stakeholder section on page 26 and in the People section on page 66.

Riders

We know there is a great deal of interest in the rider community. As set out earlier in this Annual Report, riders are a vital part of our three-sided marketplace and, given their strategic importance to our business, matters relating to riders are considered by the Board. As they are not employees, Riders do not fall within the remit of the Committee. For further information on riders please see our Business Model section on page 15, Stakeholder section on page 29 and Sustainability review on page 39.

Environmental, Social and Governance considerations

We know how much environmental, social and governance (ESG) matters to each of the communities of our marketplace, as well as to our employees and other stakeholders. We are conscious of the leadership role that we must play on these matters. We are committed to taking action to drive sustainability in our operations particularly, in reducing plastic and food waste and carbon emissions, and to supporting positive change for our consumers, riders, and restaurant and grocery partners and the communities in which we operate. We have set out in our Sustainability review on page 35, the key pillars we will focus on as well as some initial actions. The Committee is mindful of the importance of linking executive pay to our ESG strategy so, as we establish clear commitments in these areas, we will set out how these will link to executive pay. As a first step for FY2022, we are introducing an ESG measure in the annual bonus and this will have a 10% weighting.

It is also our intention that for our PSP award in FY2023 we will include an ESG performance measure that spans over a multi-year performance period. We did consider including ESG-related performance measures within the FY2022 PSP award but determined it to be premature as it is important that any long-term targets align to our strategy.

Diversity and inclusion considerations

We are committed to creating an inclusive workplace with gender equality and fairness at the heart of our practices and policies. The Committee recognises there is work to do on Deliveroo's Gender Pay Gap and the balance of female representation, particularly at senior levels within the Company. Our aim is to drive sustainable change through a multi-year action plan led by the Executive Team. As a technology company we realise that there is a wider, systemic issue of female representation in the industry, but we are committed to being part of the solution. On page 69, you can find more details on our Gender Pay Gap. Over the last year the Company has made significant steps in our approach to Diversity, Equity and Inclusion (DE&I) including the appointment of a Director of Global Diversity, Equity and Inclusion, who has since established a team dedicated to DE&I matters and has instituted a number of initiatives to attract and recruit more diverse talent. On page 68, you can find more details about these initiatives.

Concluding remarks

The Committee has crafted a Policy which supports the Group's journey as a public company. It believes the Policy sets out a balanced approach to remuneration and provides Deliveroo with the necessary tools to attract, retain and motivate executives in the extremely competitive global market place in which we operate.

I look forward to your support for both the Directors' Remuneration Report (subject to an advisory shareholder vote) and the proposed Policy (subject to a binding shareholder vote).

If you would like to discuss any aspect of this Remuneration Report, I would be happy to hear from you. You can contact me through the Company Secretary, Catherine Sukmonowski. I will also be available at the Company's AGM in May 2022 to answer any questions.

On behalf of the Committee and the Board.

Karen Jones CBE
Chair, Remuneration Committee
24 March 2022

WHAT ARE THE COMMITTEE'S RESPONSIBILITIES?

- Determine the Policy for the Company's Chair, Executive Directors, Company Secretary and other members of the senior Executive Team.
- Determine the individual remuneration packages of the Chair, the Executive Directors and the Company Secretary within the approved Policy and the senior Executive Team.
- Review the appropriateness of the Policy on an ongoing basis and make recommendations to the Board on appropriate changes if required.
- Appoint remuneration consultants to advise if required.
- Oversee employee pay practices, including the operation of the Group's employee share schemes, ensuring that incentives for employees support the culture and values of the Company.

What are the key areas of focus for the Committee?

Focus areas for FY2021 (since IPO)	Focus areas for FY2022
Establishment of the Committee work plan and ways of working.	Continued shareholder engagement on the Policy.
Development of the Policy.	Determining outturn of the FY2021 annual bonus targets.
Shareholder consultation on the Policy.	Setting FY2022 annual bonus structure including targets.
Setting FY2021 annual bonus structure including targets.	Setting FY2022 PSP award targets.
Setting FY2021 PSP award targets.	Consideration of appropriate ESG metrics for the FY2022 annual bonus.
Employee pay alignment as part of Code requirements.	Understanding employee pay arrangements.
Appointment of Committee advisers.	Oversight on employee pay arrangements including engagement on pay.
Preparation of the Directors' Remuneration Report for FY2021.	Monitoring developments in market practice.

DIRECTORS' REMUNERATION REPORT CONTINUED

Remuneration at a glance

What were the Executive Directors' single figure outcomes for FY2021?

Director	Salary[1] £'000	Benefits[1] £'000	Pension[1] £'000	Annual bonus[2] £'000	PSP awards vested £'000	Other[3] £'000	Total single figure £'000
Will Shu (CEO)	519.2	13.8	9.2	—	—	105,639.3	106,181.5
Adam Miller (CFO)	437.5	8.9	—	720	—	—	1,166.4

1. Figures are pro-rated from the period of incorporation to the end of the financial year (25 February 2021 to 31 December 2021). The CFO opted out of receiving a pension contribution in FY2021.
2. Figure represents the annual bonus for the full financial year.
3. On 5 March 2021, the Company granted the CEO 27,087,000 RSUs. As the RSUs were awarded in FY2021, it is a requirement under the Directors' Remuneration Reporting Regulations that they are included in the year of award and, therefore, these RSUs are included in the single figure for FY2021. The RSUs are included based on the IPO offer price of £3.90.

Find out more information on single figure outcomes on page 120.

What was the annual bonus outcome for FY2021?

FY2021 is the first year of the operation of the annual bonus. The CFO had a maximum annual bonus opportunity of 180% of salary. The CEO did not participate in the annual bonus. The annual bonus is subject to two financial performance measures and a bonus moderator based on gross profit margin (as % of GTV)* under which the formulaic outcome can be reduced by 20% if the gross profit margin (as % of GTV)* is below 7.5%. The outcome for the CFO is summarised below. Fifty percent (50%) is paid in cash and the remaining 50% is paid in the form of DSP awards. No discretion was exercised to adjust the formulaic outcome. However, the Committee recognises that Deliveroo's share price has been volatile and when reviewing the wider stakeholder experience, this was a key consideration. As a result, the Committee decided that the IPO price of £3.90 will be used to calculate the number of shares that will be granted under the DSP awards (i.e., the deferred element of the annual bonus). By using the IPO price to determine the number of shares that will be granted, this results in an implied reduction of the face value of the overall annual bonus. The Committee believes this approach appropriately reflects the shareholder experience whilst also recognising the Group's strong operating performance and the performance of the CFO.

Performance measures	Weighting	Threshold (25%)	Target (50%)	Maximum (100%)	Actual[1]	Gross profit margin (as % of GTV)*	Outcome as a % of maximum	**Formulaic outcome**
Growth in GTV* (constant currency*)	80%	47%	57%	67%	70%	7.50% No moderator applied	100%	**£720,000**
Adjusted EBITDA*	20%	£(100.8)m	£(84)m	£(67.2)m	£(131)m		—	**£0**
Formulaic outcome for the CFO							80%	**£720,000**

1. When assessing the FY2021 annual bonus, the Committee considered the outcome for growth in GTV* (in constant currency*), adjusted EBITDA*and gross profit margin (as % of GTV)* threshold including results for Spain. The Committee concluded that there was no difference to the FY2021 annual bonus outcome.

Find out more information on the annual bonus outcome on page 120.

Were PSP awards granted in FY2021?

The first PSP award was granted to the CFO in May 2021 and was equal to 600% of salary in line with our normal maximum opportunity. The IPO price was used as the basis for granting the number of shares under the PSP award (although as noted in the Chair's letter, the share price on the date of grant was significantly less than the IPO price). Performance will be measured against a matrix of absolute and relative TSR. The CEO did not participate in a PSP award.

Find out more information on the FY2021 PSP award to the CFO on page 122.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

How is the Policy going to be implemented for FY2022?

Financial year	2022	2023	2024	2025	2026	Implementation for FY2022
Salary						CEO: £600,000; CFO: £500,000
Pensions						5% of salary in line with employees
Benefits						Normal benefits in line with Policy
Annual bonus	Cash	DSP awards				180% of salary subject to financial and strategic targets
PSP awards	Performance period			Holding period		600% of salary subject to relative and absolute TSR matrix – IPO price to be used to calculate number of shares at grant
Shareholding requirement	To be built up over five years and maintained					800% of salary requirement – CEO exceeds requirement

Find out more information on the Policy's implementation for FY2022 on page 125.

How our incentive plan framework supports our business strategy

Deliveroo is growing quickly in a very competitive and fast changing sector which requires constant innovation to flourish. Crucially, we need to ensure that we have the right people to achieve this – particularly in our engineering, product and data science teams. We know that having the right team in these areas will yield a competitive advantage in both our day-to-day operations as well as our longer-term investments. There is strong global competition for people with this skillset from well-established online food delivery companies, new market entrants, other online platforms and large global technology companies, as well as emerging competition from the likes of independent restaurants, grocers and other chains. This critical need to compete for talent effectively in our markets underpins our principles and remuneration framework to ensure that we succeed in building long term value for shareholders. Our strategy is set out in more detail on page 20.

To incentivise and reward delivery of performance over the short and longer term, the Committee carefully considers the performance measures for the annual bonus and PSP awards based on our strategy, including the Group's Key Performance Indicators (KPIs). Our KPIs are set out in detail on page 22 including a detailed description of each KPI.

Incentives under Policy	Performance measures	Why does this measure support our strategy?
2022 annual bonus	GTV* growth	GTV* is directly aligned to our growth strategy and focuses our senior Executive Team on our objectives regarding building the best market proposition in our market, building long-term relationships with customers, restaurants and grocers and increasing market penetration. It is a widely used measure for understanding the total value spent by consumers on our marketplace.
	Adjusted EBITDA*	Adjusted EBITDA* in an important profitability metric and we use it in our business operations, amongst other measures and key performance indicators. It is considered to reflect the underlying trading performance of the Group and is used, amongst other measures, to evaluate operations from a profitability perspective.
	ESG metric	The use of an ESG measure in the FY2022 bonus is intended to clearly mark our intent in this critical area for the Group. We are at the start of our ESG journey and will continue to evolve our approach over time.
2022 PSP awards	Relative and absolute TSR matrix	TSR captures the market's expectations of future Company growth; as a result is aligned to the financial KPIs. The TSR matrix ensures that participants only receive payouts where long-term value is delivered to shareholders. The matrix means that both absolute and relative TSR must be exceptional in order for full payouts to be delivered.

Other features of our incentive framework which support our strategy

Focus on performance-based pay
A high proportion of senior executive remuneration is linked to variable, performance-based pay and in particular long-term incentives. This approach is cascaded further down the organisation.

Long-term performance alignment
PSP awards vest after a three-year performance period and are subject to a further two-year holding period. Deferred shares under the bonus are released three years after being granted.

Shareholding requirements
Aligning reward with shareholder interests is part of Deliveroo's culture and enables our talent to act and think as owners. Executive Directors have very significant shareholdings in the Company.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

DIRECTORS' REMUNERATION REPORT CONTINUED

Remuneration at a glance continued

How our incentive plan framework supports our business strategy continued

For our CEO, Will Shu, the one-off RSU award granted prior to Admission underpins his ongoing incentivisation and retention in his role following IPO. As the value of this award is dependent on Deliveroo's share price, it aligns Will's interests directly with the interests of our shareholders over the long term. As the award is multi-year with vesting through to April 2028, it recognises the importance of Will delivering long term sustainable value for shareholders and wider stakeholders.

Approach to performance target setting

The Committee has developed a process for setting stretching targets to ensure that the annual bonus and PSP awards support long term sustainable outcomes in the best interests of shareholders and wider stakeholders. Performance targets are set by taking into account the following: the Board approved budget, the long term business strategy, consensus forecasts, historical performance and external market and trading conditions. The Committee ensures that the performance targets are suitably stretching so that exceptional reward is only earned for exceptional performance.

Directors' Remuneration Policy

This section contains Deliveroo's proposed Directors' Remuneration Policy (the 'Policy') that will govern and guide the Group's future remuneration payments. The Policy described in this section is intended to apply for three years and if approved will take effect following Deliveroo's 2022 Annual General Meeting (AGM). The Policy has been prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended and the provisions of the current Corporate Governance Code and the Listing Rules. The Board delegated its responsibility to the Remuneration Committee of the Board (the 'Committee') to establish the Policy on the remuneration of the Executive Directors and the Chair. The Board has established the Policy on the remuneration of the other Non-Executive Directors.

The Committee sets the Policy for Executive Directors and other senior executives, taking into account the Company's strategic objectives over both the short and the long term and the external market. The Committee addresses the need to balance risk and reward. The Committee monitors the variable pay arrangements to take account of risk levels, ensuring an emphasis on long-term and sustainable performance. The Committee oversees the operation of employee pay practices, including the operation of the Group's employee share schemes, ensuring that incentives for employees support the culture and values of the Company.

In order to manage conflicts of interest, no Director or employee participates in discussions pertaining to their own remuneration. The Committee reviews the performance of its external advisers on an annual basis to ensure that the advice provided is independent of any support provided to management.

In anticipation of the Company's listing on the London Stock Exchange ('Admission'), an extensive review of executive remuneration was undertaken to ensure the Policy would be appropriate in a listed company context. At the time, the Non-Executive Directors who were appointed developed key aspects of the Policy with input and support from the Company, its major shareholders, financial advisers and independent remuneration advisers. The key features of the Policy as it applies to our Executive Directors were set out in the IPO prospectus.

In developing the Policy, the Committee was at all times mindful that executive pay is an area of public interest and that the nature of the Group's brand and business and the complexity of its stakeholder base, (which includes employees, restaurant and grocery partners, customers, riders, wider communities, and shareholders), mean that remuneration practices must be clear and transparent to all. The Committee has therefore sought to ensure that full transparency is provided.

Development of the Policy

Deliveroo's remuneration framework is underpinned by a core set of principles which are cascaded throughout the business. The principles are designed to ensure that remuneration achieves the following objectives:

Objective	Rationale
Competition for talent	A key component of our growth strategy is to innovate and invest to develop the best value proposition and to build a durable competitive advantage. This includes creating the most efficient logistics network for our platform and to generate tech-driven efficiencies and innovation across our marketplace and in our operations. To achieve this, it is critical that we attract and retain the best, highly skilled engineering and technology talent. We compete for this talent in a highly competitive global marketplace comprising of well-established online food delivery companies, new market entrants, other online platforms and large global technology companies and emerging competition from the likes of independent restaurants, grocers and other chains. In response to this, the remuneration framework is flexible and competitive by providing for a significant weighting on variable remuneration for our Executive Directors. This is consistent with the leveraged pay models offered by many of our competitors, whilst still ensuring that our overall incentive levels are capped. The Policy also provides flexibility to enable the use of restricted shares in exceptional recruitment circumstances to reflect remuneration practices adopted by our global competitors for talent but with the proviso that we will not overpay for talent.
Attract, retain and motivate senior executives	It is critical to the Group's success that it attracts, retains and motivates talented and experienced senior executives to execute the strategy and to innovate, grow and scale our business for the best interests of our shareholders and wider stakeholders. The remuneration framework is designed to do this by providing highly competitive long-term performance-based rewards, which will serve as a retention and motivation tool.
Pay for exceptional performance	The remuneration framework is designed such that there is a clear link between remuneration outcomes, exceptional business performance and the generation of long term sustainable value. As the overall remuneration structure is heavily weighted towards long-term incentives, this ensures that there is strong alignment between the interests of executives, shareholders and wider stakeholders. Both the annual bonus and long-term incentive awards are subject to stretching performance targets linked to the annual business plan and longer-term strategy.
Acceptability in the UK listed company environment	The Group is mindful that it is a UK listed company and so the key ongoing components of the executive remuneration structure under the Policy align with that followed by the majority of FTSE 100 companies. The Policy terms comply fully with the UK Corporate Governance Code.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy continued

Alignment with Provision 40 of the UK Corporate Governance Code

As part of its review of the Policy and based on its remit, the Committee has considered the factors set out in provision 40 of the UK Corporate Governance Code (the Code). In the Committee's view, the proposed Policy addresses those factors as set out below:

Provision 40 (as stated in the Code)	How the Policy aligns
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce	The Policy is simple and designed to support long-term, sustainable performance. The Policy clearly sets out the performance conditions that will be used for the annual bonus and long-term incentive plans, as well as the maximum potential value of the elements of remuneration and the areas in which discretion can be applied throughout the Policy. The terms of the Policy are in line with UK corporate governance best practice. As a result, it is well understood by participants, employees and shareholders alike. The Committee proactively seeks engagement with shareholders, has processes and mechanisms in place to engage with employees on remuneration matters and is regularly updated on employee pay and benefits across the Group.
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand	Deliveroo's remuneration structure comprises fixed and variable remuneration through the use of market standard annual bonus and long-term incentive structures. The performance conditions for variable elements are reviewed regularly to ensure alignment with strategy and are clearly communicated to, and understood by, participants.
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated	The majority of the Executive Directors' total remuneration is weighted to the long term and provided in shares and a shareholding requirement is in place (both in employment and post-cessation). These features ensure clear shareholder alignment and discourage unnecessary risk taking. Whilst long-term incentive opportunity levels are highly competitive relative to UK companies of comparable size because of our global talent pool, significant rewards will be earned only if challenging long-term performance targets are met and Deliveroo maximises shareholder value. The Committee also retains discretion to override formulaic outcomes for incentive plans. Malus and clawback provisions mitigate behavioural risks by enabling payments to be reduced or reclaimed in specific circumstances.
Predictability The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy	The Policy sets out the maximum potential value for each element of remuneration subject to the achievement of performance conditions. The potential total remuneration outcomes are easily quantifiable and are set out in the illustrations provided in the Policy. The Group's share plans are subject to dilution limits set by the Investment Association in respect of all share plans (10% in any rolling 10-year period) and executive share plans (5% in any rolling 10-year period).
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance	Remuneration is appropriately balanced between fixed and variable pay. The annual bonus and long-term incentive plan reward the successful implementation of the Group's strategy over the short and long-term. The annual bonus aligns with the delivery of our annual budget commitments and, through deferral, ensures that a substantial amount of the bonus remains aligned with long-term creation of value for shareholders. Under the long-term incentives, stretching targets ensure payments are only made for strong corporate performance and the successful execution of our strategy. The Committee will have discretion to override formulaic outcomes to ensure that remuneration appropriately reflects overall performance.

Provision 40 (as stated in the Code)	How the Policy aligns
Alignment to culture Incentive schemes should drive behaviours consistent with the Company's purpose, values and strategy	The annual bonus and long-term incentives plans are measured against performance measures which underpin the Group's culture and strategy. The weighting towards long-term remuneration emphasises the Group's long term sustainable performance, which is a vital part of Deliveroo's culture. Performance measures under the incentive plans will also evolve to ensure they appropriately reflect the Group's ESG strategy; the FY2022 bonus incorporates a component relating to ESG, and from FY2023 it is intended that a performance measure that spans over a multi-year performance period will be incorporated into long term incentives.

Policy table for Executive Directors

The following table summarises each element of the Policy for the Executive Directors, explaining how each element operates and links to the Group's strategy. All references to shares in this Policy refer to Class A shares unless otherwise specified.

Base salary	
Purpose	To provide a base level of remuneration to attract, retain and motivate Executive Directors with the necessary experience and expertise to deliver the Group's strategy.
Operation	Salaries are set on appointment and will be reviewed annually; any changes are normally effective from the beginning of the financial year. Where there is a change in position or responsibility or if the Committee deems it appropriate, an out-of-cycle review may be undertaken. When determining base salary levels, the Committee will consider factors including: • remuneration practices within the Group; • change in scope, role and responsibilities; • the performance of the Group; • the experience of the Director; • the economic environment; and • when the Committee determines a benchmarking exercise is appropriate, salaries within the ranges paid by the companies that the Committee believes are appropriate comparators for the Group.
Maximum potential value	There is no maximum limit. Any increase to Executive Directors' salaries will generally be no higher than the average increase for the UK employees. However, a higher increase may be proposed in the event of a role change or promotion, or in other exceptional circumstances. Individuals who are recruited or promoted to the Board may, on occasion, have their salaries set below the targeted policy level until they become established in their role. In such cases, subsequent increases may be higher than the general rises for employees until the target salary positioning is achieved.
Performance metrics	N/A

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy continued

Remuneration Policy table for Executive Directors continued

Pensions

Purpose	To provide market competitive retirement benefits.
Operation	Executive Directors may be entitled to a contribution to the Group's defined contribution pension plan, a cash payment in lieu of pension (subject to normal statutory deductions), or a combination of pension contributions and cash in lieu of pension.
Maximum potential value	Executive Directors are currently eligible to participate in the Group-wide defined contribution pension plan on the same terms as the majority of UK employees. The maximum value is either currently 5% of salary with the ability for an additional Company match equal to 5% of salary or cash in lieu paid at the same rate. This applies to both current and future Executive Directors. If there are any changes to the contribution rates for the majority of the UK employee population, this will also apply to current and future Executive Directors. For Executive Directors based outside of the UK, local pension arrangements will apply.
Performance metrics	N/A

Benefits

Purpose	To provide market competitive benefits which help to recruit and retain Executive Directors.
Operation	Executive Directors receive benefits which include, but are not limited to, private health cover, UK and home country personal tax advice, filing services, free Deliveroo Plus subscription (which is available to all employees) and the occasional use of corporate private security from time to time, as necessary. Other market standard benefits, including (but not limited to) one-off relocation allowances or expatriate benefits, may be provided, as deemed appropriate by the Committee. Different benefits may apply in the context of the Executive Director's location.
Maximum potential value	Benefits are set at a level appropriate to the individual's role and circumstances. The maximum opportunity will depend on the type of benefit and cost of its provision, which will vary according to the market and individual circumstances.
Performance metrics	N/A

Annual bonus

Purpose	To reward and incentivise the delivery of challenging annual financial and operational targets linked to the delivery of the Board approved budget.
Operation	The annual bonus is subject to performance measures set by the Committee for the financial year. At the end of the performance period, which lasts for one financial year, the Committee assesses the extent to which the performance targets have been achieved and approves the final outcome. One-half of the bonus earned will be paid in cash and the remainder will be provided as a deferred award of shares under the Deliveroo Incentive Plan (DIP) (the DSP award) which vests after three years subject to continued service. No further performance conditions will apply to DSP awards. Participants may be entitled to dividends or dividend equivalents (where applicable) on DSP awards representing the dividends paid during the vesting period. Malus and clawback provisions apply as set out on page 110.
Maximum potential value	The maximum bonus opportunity is 180% of salary for Executive Directors. For threshold performance, 25% of the maximum opportunity will pay out. For on-target performance, 50% of the maximum opportunity will pay out. There is a straight-line payout between threshold and target and target and maximum. There will be no payout if threshold performance is not achieved.
Performance metrics	The annual bonus will be based on stretching financial, strategic and operational measures with the majority of the bonus (at least 50%) being linked to financial measures. The Committee may amend the measures used each year in line with the Group's general business strategy as well as vary weightings from year to year. The Committee will have the discretion to adjust bonus outcomes if it believes the outcome is not a fair and accurate reflection of the business' performance, the individual's personal performance and/or such other factors as the Committee may consider appropriate, including but not limited to share price performance. The exercise of this discretion may result in a downward or upward movement in the amount of bonus earned resulting from the application of the performance measures. In exceptional circumstances where the Committee believes the original measures and/or targets are no longer appropriate, the Committee has discretion to amend performance measures and targets during the year. Any adjustments or discretion applied by the Committee will be fully disclosed in the following year's Remuneration Report.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy continued

Remuneration Policy table for Executive Directors continued

Long-term incentive plan

Purpose	To reward and incentivise the delivery of long-term performance and shareholder value creation linked to the business strategy.
Operation	Long-term incentive awards are made under the DIP. Under the DIP, the Committee may award Executive Directors annual grants of share awards which are subject to performance conditions (PSP awards). PSP awards may be in the form of conditional awards or nil or nominal cost options. PSP awards will normally vest three years from the date of grant and vesting will be subject to continued service and the achievement of stretching performance measures. A two-year holding period will apply following the three-year vesting period for PSP awards granted to the Executive Directors, during which the Executive Directors may not normally dispose of their vested shares except such number as is necessary to pay tax and social security contributions arising in respect of their PSP awards. Participants may be entitled to dividends or dividend equivalents (where applicable) on the shares representing the dividends paid during the vesting and holding period. Malus and clawback provisions apply as set out on page 110.
Maximum potential value	The normal annual maximum grant level of PSP awards for Executive Directors will be 600% of salary. The maximum annual value of the PSP awards in exceptional circumstances will be 750% of salary and this will only apply in the case of recruitment of an Executive Director (discussed further on page 112). No more than 25% of the PSP award will vest for threshold performance. There is straight-line vesting between threshold and maximum and if the threshold level is not achieved, no payment will arise.
Performance metrics	Vesting of PSP awards will be based on challenging performance targets which will relate to shareholder returns and financial, strategic and/or operational measures linked to the Group's business plan. The majority of the award (at least 50%) will be linked to financial measures. The Committee will review and set measures, weightings and targets before each grant to ensure they remain appropriate. The Committee may change the balance of the measures, or use different measures for subsequent awards, as appropriate. In exceptional circumstances where the Committee believes the original measures, targets and/or weightings are no longer appropriate, the Committee retains discretion to amend performance measures, targets and/or the weightings attached to performance measures part-way through a performance period. The Committee will have the discretion to adjust PSP award outcomes if it believes that the outcome is not a fair and accurate reflection of the business' performance, the individual's personal performance and/or such other factors as the Committee may consider appropriate, including but not limited to share price performance. The exercise of this discretion may result in a downward or upward movement in the amount of PSP award earned resulting from the application of the performance measures. The treatment of PSP awards will be determined in accordance with the DIP rules and any adjustments or discretion applied by the Committee will be fully disclosed in the following year's Directors' Remuneration Report.

All-employee share plans

Purpose	To encourage a wider sense of share ownership and 'skin in the game' across all employees, including the Executive Directors and create further alignment with shareholders' interests.
Operation	Executive Directors may participate in all-employee schemes operated by the Group on the same basis as other eligible employees. Currently, the all-employee schemes which have been established are the Deliveroo Share Incentive Plan (SIP) and the Deliveroo Sharesave Plan (the 'Sharesave'). Both plans are designed to meet the requirements of tax advantaged UK all-employee plans and allow participants to acquire shares in a tax-efficient manner.* The SIP allows participants to buy and/or be awarded free shares. The Sharesave allows participants to enter into a savings contract to buy shares under a linked option. The Group may also operate other international all-employee share schemes for employees outside the United Kingdom. * Note: The SIP and Sharesave were established on Admission but as at the date this Policy is being submitted for approval, they have not yet been operated.
Maximum potential value	The limits applicable to the SIP and the Sharesave are in line with those allowed under the relevant rules and the relevant tax legislation. The Board may determine that different limits shall apply in the future should the relevant legislation change in this respect and may determine that different limits apply for international all-employee schemes.
Performance metrics	N/A

Shareholding requirements

Purpose	To align the interests of Executive Directors with shareholders over a long term period including after departure from the Group, thereby ensuring Executive Directors are committed to the Group's future success.
Operation	**In-employment requirement** During employment, Executive Directors are required to build and maintain a minimum shareholding of 800% of their base salary. The minimum shareholding requirement is to be built up over a five-year period and then subsequently maintained during employment.[1] Executive Directors are expected to retain all of the net of tax number of shares they receive through the PSP awards and the DSP awards until the shareholding requirement has been met. Progress towards the requirement will be reviewed by the Committee on an annual basis. **Post-employment requirement** Executive Directors are required to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time) for a period of two years. The post-employment shareholding requirement will apply to all awards made after the approval of the Policy by the Company's shareholders. Shares purchased by Executive Directors using their own funds will not be included in the post-employment shareholding requirement.[1] 1. Note: in the case of the CEO, who currently owns Class B shares, these would be included in the calculation of minimum shareholding requirements on the basis that Class B shares will convert to Class A shares and have the same value.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy continued

Remuneration Policy table for Executive Directors continued

Shareholding requirements (continued)

Maximum potential value	In-employment requirement The shareholding requirement for Executive Directors is 800% of base salary. The Committee retains the discretion to adopt a lower shareholding requirement for new Executive Directors. Post-employment requirement Executive Directors will be expected to retain the lower of the shares held at cessation of employment and shares to the value of 800% of salary for a period of two years. In the case of newly appointed Executive Directors, the Committee may impose a lower shareholding requirement.
Performance metrics	N/A

Notes to the Policy table

Discretions retained by the Committee in operating the incentive plans

The Committee operates the Group's incentive plans according to their respective rules and in accordance with applicable tax legislation and Listing Rules where relevant. To ensure the efficient operation and administration of these plans, the Committee may apply certain discretions.

These include (but are not limited to) the following:

- determining the participants in the plans;
- determining the timing of grants and/or payments;
- determining the size of grants and/or payments (within the limits set out in the Policy table);
- determining the appropriate choice of measures, weightings and targets for the incentive plans from year to year including any use of discretion to reduce the outcome, as appropriate;
- determining "good leaver" status and the extent of vesting and/or payment under the incentive plans;
- determining the extent of vesting of awards under share-based plans in the event of a change of control; and
- making any appropriate adjustments required in certain circumstances (e.g. rights issues, corporate restructuring events, variation of capital and special dividends).

The Committee may also amend the Group's incentive plans in accordance with the rules of those plans and establish plans for overseas employees based on those plans.

The Committee retains discretion to vary, substitute or waive the performance conditions applying to outstanding awards in exceptional circumstances if an event occurs which causes the Committee to consider that the original condition would no longer operate as intended. Any amendment to the performance conditions can be made, provided the Committee considers the amendment is reasonable, within Policy constraints and, except in the case of waiver, produces a fairer measure of performance and is not materially less difficult to satisfy than the original conditions would have been but for the event in question.

Malus and clawback

In line with UK corporate governance best practice, malus and clawback provisions will apply to the annual bonus plan, DSP awards, PSP awards and restricted share awards ('RSP awards'). The following provisions apply:

- Annual bonus: cash awards: malus will apply up to the bonus payment and clawback will apply for a period of two years after the bonus payment.
- Annual bonus: DSP awards: clawback will apply during the period of three years following the payment of the cash bonus to which the DSP award relates.
- PSP awards: malus will apply during the vesting period and up to the date of vesting and clawback will apply for a period of two years post-vesting.
- RSP awards: malus will apply during the vesting period and up to the date of vesting and clawback will apply for a period of two years post-vesting .

Malus and clawback provisions may be applied in the following circumstances:

- discovery of a material misstatement resulting in an adjustment in the historical audited accounts of the Company or any Group company;
- where an annual bonus award or PSP or RSP award was granted, or performance was assessed, based on an error or inaccurate or misleading information;
- action or conduct of a participant amounts to fraud or gross misconduct;
- events or the behaviour of a participant have led to censure of the Company or Group by a regulatory authority or cause significant detrimental reputational damage; and/or
- material failure of risk management/and or controls or corporate failure.

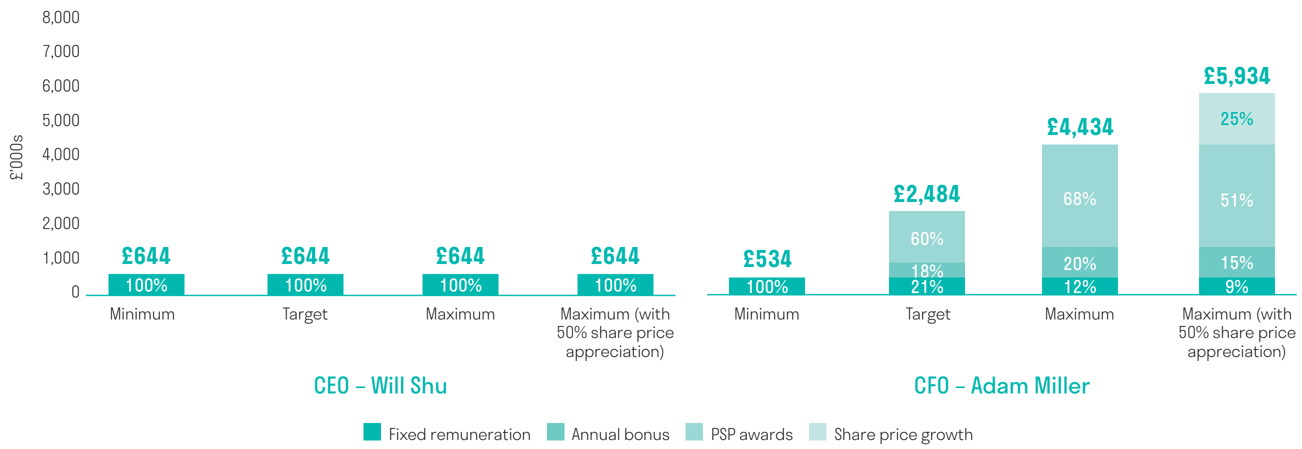
Legacy incentives

As set out in the IPO prospectus, the Group has various legacy share and cash arrangements, some of which remain subject to time vesting conditions post-IPO. These are summarised further under the section headed "Pre-Admission RSU awards" in the Annual Report on Remuneration on page 121.

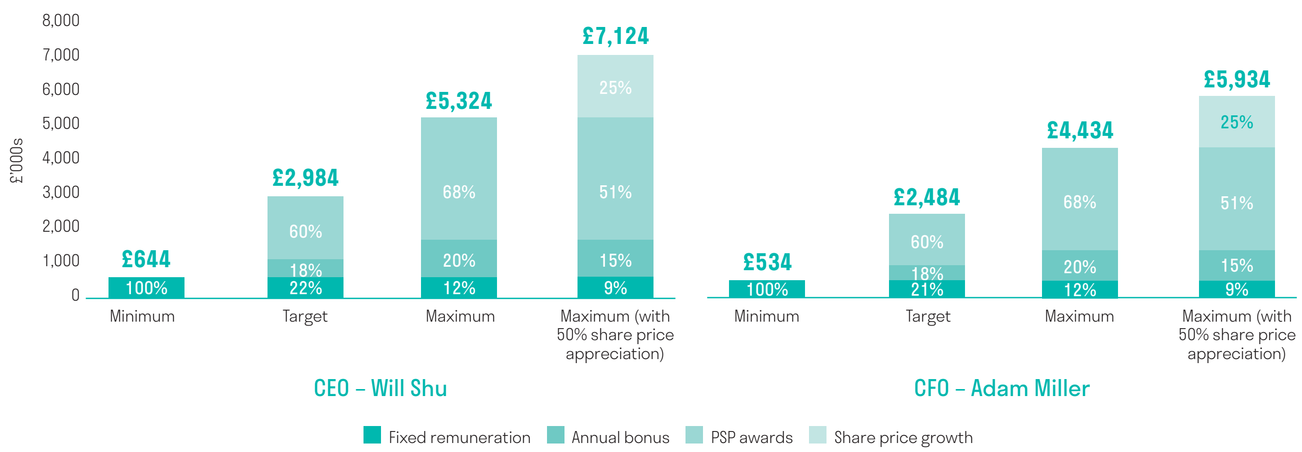
This Policy gives authority to the Group to honour any commitments entered into with current Executive Directors prior to Admission or to internally promoted future Directors prior to their appointment or prior to shareholder approval and to exercise any discretions or powers contained in those arrangements. Details of any payments under the legacy incentive arrangements will be set out in future Directors' Remuneration Reports as they arise.

Total remuneration by performance scenario

The composition and value of the Executive Directors' remuneration packages at below threshold (minimum), target and maximum performance scenarios are set out in the charts below. The CEO, Will Shu, currently does not participate in the annual bonus or PSP awards and this will be the case for the duration of the Policy period. However, for illustrative purposes, we have included an additional chart which assumes that the CEO receives an annual bonus and a PSP award.



An additional scenario chart has been added to show remuneration assuming the CEO receives an annual bonus and PSP award.



Notes:

1. Minimum performance is equivalent to fixed remuneration which consists of base salary (as at 1 January 2022) + pension contribution to all UK employees (5% of salary) + benefits (as per the single figure table).
2. Target performance consists of fixed remuneration + target annual bonus (50% of maximum opportunity) + target PSP award opportunity (50% of maximum opportunity with no share price appreciation).
3. Maximum performance consists of fixed remuneration + maximum annual bonus (100% of maximum opportunity) + maximum PSP award (100% of maximum opportunity with no share price appreciation.)
4. Maximum performance (with share price appreciation) consists of fixed remuneration + maximum annual bonus (100% of maximum opportunity) + maximum PSP award (100% of maximum opportunity with an assumed 50% share price appreciation but no dividend equivalents).

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy continued

Notes to the Policy table continued

Choice of performance measures and targets

Each year the Committee will select the most appropriate performance measures and the respective targets for the annual bonus and PSP awards. The measures selected will be aligned with the Group's strategy and key performance indicators.

Measures will be financial, strategic and operational with respective targets for each measure set by the Committee each year in conjunction with the Board which will be aligned with key business goals determined at the start of each financial year.

The Committee sets targets for the performance measures each financial year which support value creation for all stakeholders, taking into account market conditions, the business plan, the Group's KPIs and other circumstances as appropriate.

Statement of consideration of shareholder views

The Group has engaged with major shareholders as well as the Investment Association, Institutional Shareholder Services and Glass Lewis regarding this Policy and welcomes a continued dialogue with its shareholders and proxy advisers. If the Committee were to consider changes to the Policy, it would be subject to prior consultation with major shareholders as appropriate.

Difference in Policy across the Group

The Group provides a market competitive package to all employees with additional reward through incentive payments linked to the achievement of stretching performance targets. This reward philosophy applies to all levels of the business.

Widespread equity ownership in the business is viewed as very important and the majority of employees receive equity-based awards, and ownership increases with seniority via larger grants and a greater proportion of total compensation provided in equity. The way in which the Company approaches equity across the Group is well aligned to the technology sector where it is common practice for equity to be widespread and to be provided on hire and as part of the yearly performance cycle.

In view of the greater potential remuneration, the Executive Directors have a greater proportion of their pay at 'risk' and are subject to deferral and holding periods. The Committee takes into account general employee remuneration and related policies, and the alignment of incentives and rewards with culture when setting and operating the Policy for Executive Directors' remuneration; however, employees have not been consulted directly on the Policy.

The Committee continues to receive regular updates on any changes to the wider Group's Remuneration Policy.

Recruitment policy

The Committee's principle is that the remuneration of any new recruit will be assessed in line with the same principles set out above for Executive Directors. The Committee is mindful that it wishes to avoid paying more than it considers necessary to secure a preferred candidate of the appropriate calibre and with the experience needed for the role.

For external appointments, the Group recognises that it may need to provide compensation for forfeited awards or other elements of pay from the individual's previous employer ('buy-out awards'). To the extent possible, the design of buy-out awards will be made on a broadly like-for-like basis taking into account the value of any incentives that will be forfeited on cessation of an Executive Director's previous employment, the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting and the likelihood of vesting.

The maximum level of PSP awards that may be offered to an Executive Director is 750% of base salary in the year of recruitment. This can be used together with a one-off RSP award equal to 750% of salary in the year of recruitment. The Committee retains flexibility to use these exceptional one-off limits to support the remuneration principles around hiring talent in a highly competitive global marketplace where levels of variable pay can be significantly higher. However, the Committee will only use this flexibility when it is considered to be in the best interests of the Company and its shareholders. The exceptional limits will only ever be applied on a one-off basis for a new recruit, therefore, in future years the individual will be granted the normal PSP award maximum under the Policy (600% of salary).

The recruitment policy is summarised below:

Remuneration element	Policy
Salary	Base salary would be set at an appropriate level considering the factors mentioned previously in the Policy table above.
Pension and benefits	Benefits and pension will be set in line with the Policy.
Annual bonus	Joiners may normally receive a pro-rated annual bonus award based on their employment as a proportion of the financial year and targets may be different to those set for other Executive Directors.
PSP awards	PSP award grants will be set in line with the Policy. In exceptional circumstances the Committee retains to flexibility to grant a maximum PSP award up to 750% of salary in the year of recruitment.
RSP awards	In exceptional circumstances the Committee retains the flexibility to grant a one-off RSP award up to 750% of salary in the year of recruitment (see page 112).
Relocation	If an Executive Director needs to relocate in order to take up the role, the Group will pay to cover the costs of relocation including (but not limited to) actual relocation costs, immigration-related costs, temporary accommodation and travel expenses.
Buy-out awards	The Group recognises that it may need to grant buy-out awards. To the extent possible, the design of buy-out awards will be made on a broadly like-for-like basis taking into account the value of any incentives that will be forfeited on cessation of an Executive Director's previous employment, the performance conditions attached to the vesting of the forfeited incentives, the timing of vesting and the likelihood of vesting. For the avoidance of doubt, any buy-out awards are not subject to the individual limits.
Internal appointment to the Board	When existing employees are promoted to the Board, the Policy will apply from the point where they are appointed to the Board and not retrospectively. In addition, any existing awards will be honoured and form part of ongoing remuneration arrangements.

RSP awards (used in recruitment scenarios only)

Purpose	To reward and incentivise the delivery of long-term performance and shareholder value creation.
Operation	In the case of recruitment scenarios only, under the DIP, the Committee may award new Executive Directors a one-off RSP award to support the remuneration principles around hiring talent in a highly competitive global marketplace. RSP awards to Executive Directors will normally vest on the third anniversary of grant date. A further two-year holding period will apply during which the Executive Directors may not normally dispose of their vested shares except as is necessary to pay tax and social security contributions arising in respect of their RSP awards. Participants may be entitled to dividends or dividend equivalents (where applicable) on the shares representing the dividends paid during the vesting period and, if applicable, any holding period. If an RSP award were to be granted, then details of the RSP award would be shared with shareholders upon the Executive Director's appointment and details will be set out in the Annual Report on Remuneration. Malus and clawback provisions apply as set out on page 110.
Maximum potential value	The maximum opportunity for RSP awards to Executive Directors will be 750% of salary.
Performance metrics	RSP awards are subject to continued employment. No further performance conditions would ordinarily be required for the vesting of RSP awards. The Committee will have the discretion to adjust RSP award outcomes if it believes the outcome is not a fair and accurate reflection of the business' performance, the individual's personal performance and/or such other factors as the Committee may consider appropriate, including but not limited to share price performance. The exercise of this discretion may result in a downward or upward movement in the amount of RSP award earned.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy continued

Policy on payment for departure from office

On termination of an Executive Director's service contract, the Committee will take into account the departing Director's duty to mitigate his/her loss when determining the amount of compensation. The Committee's policy is described below and will be implemented taking into account any statutory payments it is required to make, the contractual entitlements, the specific circumstances for the departure and the interests of shareholders. The Committee reserves the right to make additional payments where such payments are made in good faith in discharge of an existing legal obligation (or by way of damages for breach of such an obligation); or by way of settlement or compromise of any claim arising in connection with the termination of an Executive Director's office or employment. In addition, the Committee reserves the right to make payment of any other benefits in connection with stepping down from the Board (for example, outplacement counselling costs and disbursements (such as legal costs)) if considered to be appropriate and/or necessary and dependent on the specific circumstances for the departure.

Remuneration element	Policy
Fixed pay (salary, pension and benefits)	Executive Directors may be required to work during the notice period or may be placed on garden leave or provided with pay in lieu of notice if not required to work the full notice period. Under each of the Executive Directors' service agreements, the Group, at its discretion, will be entitled to terminate an Executive Director's service agreement with immediate effect by payment in lieu of notice, equal to: (i) the basic annual salary that would have been payable during the notice period, and (ii) the cost that would have been incurred by the Company in providing the Executive Director with the contractual benefits which the Executive Director would have been entitled to receive during the notice period (the notice period for Executive Directors is set out on page 118.
Annual bonus (cash awards)	The Committee will consider whether a departing Executive Director should receive a cash bonus in respect of the financial year in which, and/or immediately preceding which, the termination occurs, pro-rated to reflect the period of the performance year completed at the date of termination. Good leaver reason (definition set out on page 117) Performance conditions will be measured at the bonus measurement date. Any cash award will normally be pro-rated for the period worked during the financial year. Other reason If the termination is for any other reason, no bonus will be payable for the year of cessation. Discretions The Committee retains the right: • to determine that an Executive Director should be treated as a good leaver and receive a bonus for the year of cessation; it is the Committee's intention to use this discretion only in circumstances where there is an appropriate business case which will be explained in full to shareholders; • to determine whether to pro-rate the bonus for time; the Committee's normal policy is to pro-rate for time. It is the Committee's intention only to use discretion not to pro-rate in circumstances where there is an appropriate business case, based on the circumstances of the Executive Director's departure. Use of discretion will be explained in full to shareholders; and • to determine that the bonus would be paid at the same time as for the other Executive Directors and, if the Executive Director has left employment by that date, it may be paid solely in cash.

Remuneration element	Policy
Annual bonus (DSP awards)	The Committee will consider whether a departing Executive Director should receive a DSP award in respect of the financial year in which, and/or immediately preceding which, the termination occurs. Good leaver reason (definition set out on page 117) All inflight DSP awards will normally vest at the normal vesting date and be pro-rated for time. Other reason Unvested DSP awards and unexercised nil or nominal cost DSP options will lapse. Discretions The Committee retains the right: • to determine that the Executive Director should be treated as a good leaver such that DSP awards continue to be capable of vesting; it is the Committee's intention to use this discretion only in circumstances where there is an appropriate business case which will be explained in full to shareholders; • to determine whether to pro-rate for time; the Committee's normal policy is not to pro-rate awards based on the proportion of the vesting period which has elapsed to the date of cessation. In circumstances where there is an appropriate business case based on the circumstances of the Executive Director's departure, the Committee may use discretion and pro-rate. Use of discretion will be explained in full to shareholders; and • to determine whether DSP awards should vest at the end of the original vesting period or at the date of cessation (including settling the DSP awards on cessation in cash as permitted under the DIP if it is more practicable to do so); the Committee will make this determination depending on the reason for cessation and any applicable tax considerations.
PSP awards	The Committee will consider the extent to which PSP awards held by the Executive Director should lapse or vest. Any determination by the Committee will be in accordance with the rules of the DIP. Good leaver reason (definition set out on page 117) PSP awards granted will continue to vest at the normal vesting date and be subject to performance assessment at the end of the performance period as normal. Any PSP awards that vest will normally be pro-rated for time served during the vesting period. Other reason Unvested PSP awards and unexercised nil or nominal cost PSP options granted will lapse. Discretion The Committee retains the right: • to determine that the Executive Director should be treated as a good leaver such that PSP awards continue to be capable of vesting; it is the Committee's intention to use this discretion only in circumstances where there is an appropriate business case which will be explained in full to shareholders; • to allow PSP awards to vest, and to measure the level of performance, at the date of cessation. The Committee will make this determination depending on the reason for cessation; • to determine whether to pro-rate PSP awards for time. The Committee's normal policy is to pro-rate PSP awards based on the proportion of the vesting period which has elapsed to the date of cessation unless the Committee decides otherwise. In circumstances where there is an appropriate business case based on the circumstances of the Executive Director's departure, the Committee may use discretion and not pro-rate. Use of discretion will be explained in full to shareholders; and • to determine whether the holding period will apply including whether in full or in part.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy continued

Policy on payment for departure from office continued

Remuneration element	Policy
PSP awards in a holding period	Where cessation of employment occurs during any holding period, the holding period will normally continue to apply to vested PSP award shares as normal. However, the Committee retains discretion to allow the shares to be released when cessation of employment occurs in certain exceptional circumstances.
RSP awards and buy-out awards	Where cessation of employment occurs in relation to a new Executive Director who has been granted an RSP award or a buy-out award, the treatment would be in line with the terms of the RSP award as governed by the DIP rules.
All-employee share plans	The treatment of awards under any all-employee share plan including awards under the SIP and options under Sharesave are governed by the rules of those plans and applicable tax legislation.
Post-employment shareholding requirement	Executive Directors are required to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time) for a period of two years. The post-employment shareholding requirement will apply to all awards made after shareholder approval of the Policy. Shares purchased by Executive Directors using their own funds will not be included in the post-employment shareholding requirement.

Change of control

The following treatment will apply on a change of control of the Company as set out in the relevant plan rules.

Remuneration element	Policy
Annual bonus – cash awards	In the event of a change of control, cash awards under the annual bonus plan will be payable early and will be pro-rated for time and performance to the date of the change of control. The Committee has discretion regarding whether to pro-rate the bonus for time; the Committee's normal policy is that it will pro-rate the bonus for time. In circumstances where there is an appropriate business case, the Committee may use discretion and not pro-rate.
Annual bonus – deferred share awards	In the event of a change of control, inflight DSP awards will vest. The proportion of the DSP awards which vest shall be determined by the Committee in its absolute discretion taking into account such factors as the Committee may consider relevant including, but not limited to, the period of time the DSP awards has been held by the participant. The Committee has discretion regarding whether to pro-rate the awards for time. The Committee will make this determination depending on the circumstances of the change of control. If there is a change of control event resulting in a new person or company acquiring control of the Company, the Committee may (with the consent of the acquiring company) decide that DSP awards will not vest but that the unvested portion of the DSP awards will be replaced by equivalent new awards over shares in the new acquiring company.

Remuneration element	Policy
PSP awards	In the event of a change of control, inflight PSP awards will vest pro-rated for time and performance. The holding period will not apply on change of control. The proportion of the PSP awards which vest shall be determined by the Committee in its absolute discretion taking into account such factors as the Committee may consider relevant including, but not limited to, the period of time the PSP award has been held by the participant and having regard to any applicable performance conditions. The Committee has discretion regarding whether to pro-rate the PSP awards for time. In circumstances where there is an appropriate business case, the Committee may use discretion and not pro-rate. If there is a change of control event resulting in a new person or company acquiring control of the Company, the Committee may (with the consent of the acquiring company) decide that PSP awards will not vest but that the unvested portion of the PSP awards will be replaced by equivalent new awards over shares in the new acquiring company.
RSP awards	In the event of a change of control, inflight RSP awards will vest. The proportion of the RSP awards which vest shall be determined by the Committee in its absolute discretion taking into account such factors as the Committee may consider relevant including, but not limited to, the period of time the RSP awards have been held by the participant. The Committee has discretion regarding whether to pro-rate the RSP awards for time. The Committee will make this determination depending on the circumstances of the change of control. If there is a change of control event resulting in a new person or company acquiring control of the Company, the Committee may (with the consent of the acquiring company) decide that RSP awards will not vest but that the unvested portion of the RSP awards will be replaced by equivalent new awards over shares in the new acquiring company.
Buy-out awards	Where cessation of employment occurs in relation to a new Executive Director who has been granted a buy-out award, the treatment would be in line with the terms of the buy-out award as governed by the DIP rules.
Awards under the SIP and options under Sharesave	The treatment of awards under any all-employee share plan including awards under the SIP and options under the Sharesave are governed by the rules of those plans and applicable tax legislation.

Definition of a good leaver under the DIP

If employment ceases because of any of the following circumstances, the Executive Director will be treated as a good leaver:

- death;
- ill health;
- injury;
- disability;
- redundancy;
- retirement with the agreement of their employer; and
- being employed by a company which ceases to be a Group company or being employed in an undertaking which is transferred to a person who is not a Group company.

The Committee may also determine that an Executive Director is treated as a good leaver in other circumstances determined at its discretion.

DIRECTORS' REMUNERATION REPORT CONTINUED

Directors' Remuneration Policy continued

Policy table for the Chair and Non-Executive Directors

The Chair and Non-Executive Directors will receive an annual cash fee for their services, with additional fees for Committee Chairs. Fee levels have been set to ensure the attraction of appropriate levels of experience required and to reflect the sector in which the Group operates. Any relevant legacy pre-Admission share arrangements for the Chair and/or Non-Executive Directors will continue to be paid on their existing terms post-Admission.

Chair and Non-Executive Director fees

Purpose	To provide an appropriate fee level to attract and retain the Chair and Non-Executive Directors and to appropriately recognise their responsibilities and time commitment.
Operation	Non-Executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and Chair of Board Committees (or to reflect other additional responsibilities and/or additional/unforeseen time commitments). The Chair of the Board receives an all-inclusive fee. Neither the Chair of the Board nor the Non-Executive Directors will participate in any incentive plans.
Maximum potential value	The Chair's fees are determined by the Committee whilst that of the other Non-Executive Directors is determined by the Chair and the Executive Directors. The fees for the Non-Executive Directors and Chair are set taking into account the time commitment of the role and market rates in comparable companies. The fees are normally reviewed annually (but not necessarily increased). The Group retains the flexibility to pay fees for the membership of Committees and for any additional Board duties. In general, fee level increases will be in line with the rise in salaries for the rest of the Group's employees. The Group will reimburse any reasonable expenses incurred including travel expenses (and related tax if applicable). Fees for a new Chair or Non-Executive Directors will be in line with the Policy and the fees provided for the former Chair or other Non-Executive Directors. Page 126 sets out details of the current fee levels for the Non-Executive Directors .
Performance metrics	N/A

Service agreements and letters of appointment

Copies of the service contracts of the Executive Directors and the letters of appointment of the Non-Executive Directors are available for inspection at the Company's registered office during normal business hours.

Executive Directors

The Executive Directors have a service contract requiring 12 months' notice of termination from the Group and six months' notice from the Executive Director. The Committee may, in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to the normal (12 months from the Group and six months from the individual) notice period following the first year of employment.

Executive Director	Date of appointment to role	Date of current contract	Notice from the Group	Notice from the individual
Will Shu	1 February 2013*	31 March 2021	12 months	6 months
Adam Miller	23 July 2020*	31 March 2021	12 months	6 months

* Represents the date on which Will Shu and Adam Miller were appointed as CEO and CFO respectively. Will Shu was appointed to the Deliveroo Plc Board on 19 March 2021. Adam Miller was appointed to the Deliveroo Plc Board on 25 February 2021.

External appointments

Executive Directors are permitted to accept external, non-executive appointments with the prior approval of the Board where such appointments are not considered to have an adverse impact on their role within the Group. Neither Will Shu nor Adam Miller have any external appointments.

Non-Executive Directors' (NEDs) terms of appointment

The NEDs do not have service contracts with the Group but instead have letters of appointment which set out their duties and responsibilities. The date of appointment and the length of service for each NED are shown in the table below (each NED is in their initial term of appointment):

Non-Executive Director	Date of appointment*	Date of current letter of appointment	Notice from the Group	Notice from the individual
Claudia Arney	19 March 2021	19 March 2021	6 months	6 months
Rick Medlock	19 March 2021	19 March 2021	3 months	3 months
Lord Wolfson	19 March 2021	19 March 2021	3 months	3 months
Tom Stafford	19 March 2021	19 March 2021	1 month	3 months
Karen Jones CBE	1 June 2021	1 June 2021	3 months	3 months
Dominique Reiniche	1 May 2021	1 May 2021	3 months	3 months
Peter Jackson	1 January 2022	1 January 2022	3 months	3 months

* Represents the date on which Non-Executive Director joined the Deliveroo Plc Board.

DIRECTORS' REMUNERATION REPORT CONTINUED

Annual Report on Remuneration

Statutory single total figure of remuneration for each Executive Director (audited)

The tables below set out the total single figure of remuneration and breakdown for the Executive Directors for FY2021 (from date of incorporation to 31 December 2021). As the Company was incorporated on 25 February 2021, no prior year data is provided. The Committee intends to disclose a comparison over two years from the 2022 Directors' Remuneration Report. Where necessary, further explanation of the values provided is included below. The tables and the explanatory notes have been audited where identified as such.

Director £'000	Salary[1] £'000	Taxable benefits[1,2] £'000	Pension[1,3] £'000	Total fixed £'000	Annual bonus[4] £'000	PSP awards vested[5] £'000	Other[6] £'000	Total variable £'000	Total single figure £'000
Will Shu (CEO)[7]	519.2	13.8	9.2	542.2	—	—	105,639.3	105,639.3	106,181.5
Adam Miller (CFO)[7]	437.5	8.9	—	446.4	720	—	—	720	1,166.4

1. Figures are pro-rated for the period from the date of incorporation (25 February 2021) to 31 December 2021.
2. The value of benefits is based on the cost to the Company. Benefits include private health insurance, life assurance and provision of tax filing assistance.
3. The Company operates a defined contribution pension scheme and the Executive Directors are eligible to participate in this scheme. In FY2021, the CEO was eligible to receive 4% of salary, in line with the wider organisation, as an employer contribution into the defined contribution scheme, in line with employer pension contributions available to the employees; however, in FY2021, elected to receive a monthly contribution of £833.33. The CFO opted out of receiving a pension contribution in FY2021. None of the Executive Directors has a prospective entitlement to a defined benefit pension by reason of qualifying service.
4. Represents the annual bonus for the full financial year.
5. No PSP awards vested in the period ended 31 December 2021 as the first PSP award was granted in FY2021.
6. On 5 March 2021, the Company granted the CEO, Will Shu, 27,087,000 RSUs. As the RSUs were awarded in FY2021, it is a requirement under the Directors' Remuneration Reporting Regulations that they are included in the year of award and therefore, these RSUs are included within the single figure of total remuneration for FY2021. The RSUs are included based on the IPO offer price of £3.90.
7. The CEO and the CFO both participate in pre-Admission legacy incentives. Vesting under these incentives is not required to be reported under the single total figure of remuneration for FY2021. Further details on these incentives are set out on page 121.

Annual bonus outcome for FY2021 (audited)

FY2021 is the first year of the operation of the annual bonus plan. The CFO had a maximum bonus opportunity of 180% of salary. The CEO did not participate in the annual bonus plan.

The Committee undertook a robust review of the formulaic outcome for FY2021 and considered a range of reference points as part of its review, including the outcomes relative to the Board approved budget, Deliveroo's progress against its long term strategic plans, the wider stakeholder experience during FY2021 and the inputs and efforts of the CFO during FY2021. No discretion was exercised to adjust the formulaic outcome. However, the Committee recognises that Deliveroo's share price has been volatile and when reviewing the wider stakeholder experience, this was a key consideration. As a result, the Committee decided that the IPO price of £3.90 will be used to calculate the number of shares that will be granted under the DSP awards (i.e., the deferred element of the annual bonus). By using the IPO price to determine the number shares that will be granted, this results in an implied reduction of the face value of the overall annual bonus. The Committee believes this approach appropriately reflects the shareholder experience whilst also recognising the Group's strong operating performance and the performance of the CFO.

Bonus element	Threshold (25% payable)	Target (50% payable)	Maximum (100% payable)	Weighting	Actual[1]	Outcome as a % of maximum
Growth in GTV* (constant currency*)	47%	57%	67%	80%	70%	80%
Adjusted EBITDA*	£(100.8)m	£(84)m	£(67.2)m	20%	£(131)m	0%
Gross Profit margin (as % of GTV)*	The formulaic annual bonus outcome (measured against growth in GTV* and adjusted EBITDA*) can be reduced by 20% if gross profit margin* is below the bottom end of the 2021 IPO analyst forecast of 7.5%.			20% downward multiplier	7.5%	No moderator applied
Total outcome as a percentage of maximum (including multiplier) for CFO						80%
Total bonus formulaic outcome for CFO (£)						£720,000
Total bonus paid in cash for CFO (£) (50%)						£360,000
Total bonus deferred for three years in shares for CFO (£) (50%)						£360,000 (see comments above)[1]

1. When assessing the FY2021 annual bonus, the Committee considered the outcome for growth in GTV* (in constant currency*), adjusted EBITDA*and gross profit margin (as % of GTV)* threshold including results for Spain. The Committee concluded that there was no difference to the FY2021 annual bonus outcome.

Pre-Admission RSU awards (audited)

Many members of our senior management team hold equity incentives which were in place prior to Admission to ensure ongoing retention, incentivisation and alignment with shareholder interests. For the CEO and CFO, this includes pre-existing RSUs which are subject to time-based vesting only. These RSUs relate to pre-Admission incentives and will not form part of the Group's ongoing remuneration arrangements. Their value at vesting is not required to be reported under the single figure of total remuneration under the Directors' Remuneration Reporting Regulations.

In the CEO's case, 33,343,800 RSUs were granted in November 2018 and, of these, 8,878,200 vested on Admission. As of 31 December 2021, 100% of the remaining RSUs vested as the time-based vesting conditions were met.

In the CFO's case, 4,000,000 RSUs were granted as follows:

- 400,000 in February 2019;
- 600,000 in January 2020;
- 1,000,000 in June 2020; and
- 2,000,000 in November 2020.

The RSUs vest on a time basis, with 25% of the RSUs vesting on the first anniversary of the vesting start date and a further 2.08333% of the RSUs vesting on the 15th day of each calendar month thereafter. If the CFO ceases employment before a vesting date, he may retain the vested portion of the RSUs except in the case of misconduct. The unvested portion of the RSUs will lapse on the CFO's final paid day of employment. Other lapse events include the transfer of the RSUs, bankruptcy of the award holder or misconduct. The table below summarises the status of the pre-Admission RSU awards as at 31 December 2021:

	Total RSUs granted	Total RSUs vested	Total RSUs unvested
Will Shu (CEO)	33,343,800	33,343,800	—
Adam Miller (CFO)	4,000,000	1,486,800	2,513,200

Scheme interests awarded in FY2021 (audited)

Special pre-Admission one-off RSU award to the CEO (audited)

On 5 March 2021, following extensive consultation and the approval of shareholders, Will was granted 27,087,000 RSUs. As at 31 December 2021, 2,479,000 of these RSUs have vested. These RSUs will continue to vest annually up until April 2028 and will underpin Will's ongoing incentivisation and retention in his role following IPO.

Both the 2018 and the 2021 RSUs will (to the extent not already vested) vest in full if Will's employment or service is terminated in certain prescribed circumstances (including where the Company is in material breach of the terms of Will's service agreement, in the case of Will's death or disability, or where the Company terminates his employment without specified cause).

As the RSUs were awarded in FY2021, it is a requirement under the Directors' Remuneration Reporting Regulations that they are included in the year of award and therefore, the RSUs are included within the single figure of total remuneration for FY2021. The RSUs are included based on the IPO offer price of £3.90. The actual value of the RSUs at vesting will be based on the share price at the time of vesting. To illustrate the clear link between the RSU award and the shareholder experience, we have also shown the value of the award based on Deliveroo's closing share price on 31 December 2021. There is a direct link between the actual value of the RSU award and the shareholder experience as the ability for Will to gain and lose value is dependent on share price performance at a level which is material to his total wealth.

Where appropriate, and to enable meaningful comparison, parts of this report provide details of Will Shu's single total figure of remuneration with and without the one-off RSU award.

DIRECTORS' REMUNERATION REPORT CONTINUED

Annual Report on Remuneration continued

Scheme interests awarded in FY2021 (audited) continued

Special pre-Admission one-off RSU award to the CEO (audited) continued

	Tranches and vesting start dates				
	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Total for single figure purposes
Vesting start dates for each tranche	1 December 2021	18 April 2022	18 April 2023	18 April 2024	
Vesting end dates	**Vested**			**Unvested**	
1/12/2021	2,479,000	—	—	—	—
18/04/2023	—	4,204,450	—	—	—
18/04/2024	—	4,204,450	840,900	—	—
18/04/2025	—	4,204,450	840,900	1,106,650	—
18/04/2026	—	4,204,450	840,900	1,106,650	—
18/04/2027	—	—	840,900	1,106,650	—
18/04/2028	—	—	—	1,106,650	—
Total no. of RSUs	2,479,000	16,817,800	3,363,600	4,426,600	27,087,000
Total value of tranches at £3.90 IPO offer price	£9,668,100	£65,589,420	£13,118,040	£17,263,740	£105,639,300
Total value of tranches as at 31 December 2021[1]	£5,198,463	£35,266,927	£7,053,469	£9,282,580	£56,801,439

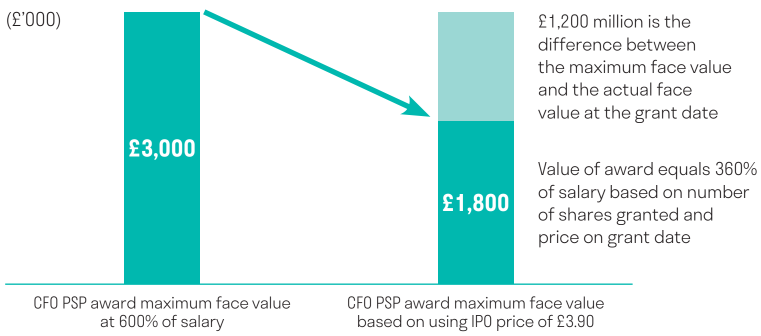
1. The closing share price on 31 December was 209.7 pence.

PSP award granted in FY2021 (audited)

In FY2021, a PSP award was granted to the CFO. The CEO did not participate in the PSP award in FY2021.

Director	Basis of award (% of salary)	Percentage payable at threshold (% of maximum)	Vesting period	Performance period	Number of conditional shares awarded	Face value of award	Share price used to determine number of shares granted[1]
Adam Miller (CFO)[1]	600%	25%	15 May 2021– 15 May 2024	31 March 2021– 31 March 2024	769,230	£3,000,000	£3.90

1 The IPO price of £3.90 was used to determine the number of shares which were granted. On the actual date of grant of the PSP award, the closing share price was £2.34. Therefore, the face value of the PSP award was 360% of salary. This is illustrated below.

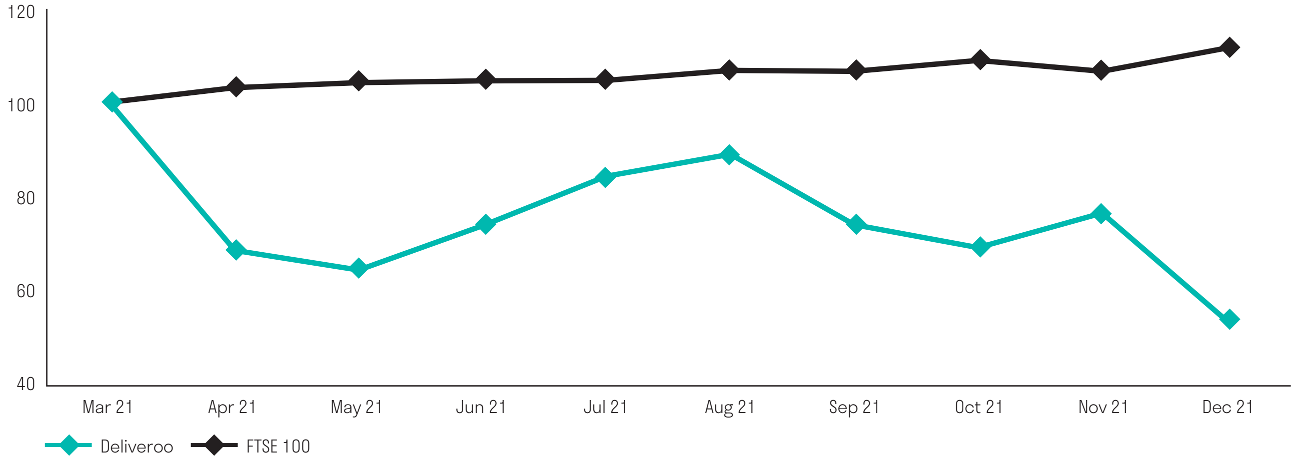


The performance targets for the PSP awards granted to the CFO on 15 May 2021 are set out below. Performance will be measured over a three-year period from 31 March 2021 to 31 March 2024. Payouts occur on a straight-line basis between each of the performance points with the starting point for measurement of TSR for Deliveroo being the IPO offer price of £3.90. Awards are also subject to a further two-year post vesting holding period. The targets below were disclosed in an RNS statement on 17 May 2021.

		Deliveroo's TSR percent rank vs FTSE 100 peer group			
TSR matrix (% of max payout of TSR element)		< 50%	50% (threshold)	65% (target)	≥ 80% (maximum)
The Company's TSR calculated based on compound annual growth rate (CAGR) per annum	<10% per annum	Nil	Nil	Nil	Nil
	10% per annum (threshold)	Nil	25%	45%	65%
	15% per annum (target)	Nil	45%	63.75%	82.5%
	≥ 20% per annum (maximum)	Nil	65%	82.5%	100%

Performance graph against the FTSE 100

Deliveroo shares began conditional trading on the London Stock Exchange on 31 March 2021. The chart below shows the TSR performance of £100 invested in Deliveroo from 31 March 2021 (using the offer price of £3.90 per share) to 31 December 2021 against the FTSE 100. The FTSE 100 was chosen as the comparator index for the Group given the comparable market capitalisation at the time of Admission.



Chief Executive Officer's historical remuneration

The remuneration for the CEO for the period from incorporation (25 February 2021) to 31 December 2021 is shown in the table below. Given the Company only listed in FY2021, only one year is shown below. In future reports, the table will build up towards 10 years' worth of historical data. Although the one-off RSU award to the CEO is not part of the Policy, it is included in the FY2021 single total figure of remuneration as it was granted during FY2021. Given the one-off nature of this award and to enable a more meaningful comparison, we have presented total remuneration on both a reported basis and excluding the one-off RSU award.

Year ended 31 December	FY2021
CEO	**Will Shu**
Total remuneration (£'000) (reported)	106,181.5
Total remuneration (£'000) (excluding one-off RSU award)	542.2
Annual bonus (% of maximum)[1]	—
Vesting of PSP awards (% of maximum)[2]	—

1. The CEO did not participate in the annual bonus for FY2021.
2. Not applicable as the CEO did not participate in the PSP awards for FY2021.

DIRECTORS' REMUNERATION REPORT CONTINUED

Annual Report on Remuneration continued

Single total figure of remuneration for each Non-Executive Director (audited)

All figures shown in £'000	Fees[1] £'000	Taxable benefits[1] £'000	Total remuneration[1] £'000
Claudia Arney	389.6	—	389.6
Dominique Reiniche	73.3	—	73.3
Karen Jones CBE	72.9	—	72.9
Lord Wolfson	82.5	—	82.5
Rick Medlock	114.6	—	114.6
Tom Stafford[2]	—	—	—

1. Figures are pro-rated for the period from date of incorporation to the end of the financial year (25 February 2021 to 31 December 2021).
2. Tom Stafford agreed to waive all fees and benefits.

Statement of Directors' shareholdings and share interests (audited)

The table below summarises the current shareholdings of Directors and the shareholding requirements under which Executive Directors are expected to build and maintain a minimum shareholding of 800% of salary in the Company. Both the CEO and the CFO have met the minimum requirement.

Director	Shareholding requirement as a % of salary	Shares actually owned[1,5]	Unvested shares subject to continued service[2]	Unvested shares subject to performance[3]	Value of beneficially owned shares as % of salary[4]
Executive Directors[6]					
Will Shu (CEO)	800%	100,299,642	24,608,000	N/A	39,613%
Adam Miller[7] (CFO)		605,724	2,513,200	769,230	813%
Non-Executive Directors[6]					
Claudia Arney	N/A	618,800	N/A	N/A	N/A
Dominique Reiniche		51,282	N/A	N/A	N/A
Karen Jones CBE		51,282	N/A	N/A	N/A
Lord Wolfson		3,094,000	N/A	N/A	N/A
Rick Medlock		235,800	N/A	N/A	N/A
Tom Stafford		—	N/A	N/A	N/A

1. Represents actual shares owned at 31 December 2021. Will Shu currently owns Class B shares only, which contribute towards his current shareholding. He is also a founder shareholder and as a result has a relatively high shareholding. All other Directors own Class A shares only.
2. Represents unvested RSU awards made pre IPO and annual bonus deferred share awards (latter relevant for CFO only), all of which are calculated on a net of tax basis.
3. Represents the 2021 PSP award which is subject to ongoing performance conditions (relevant for CFO only).
4. This is based on a closing share price of £2.097 at 31 December 2021 and the year-end salaries of the Executive Directors. Values are not calculated for Non-Executive Directors as they are not subject to shareholding requirements.
5. Rick Medlock exercised 81,400 share options at IPO. Exercise price was £0.0814 and market value at the time of exercise was £232,804 (at £2.86 per share).
6. No Directors currently have any vested shares. In connection with their appointments as Directors of the Company, the Chair and certain Non-Executive Directors were offered the opportunity to acquire Ordinary Shares in Roofoods Ltd ('Roofoods Shares') and receive a matching award of Roofoods Shares. The Chair and Non-Executive Directors each took up this opportunity and the matching awards were granted with effect from 4 February 2021. Under the terms of the awards, the Chair and each of the Non-Executive Directors subscribed for Roofoods Shares at their nominal value on terms that the shares may be forfeited (in whole or in part) if they cease to be a Director of the Company (or Roofoods Ltd) within three years of 4 February 2021. The Chair and Non-Executive Directors may not dispose of the shares for so long as they are subject to forfeiture.
7. On 31 December 2021, Adam Miller held 2,513,200 unvested RSUs. Between 31 December 2021 and the date of this report a total of 250,400 of these RSUs vested as per the normal vesting cycle detailed on page 121 of this report, resulting in an award of 250,400 shares of which 118,122 shares were sold, solely to satisfy tax liabilities and associated dealing costs. Adam Miller did not retain any net proceeds as a result of these sales. As at the date of this report Adam Miller held 2,262,800 unvested RSUs, and 738,002 shares actually owned. Other than this, there were no movements in Directors' shareholdings between 31 December 2021 and the date of this report.

Payments to past Directors/payments for loss of office (audited)

There were no payments to past Directors or for loss of office made in FY2021.

Statement of implementation of the Policy for FY2022

Element	Summary and implementation for FY2022
Salary	The salaries for Executive Directors were set at IPO and there will be no further increase for FY2022. Salaries are: • CEO: £600,000 • CFO: £500,000
Pension	The CEO and CFO are entitled to receive a pension contribution of 5% of salary in line with employees in the UK.
Benefits	Normal benefit provisions apply and include private health cover, life assurance, UK and home country personal tax advice and tax filing services.
Annual bonus	Maximum annual bonus for Executive Directors is 180% of salary. The CEO will not participate in the annual bonus in FY2022 and this will be the case for the remainder of the Policy period. Fifty percent (50%) of total bonus is paid in cash and the remaining 50% is paid in the form DSP awards deferred for three years. Pay out ranges are (as a percentage of maximum opportunity): • Threshold performance: 25% • On-target performance: 50% • Maximum performance: 100% There is straight-line vesting between these points. The performance measures and their weighting as a percentage of maximum opportunity will be: • Growth in GTV*: 45% • Adjusted EBITDA*: 45% • ESG target: 10% Actual performance targets are not disclosed prospectively as they are considered to be commercially sensitive. Full disclosure will be published in the FY2022 Directors' Remuneration Report. Malus and clawback provisions apply.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

DIRECTORS' REMUNERATION REPORT CONTINUED

Annual Report on Remuneration continued

Statement of implementation of the Policy for FY2022 continued

Element	Summary and implementation for FY2022
PSP award	The maximum opportunity for a PSP award will be 600% of salary for the CFO. The CEO will not participate in the FY2022 PSP award and this will be the case for the remainder of the Policy period. PSP awards vest over three years from the date of grant and are subject to the achievement of performance measures. A further two-year holding period applies to vested shares. Payout ranges are (as a percentage of maximum opportunity): • Threshold performance: 25% • Maximum performance: 100% There is straight-line vesting between these points. Vesting of the PSP award will be based on a matrix of relative TSR versus absolute TSR (targets are set out below). Malus and clawback provisions apply.
Shareholding requirement	During employment, Executive Directors are expected to build and maintain a minimum shareholding of 800% of salary. Executive Directors are expected to retain the net of tax number of shares they receive through PSP awards until the shareholding requirement has been met. Post-employment, Executive Directors are required to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time of leaving employment) for a period of two years.
NED fees	Non-Executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and Chair of Board Committees (or to reflect other additional responsibilities and/or additional/unforeseen time commitments). The Chair of the Board receives an all-inclusive fee. • Chair fee: £425,000 • Non-Executive Director base fee: £90,000 • Senior Independent Director fee: £35,000 • Committee Chair fee: £35,000 • Employee Engagement Non-Executive Director fee: £20,000

FY2022 PSP award targets

The performance targets for the PSP awards to be granted to the CFO in FY2022 are set out below. Performance will be measured over a three-year period. Payouts occur on a straight-line basis between each of the performance points. Awards are also subject to a further two-year post vesting holding period.

		Deliveroo's TSR Percent Rank vs FTSE 100 peer group			
TSR Matrix (% of max payout of TSR element)		< 50%	50% (threshold)	65% (target)	≥ 80% (maximum)
The Company's TSR is calculated based on an absolute share price figure	< £2.90	Nil	Nil	Nil	Nil
	£2.90 (threshold)	Nil	25%	45%	65%
	£3.90 (target)	Nil	45%	63.75%	82.5%
	≥ £4.90 (maximum)	Nil	65%	82.5%	100%

Fairness, diversity and wider employee considerations

Overview of the Committee's process

Given the Company's standard listing, there is no requirement to comply with the requirements of the UK Corporate Governance Code. However, the Committee feels it is appropriate to do so given the Company's commitment to high standards of corporate governance. In line with the Code, in particular Provision 41, the Committee seeks to understand why remuneration is appropriate using internal and external measures including pay ratios and pay gaps. The Committee is therefore committed to ensuring the reward framework is applied appropriately across the organisation with a particular focus on Executive Directors and Executive Committee members. By maintaining oversight of employee pay, policies and incentives, the Committee ensures that the approach to Executive Director remuneration is aligned with that applied to the wider organisation. The Committee is currently kept informed of the following on employee policies and incentives.

As stated in the Chair's letter matters relating to our Riders, who are a vital part of our three-sided market place, are considered by the Board given their strategic importance to our business. As they are not employees, Riders do not fall within the remit of the Committee. For further information on Riders, please see our Business Model section on page 12, Stakeholder section on page 26 and Sustainability Review on page 35.

Cascade of pay and incentives for employees

The Committee takes steps to ensure that consistent principles are applied to the pay and reward framework for employees across the organisation. The table below summarises Deliveroo's key remuneration elements.

Remuneration element	Details
Salary	Salaries are set to reflect the market value of the role and to aid recruitment and retention. The Committee is kept informed on the peer groups used for benchmarking salary bands as well as target positioning for salaries across different functions.
Benefits	The Group provides benefits to all employees and these align with local market norms and regulatory requirements.
Pension	Pension contributions in the UK are 5% of salary for all employees. Outside the UK, we comply with local regulatory requirements.
Annual bonus	The majority of our employees share in the success of the Group by participating in either the annual bonus scheme or a commercial bonus scheme. The annual Company bonus takes into account both individual performance as well as Company performance, and the commercial bonus is tied to individual and team KPIs that directly contribute to Company success.
RSP awards	The majority of our employees below the Executive Committee level receive equity. This supports our intention for every employee to think and operate as an owner. Our approach is to provide RSP awards on appointment and then to provide any additional performance-based awards as part of the annual performance cycle. Our approach to equity awards across the Company is aligned to the technology sector, where it is common practice for equity ownership to be widespread among employees and is awarded on hire and as part of the yearly performance cycle.
PSP awards	PSP awards are provided to our senior executives and reinforce the delivery of long term creation of value for our shareholders and wider stakeholders. The retention of shares by senior executives post-vesting ensures further long term alignment. Measures and targets are consistent between participants.
Shareholding requirement	Supports the alignment of executives' interests with shareholders. The Executive Directors' have an 800% of salary shareholding requirement and a lower guideline applies for the Executive Committee.

DIRECTORS' REMUNERATION REPORT CONTINUED

Fairness, diversity and wider employee considerations continued

Wider employee engagement

In our Corporate Governance Report on page 70, we explain how the Board engages with Deliveroo's employees, and how important this engagement is to our culture and performance as an organisation. Employees have not been directly consulted on Executive Director remuneration; however, the Committee takes into account general employee remuneration and related policies, and the alignment of incentives and rewards with culture when setting and operating the Policy for Executive Directors' remuneration. The Committee also receives regular updates from the Chief People Officer on any changes to the wider Group's Remuneration Policy. As set out in the Chair letter Dominique Reiniche, our Designated Employee Non-Executive Director, updates the Board on employee engagement matters. More information on the approach to employee engagement is set out in the Stakeholder section on page 26 and the People section on page 66.

Diversity and equal opportunities

We are committed to creating an inclusive workplace with gender equality and fairness at the heart of our practices and policies. The Committee recognises there is work to do on Deliveroo's Gender Pay Gap, and the balance of female representation, particularly at senior levels within the Company. Deliveroo's 2020/21 Gender Pay Gap (GPG) is:

- Mean GPG: 37.2%
- Median GPG: 24.7%
- Mean Bonus Gap: 14.3%
- Median Bonus Gap: (23.2)%

Our aim is to drive sustainable change through a multi-year action plan led by the Executive Team. As a technology company we realise that there is a wider, systemic issue of female representation in the industry, but we are committed to being part of the solution. We recently became a signatory to the Tech Talent Charter (TTC), which brings together more than 600 industries and organisations to drive greater inclusion and diversity in technology roles.

Over the last year the Company has made significant steps in its approach to diversity, equity and inclusion (DE&I) including the appointment of a Director of Global Diversity, Equity and Inclusion, who has since established a team dedicated to DE&I matters and has instituted a number of initiatives to attract and recruit more diverse talent, as set out below:

- Partnerships with Coding Black Females, the largest community of black women in tech in the UK.
- Enhancing our recruiting practices by introducing greater pipeline controls and launching Candidate Self ID to better understand how female talent moves through the recruiting pipeline and remove systemic barriers and minimise bias in our processes.
- The establishment of Belonging Groups which include Gender Equality, Racial Equality, LGBTQ+ and Wellbeing to enable employees to engage on Company policy and activity to ensure there is inclusion of under-represented groups.
- Piloting a female leadership programme to support the progression of more female talent to leadership roles.
- The hosting of a series of events during Black History Month.

Change in the Directors' remuneration compared with employees'

Given the Company's date of incorporation was 25 February 2021, there is no prior year comparison to disclose. Full disclosure will be provided in future Annual Reports in line with regulations.

CEO pay ratio

The table set out on page 129 sets out the Company's first CEO pay ratio disclosure. For FY2021, we have set out the CEO pay ratio on the following basis:

- total single figure for FY2021 as reported; and
- total single for FY2021 as reported excluding the one-off IPO RSU award to the CEO.

As we explained earlier in this report on page 121, although the one-off RSU award to the CEO is not part of the Policy, it is included in the FY2021 single total figure of remuneration as it was granted during FY2021. The one-off nature of this award (which is contingent upon continued employment) means that the CEO pay ratio for FY2021 is high. To enable a more meaningful comparison, we have therefore presented the pay ratio on both a reported basis and excluding the one-off RSU award.

CEO pay ratio data is presented for FY2021. The data shows how the CEO's single figure of remuneration for FY2021 (as taken from the single figure remuneration table) compares with the single figure of remuneration for full-time equivalent UK employees, ranked at the 25th, 50th and 75th percentile.

We have chosen Option A under the Regulations for the calculation, which takes into consideration full-time equivalent basis of all UK employees and provides a representative result of employee pay conditions across the Company. This option was selected as it was considered to be the most efficient and robust approach in respect of gathering the required data and in particular was considered to be the most accurate way of identifying the best equivalents of the 25th, 50th and 75th percentiles.

The data for employees was calculated by reference to data for FY2021. The salary, benefits and equity plan data has been taken on a full-time equivalent basis; however, the annual bonus amounts for employees have been taken on an estimated basis. All other elements were calculated in line with the single figure methodology. The data for the CEO is the single figure of remuneration for FY2021 as taken from the single figure remuneration table.

Year	Methodology	25th percentile ratio	50th percentile ratio	75th percentile ratio
FY2021 (reported total single figure)[1]	Option A	3,093:1	1,355:1	783:1
FY2021 (excluding CEO's one-off RSU award)[1]	Option A	16:1	7:1	4:1

1. Total pay for employees includes equity received in the form of restricted share awards as this is part of the ongoing remuneration structure for employees.

Total pay and benefits for all have been calculated as at financial year end in accordance with the single figure methodology and are based on full-time equivalent pay and benefits. We have not omitted any pay elements from the calculation.

The table below sets out the salary and total pay and benefit details for the CEO and the employees at the 25th, 50th and 75th percentiles.

	FY2021	
Pay data	Salary £'000	Total pay[1] and benefits £'000
CEO (reported)	519.2	106,181.5
UK employee 25th percentile	31.0	34.3
UK employee 50th percentile	59.0	78.4
UK employee 75th percentile	87.3	135.6

1. Total pay for employees includes equity received in the form of restricted share awards as this is part of the ongoing remuneration structure for employees.

In view of the fact that the Company's date of incorporation was in February 2021, there is no comparable prior year pay ratio to disclose.

We recognise that the CEO pay ratio outcomes are driven by the one-off RSU award granted to our CEO in FY2021 which is different to the structure of restricted shares for our employees. The Committee notes that there will be a decrease in the CEO pay ratio in future years during the Policy period as the CEO will not be participating in the annual bonus nor will be participate in any PSP awards. The Committee reviews information about employee pay, reward and progression policies of the Group and is comfortable that the median pay ratio is consistent with these policies and the need to ensure the Group can attract the best talent to achieve its strategic objectives.

Relative importance of spend on pay

The table below shows the expenditure of the Company on staff costs against dividends paid to shareholders in 2021. Given the date of incorporation, a prior year comparison is not provided. Full disclosure of year-on-year change will be provided in subsequent Remuneration Reports.

Relative importance of spend on pay	FY2021 £m
Employee costs	284.7
Dividends	—

DIRECTORS' REMUNERATION REPORT CONTINUED

Other disclosures

Who supports the Committee?

During the financial year, PwC advised the Committee on all aspects of the Remuneration Policy for Executive Directors and members of the Executive Committee. Following a selection process carried out by the Committee post Admission, PwC was formally appointed by the Remuneration Committee. PwC is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees. Other PwC teams provide certain non-audit services to the Company in areas of tax and consulting. The Committee is satisfied that no conflicts of interest exist in the provision of these services and that the advice provided is independent and objective. Fees of £56,000 were provided to PwC during the financial year in respect of remuneration advice received. Fees were determined via a combination of fixed fees and time and expenses.

The Committee receives support from Caleb Merkl (Chief People Officer) and Catherine Sukmonowski (Group Company Secretary).

Statement of shareholding voting

This is the first Policy and Directors' Remuneration Report submitted to shareholders. Disclosure of the voting results at the FY2021 AGM in 2022 will be presented in the Annual Report on Remuneration for FY2022.

This Directors' Report on Remuneration has been prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the revised provisions of the Code and the Listing Rules. This report was reviewed and approved by the Remuneration Committee.

DIRECTORS' REPORT

The Directors of Deliveroo plc (the Company) present their Annual Report together with the audited consolidated financial statements for the year ended 31 December 2021. The Directors' Report, prepared in accordance with the requirements of the Companies Act 2006 and the UK Listing Authority's Listing Rules, and Disclosure and Transparency Rules, comprises the Governance section (pages 70 to 130), the Directors' Report (pages 131 to 136) and the Shareholder Information section at the back of this Report. Other information that is relevant to the Directors' Report, and which is incorporated by reference into the Directors' Report, is set out in the table on page 136.

Strategic Report

Deliveroo plc is required by the Companies Act 2006 to prepare a Strategic Report that includes a fair review of the Company's business, the development and performance of the Company's business during the period, the position of the Company at the end of the year ended 31 December 2021, and a description of the principal risks and uncertainties faced by the Company. The Strategic Report on pages 1 to 69 is incorporated by reference and shall be deemed to form part of this Directors' Report.

Results and dividend

Loss for the year from continuing operations amounted to £303.7 million (2020: £208.4 million). Loss for the year attributable to the owners of the Company amounted to £308.5 million (2020: £226.4 million). A review of the Group's consolidated results is set out from page 146.

No dividend has been declared or paid in the current or comparative periods. Given the early stage of maturity of the online food category, Deliveroo remains focused on investing to maximise long-term free cash flow per share, believing that this is the best way to drive long-term shareholder value. The dividend policy will be reviewed on an ongoing basis, but the Company does not expect to declare or pay any dividends for the foreseeable future. Consequently, the Directors do not recommend the payment of a dividend for FY2021.

The Board

Board of Directors and their interests

Details of the Directors who held office at the end of the year and their biographical details are set out on pages 72 to 74 and also on our website at https://corporate.deliveroo.co.uk. Changes to the Board during the year and up to the date of this report are set out on page 80. The Directors' interest in the Ordinary Shares and options of the Company are disclosed within the Directors' Remuneration Report on page 93.

Appointment and retirement of Directors

The Board may from time to time appoint one or more Directors. Any such Director shall hold office only until the next Annual General Meeting (AGM) and shall then be subject to reappointment by the Company's shareholders. It is the current intention that at the Company's next AGM all continuing Executive and Non-Executive Directors will retire and offer themselves for reappointment in compliance with the 2018 Corporate Governance Code.

Directors' conflicts of interest

Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of Deliveroo, unless that conflict is first authorised by the Board. The Company has in place procedures for managing conflicts of interest. The Company's Articles of Association (the Articles) also contain provisions to allow the Directors to authorise potential conflicts of interest so that a Director is not in breach of his or her duty under company law. Should a Director become aware that he or she has an interest, directly or indirectly, in an existing or proposed transaction with Deliveroo, he or she should notify the Board in line with the Company's Articles. Directors have a continuing duty to update any changes to their conflicts of interest.

Directors' insurance and indemnities

The Company maintained Directors' and Officers' liability insurance cover throughout the period, providing appropriate cover for legal action brought against the Directors. The Directors are also able to obtain independent legal advice at the Company's expense, as necessary, in their capacity as Directors. The Company has entered into deeds of indemnity with each Director, which provide that the Company shall indemnify the Directors to the fullest extent permitted by law and the Articles, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries.

Employees

Diversity and equal opportunities

Deliveroo's objective is to have a diverse workforce and our long-term aim is that the composition of our workforce should broadly reflect that of the communities within which we operate. We fundamentally believe it's right to give all people, regardless of their background, the opportunity to contribute and succeed at Deliveroo. We believe that individuals should be treated on their merits and that any employment-related decisions should be based on objective job-related criteria such as aptitude, performance and skills. Read more about our approach to diversity, equity and inclusion in our People section on page 66.

DIRECTORS' REPORT CONTINUED

Employees continued

Employment policies and employment of disabled persons

The Company has in place a number of policies covering important issues including diversity, equity and inclusion, equal opportunities and wellbeing. We are committed to creating an environment where our people can all be happy, proud to work and excel. To do this, we are an equal opportunity employer. Subject to local laws, all qualified job applicants will receive consideration for employment without regard to their race, religion or belief, sex, gender reassignment, sexual orientation, marriage and civil partnership, pregnancy and maternity, disability or age. We take all reasonable steps to ensure equality of opportunity in recruitment, as well as in training and development opportunities and conditions and terms of work and pay. Persons with disabilities are given full and fair consideration for available roles and we are committed to providing reasonable adjustments for individuals with disabilities throughout our job application process and their career with the Company. We place a responsibility on our employees to comply with these policies.

Employee communication and engagement

Management regularly communicates and engages with employees and provides them with information on matters relevant to them as employees. This supports employees' collective understanding of the financial and economic factors that affect the performance of the Company as well as other matters which may impact employees (such as diversity and inclusion initiatives) and provides the Company with an insight into employee views which can then be taken into account. Details on how the Board and management have communicated and engaged with employees while taking into account their interests in decision making during the year can be found in the Stakeholder engagement section on page 26 and in the People section on page 66.

The Company recognises the importance of employee share ownership and incentivises employee involvement in the Company's performance through the award of share options to certain employees. Further details of the Company's share schemes are set out in the Directors' Remuneration Report on page 93.

Shares

Share capital and rights attaching to shares

Details of the issued share capital, together with details of movements in the issued share capital of the Company during the year, are shown in note 23. This is incorporated by reference and deemed to be part of this Report.

As at 31 December 2021, the Company had two classes of Ordinary Shares namely, Class A and B Ordinary Shares. The Class A Ordinary Shares are listed on the standard listing segment of the Financial Conduct Authority's Official List and traded on the Main Market for listed securities of the London Stock Exchange. The Class B Ordinary Shares, are not admitted to listing and trading and are held by the Company's CEO and Founder, Will Shu. As at 31 December 2021, the Company's issued share capital consisted of 1,754,496,973 Class A Ordinary Shares of £0.005, and 100,299,642 Class B Ordinary Shares of £0.005. The Company does not hold any Class A or Class B Ordinary Shares in treasury.

Save as provided in the Company's Articles of Association, in particular Articles 49 and 71, Class B Ordinary Shares rank pari passu with Class A Ordinary Shares in all respects. The rights and obligations attaching to the Company's Class A and Class B Ordinary Shares are set out in the Company's Articles of Association and are summarised on pages 133 and 134.

	Specific rights attaching to Class B Ordinary Shares
General Holders of Class A and B Ordinary Shares have the rights accorded to them under UK company law, including the rights to receive the Company's Annual Report and Accounts, attend and speak at general meetings, appoint proxies and exercise voting rights.	For as long as any Class B Ordinary Shares are in issue, no consolidation and/or sub-division of Class A Ordinary Shares shall be effected without simultaneous consolidation and/or sub-division of the Class B Ordinary Shares (and vice versa). No admission to listing or admission to trading shall be sought for Class B Ordinary Shares while they remain Class B Ordinary Shares.
Income Subject to the provisions of the Companies Act, the Company may declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.	On a distribution of profits, whether by cash dividend or otherwise (Articles 49), Class B Ordinary Shares shall rank pari passu with the rights to distributions of profits attached to Class A Ordinary Shares.
Capital On a return of capital, whether on a winding-up or otherwise, distributions will be divided among members in specie as detailed in Article 50.	Class B Ordinary Shares shall rank pari passu with the rights to the assets of the Company attached to Class A Ordinary Shares as stated in Article 50.
Convening General Meetings and voting Class A Ordinary Shareholders at a general meeting are entitled to one vote when voting on a resolution on a show of hands or by poll.	For so long as Class B Ordinary Shares remain in issue and are held by the Founder or any Permitted Transferee, the Founder (or, if the Founder is no longer a B Ordinary Shareholder, the B Ordinary Shareholder that holds the largest number of B Ordinary Shares then in issue) shall be entitled to requisition a general meeting of the Company. On a vote on a resolution on a show of hands, a Class B Ordinary Shareholder shall have one vote. When voting on a poll, if the Class B Ordinary Shares are held by the Founder or any Permitted Transferee, the Founder or Permitted Transferee is entitled to 20 votes for every B Ordinary Share of which they are a holder, otherwise a Class B Shareholder other than the Founder or Permitted Transferee is entitled to one vote for every B Ordinary Share held on a poll vote.
Variation of rights Subject to the Companies Act 2006, rights attached to any class of shares may be varied with the consent in writing of the holders of three quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate general meeting of such class.	The rights attached to Class B Ordinary Shares may also be varied or abrogated in accordance with Article 13 or with the prior written consent of the Founder. Class B Ordinary Shares shall not be, and shall not be deemed to be, varied or abrogated in any respect by the purchase by the Company or cancellation of any Class A Ordinary Shares. Class B Ordinary Shares shall be deemed varied in the event of the creation, allotment or issue of another class of Shares and as detailed in Articles 53 (a) and 53 (b).

DIRECTORS' REPORT CONTINUED

Shares continued

Share capital and rights attaching to shares continued

	Specific rights attaching to Class B Ordinary Shares
Restrictions on transfer or conversion of Ordinary Shares The Articles do not contain any restrictions on the transfer of Class A or Class B Ordinary Shares in the company other than the usual restrictions applicable where any amount is unpaid on a share. All issued share capital of the Company at the date of this Annual Report is fully paid. Certain restrictions are also imposed by laws and regulations (such as insider dealing and marketing requirements relating to closed periods) and requirements of the market abuse regulation whereby Directors and certain employees of the Company require prior approval to deal in the Company's securities.	A Class B Ordinary Shareholder that is the Founder or a Permitted Transferee is entitled, by giving notice, to require the Company to convert some or all of the Class B Ordinary Shares held into Class A Ordinary Shares, on a one-for-one basis. Upon a transfer of Class B Ordinary Shares to a person who is not the Founder or a Permitted Transferee, such Class B Ordinary Shares shall convert into Class A Ordinary Shares, on a one-for-one basis. If a person other than the Founder or a Permitted Transferee has any interest in any Class B Ordinary Shares the Board shall serve a notice on the holder or holders of such Affected Shares and the Affected Shares will convert into Class A Ordinary Shares, on a one-for-one basis automatically. All issued and outstanding Class B Ordinary Shares shall convert into Class A Ordinary Shares, on a one-for-one basis automatically at 11.59pm on the date falling on the third anniversary of the date on which the Class A Ordinary Shares were admitted for trading on the London Stock Exchange, or in any event as detailed in article 60(b). Conversion of any Class B Ordinary Shares pursuant to Articles 54 to 60 (inclusive) shall be effected by re-designation of the relevant Class B Ordinary Shares as Class A Ordinary Shares. After the conversion of all issued and outstanding Class B Ordinary Shares into Class A Ordinary Shares, no further Class B Ordinary Shares will be allotted or issued by the Company.

Issues of shares pursuant to employee share schemes
The allotment of Class A Ordinary Shares pursuant to an employee share scheme may occur without any equivalent allotment of Class B Ordinary Shares (and such an allotment shall not be or be deemed to be a variation or abrogation of the rights attached to the Class B Ordinary Shares).

Substantial interests
The Company has received notifications of major interests in its issued Class A Ordinary Share capital in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules (DTR). As only the Class A Ordinary Shares are admitted to listing and trading, these notifications are based on the total number of voting rights attributable to the Class A Ordinary Shares only (and not the aggregate of voting rights attributable to both the Class A and Class B Ordinary Shares). As at 31 December 2021 the Company had received notification of the following interests in voting rights pursuant to Chapter 5 of the DTR:

Shareholder	% of total voting rights	Shares held
Amazon.com NV Investment Holdings LLC	12.39%	215,286,288
FMR LLC	9.93%	172,642,282
T.Rowe Price International Ltd	8.36%	145,296,342
DST Global V, L.P.	7.91%	137,360,328
Delivery Hero SE	5.09%	87,376,470

Since the 31 December 2021, and up to the date of this report, we have received further notifications in accordance with DTR 5 from T. Rowe Price on 10 March 2022, disclosing a holding of 5.00% and on 11 March 2022, disclosing a holding of 4.81%.

The Company

Articles of Association

The Company's Articles of Association set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of Directors, and the conduct of the Board and general meetings. Copies are available from the Company Secretary. The Company's Articles may only be amended by a special resolution at a general meeting of the shareholders.

Financial instruments

Details of the Group's use of financial instruments, together with information on our financial risk management objectives and policies, hedging policies and our exposure to financial risks, can be found in Note 27 of the consolidated financial statements.

Going concern

The Company's Going Concern Statement for the Group and the Company are set out on pages 64 and 151 of the financial statements and are incorporated by reference and shall be deemed to be part of this Report.

Independent auditor and disclosure of information to the auditor

Each person who is a Director at the date of approval of this Report and the financial statements confirms that:

(i) such Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information; and

(ii) so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Political donations and expenditure

It is the Company's policy not to make political donations and no such political donations were made during the period since the IPO. In line with 2021 and reflecting the practice of many other London-listed companies, the Board will be seeking shareholder approval for political donations at the forthcoming AGM. This is a precautionary measure, for the Company and its subsidiaries to be able to make donations and/or incur expenditure which may be construed as "political" by the wide definition of that term included in the relevant legislation. Further details are provided in the Notice of this year's Annual General Meeting.

There were no political donations made or political expenditure incurred during the 2021 financial year.

Related party transactions

Company processes are in place to ensure that any related party transactions involving Directors, or their closely associated persons, are conducted on an arm's length basis and are properly recorded and disclosed where appropriate.

Research and development

Expenditure on the research phase of projects to develop new customised software for our App is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets. During the year, development costs of £34.6 million have been capitalised (2020: £20.5 million).

Significant contracts and change of control

The following significant agreements, which were in force at 31 December 2021, take effect, alter or terminate on a change of control of the Company:

Subsidiaries and principal activities

The Company is the holding company of the Deliveroo Group of companies, the principal activities of which are described in this Annual Report. The Group's subsidiaries and their locations are set out on pages 186 and 187 of the financial statements.

Revolving credit facility

On 7 April 2021, Roofoods Ltd (as borrower and guarantor), Deliveroo France SAS, Deliveroo Ireland, Limited and Deliveroo Italy SRL (as guarantors) entered into a revolving credit facility agreement (the "RCF") with a small group of lenders, providing sterling and Euro denominated revolving credit facilities of up to £150 million for general and working capital purposes of the Group . The key terms of the RCF include: (i) Roofoods Ltd as initial borrower; (ii) an initial term of 36 months which can be extended for up to an additional 24 months; (iii) provision of information covenants and financial covenants; (iv) the provision of guarantees by certain Group companies in respect of certain obligations under the RCF; and (v) springing security if a minimum liquidity level is breached for multiple testing periods. To date, no drawdowns have been made pursuant to the RCF.

Other agreements

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control on takeover or merger.

There are provisions in the Company's share plans which could result in options or awards vesting or becoming exercisable on a change of control. For further information on the change of control provisions in the Company's share plans refer to the Directors' Remuneration Report on page 93.

DIRECTORS' REPORT CONTINUED

The Company continued

Tax strategy

The Group is committed to complying with its statutory obligations in relation to the payment of tax including full disclosure of all relevant facts to the appropriate tax authorities. In managing its tax affairs, the Group recognises its responsibilities as a taxpayer and the need to protect the corporate reputation inherent in the brand. Further information on the Group's tax strategy is available on the Company's website.

The Board has ultimate responsibility for the Group's tax strategy although the day-to-day management rests with executive management. The Chief Financial Officer (CFO) has ultimate responsibility for tax matters. The VP of Finance is the named Senior Accounting Officer of the Group. The CFO, the VP of Tax and other senior management personnel advise the Board on the tax affairs and risks to the Group Environmental disclosures.

Greenhouse gas emissions and energy consumption

Details of the Company's greenhouse gas emissions, energy consumption, energy efficiency action and Group disclosures required by the Streamlined Energy and Carbon Reporting (SECR) regime can be found on pages 42 and 43 of the Strategic Report.

The Strategic Report (from pages 1 to 69) and the Directors' Report (as described on page 131) have been approved by the Board on 24 March 2022.

By order of the Board:

Catherine Sukmonowski
Company Secretary
24 March 2022

Registered office address: The River Building, Level 1, Cannon Bridge House, 1 Cousin Lane, London, United Kingdom EC4R 3TE

Registered in England and Wales. Registered number 13227665

Required disclosures under LR9.8.4

The information to be included in the 2021 Annual Report and Accounts under LR 9.8.4, where applicable, can be located as set out below.

	Page(s)
Interest capitalised by the Group	N/A
Unaudited financial information	N/A
Long-term incentive schemes	122 & 126
Directors' waivers of emoluments	124
Directors' waivers of future emoluments	124
Allotment for cash on equity shares (issuer)	N/A
Allotment for cash on equity shares (major subsidiaries)	N/A
Listed company is a subsidiary of another company	N/A
Contracts of significance involving a Director	N/A
Contracts of significance involving a controlling shareholder	N/A
Waivers of dividends	N/A
Waivers of future dividends	N/A
Agreement with a controlling shareholder	N/A

	Page(s)
Other information that is relevant to this report, and which is incorporated by reference	
Board of Directors during 2021 financial year	72
Directors' service contracts and letters of appointment	118
Directors' share interests	124
Events arising after the reporting period	181
Future developments of the business of the Group	2 & 20
Greenhouse gas emissions, energy consumption and energy efficiency	43
Non-financial information statement	65
Section 172 statement and stakeholder engagement	26

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards (IFRS Standards). The financial statements also comply with International Financial Reporting Standards as issued by the IASB. The Directors have also chosen to prepare the Parent company financial statements in accordance with International Accounting Standards (Financial Reporting Standard 102 The Financial Reporting Standard applicable in UK and Republic of Ireland (FRS 102)) in conformity with requirements of the Companies Act 2006.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed on pages 72 to 74, confirm that, to the best of their knowledge:

- that the consolidated financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.
- that they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

These statements were approved by the Board on 24 March 2022 and signed on its behalf by

Will Shu
Chief Executive Officer

Adam Miller
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

to the members of Deliveroo Plc

Report on the audit of the financial statements

1 Opinion

In our opinion:

- the financial statements of Deliveroo plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement and statement of comprehensive income;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the parent company balance sheet;
- the parent company statement of changes in equity; and
- the notes 1 to 30 to the consolidated financial statements and notes 1 to 9 to the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2 Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and parent company for the year are disclosed in note 26 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3 Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • Rider classification: Uncertain legal and tax positions • Accounting for negative revenue arising from consumer vouchers
Materiality	The materiality that we used for the Group financial statements was £14.9 million which was determined on the basis 0.8% of revenue.
Scoping	The scope of our Group audit includes full scope audits for significant components in the UK and France and specified procedures for all other trading locations.

Report on the audit of the financial statements continued

4 Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- understanding the detailed steps of the forecasting process through enquires with management and inspection of underlying models;
- assessing the arithmetic accuracy of the models used to prepare the Group's base case forecast and related scenarios;
- reviewing the Group's facility agreements to understand principal terms and the related financial covenants;
- challenging management on the appropriateness of forecast assumptions by:
  - assessing key assumptions underpinning the Group's forecast with reference to external data where possible;
  - comparing and assessing the historical accuracy of forecasts against previous performance;
  - performing additional sensitivity scenario analysis.
- assessing the appropriateness of the Group's disclosure concerning going concern and potential uncertainties arising.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5 Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Deliveroo Plc

Report on the audit of the financial statements continued

5 Key audit matters continued

5.1 Rider classification: Uncertain legal and tax positions

Key audit matter description	The group is subject to various legal and regulatory investigations and challenges across the territories it operates in. Judgement is applied in assessing each matter on a case by case basis, with reference to the criteria set out in IAS 37 "Provisions, contingent liabilities and contingent assets". Riders for the Group are self-employed, other than in countries where they are engaged by an agency. As regulators and legislatures consider the new on-demand economy, companies operating in the gig economy will be subject to regulatory scrutiny and possible investigations. Management's view, taking into account consultation with independent employment law experts in each territory where there is challenge, is that the underlying facts and circumstances support the position taken in the respective territories. However, this is an area of significant judgement and open to challenge whilst the law and the political landscape is evolving. The legal status of the Group's riders potentially has implications for taxation, VAT and pension payments. This is an area of significant judgement which is open to challenge in certain territories, therefore, we identified the completeness, valuation and allocation of legal and tax provisions as a key audit matter. The Group recognised provisions of £81.7 million (2020: £112.3 million) (see note 22) and disclosed contingent liabilities of £37.3 million (2020: £10.3 million), with an additional contingent liability in relation to a new, regulatory challenge at an early stage for which management has assessed a range from £75 million to £200 million representing their best estimate in the event of a potential adverse outcome (see note 29). See note 3 of the consolidated financial statements for further detail on the accounting policies for the recognition of provisions and contingent liabilities and see page 89 of the Audit and Risk committee report.
How the scope of our audit responded to the key audit matter	In responding to the identified key audit matter, we completed the following audit procedures: • obtained an understanding of the relevant controls over management's assessment of legal compliance; • made enquiries of members of management who have responsibility for understanding and evaluating the political landscape and risk within each country; • conducted inquiries with the group's legal counsel and external legal advisors to assess the current position of all existing legal and tax investigations and claims and any potential new matters which may exist; • challenged management's judgements and assumptions in relation to the recognition of a provision or contingent liability for each legal or tax matter identified including where certain contingent liabilities cannot be quantified. Our work incorporated our own employment tax and legal specialists in designing our audit approach, to evaluate management's judgements against our expectation of the quantum and likelihood of liabilities, including consideration of any contradictory evidence; • performed a review of the historical legal provisions, to assess whether positions are consistently applied from the prior year and evaluate any potential changes in position; • engaged Deloitte risk advisory specialists in assessing completeness by legal issues through media and social media searches; and • assessed the adequacy of the disclosures made in relation to rider classification in the Group's financial statements.
Key observations	Based on our audit procedures we were satisfied with the judgements taken by management and that the resulting provisions and contingent liabilities are reasonable.

Report on the audit of the financial statements continued

5 Key audit matters continued

5.2 Accounting for negative revenue arising from consumer vouchers

Key audit matter description	The Group invests in marketing specifically to drive consumer acquisition and retention. Some of this spend is in the form of vouchers that can be applied to transactions ordered on the Deliveroo platform. IFRS 15: "Revenue from contracts with customers", does not specify requirements or guidance on the treatment of such costs where the consideration payable to the consumer exceeds the transaction price leading to negative revenue, i.e. costs in excess of user fee revenue from that consumer, since the consumer is Deliveroo's customer in the delivery relationship. The accounting policy adopted by the Group first allocates the cost of the voucher against the user fee element paid by the consumer, for example delivery fees, and then recognises the excess of the voucher cost as a marketing cost, having first offset any historic cumulative revenue from the consumer. The directors have applied judgement in deciding whether to present the cost of these vouchers as negative revenue or as an expense. Any subsequent sales to that consumer are recognised as revenue in the usual way. The basis for their judgement is disclosed in note 3 and this has also been an area of focus for the Audit and Risk Committee, see page 89 to their report During the period the Group has treated £41.3 million (2020: £23.0 million) of excess voucher cost as an operating expense.

How the scope of our audit responded to the key audit matter	To address the risk identified over the accounting for negative revenue arising from customer vouchers, our audit procedures included:
	• obtaining an understanding of relevant controls over the accounting for consumer vouchers;
	• evaluating the position paper prepared by management against available accounting guidance, with a focus on where and how mangement's approach is adopted in practice;
	• considering contradictory evidence or potential management bias, for example considering the impact on the Group's alternative performance measures;
	• performing substantive audit procedures on the underlying consumer and transaction data; these included:
	  • working with our data analytics specialists to recalculate the negative revenue to be offset;
	  • testing a sample of consumer transactions to source data and analysing consumer transaction history to assess the level of historical revenue from that consumer;
	• assessing whether the disclosure about this critical judgement in note 3 sets out the pertinent facts.

Key observations	We consider management's accounting treatment to recognise negative revenues as an expense to be acceptable.

INDEPENDENT AUDITOR'S REPORT CONTINUED
to the members of Deliveroo Plc

Report on the audit of the financial statements continued

6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£14.9 million	£14.1 million
Basis for determining materiality	We determined materiality based on 0.8% of Group revenue.	Parent company materiality is determined on the basis of net assets and capped at 95% of group materiality.
Rationale for the benchmark applied	We determined materiality based on revenue given the importance of this as a measure of overall performance of the Group.	The parent company's principal activity is to hold investments in other Group companies. As a result, we considered net assets to be the most relevant benchmark on which to base materiality.

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% of Group materiality	65% of parent company materiality
Basis and rationale for determining performance materiality	We determined performance materiality with reference to factors such as the quality of the control environment and the historical error rate.	

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £743,000, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7 An overview of the scope of our audit

7.1 Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, and assessing the risks of material misstatement at the Group level.

The scope of our Group audit included full scope audits for significant components in the UK and France and specified procedures for all other trading locations. The results for these entities accounted for 99% of the Group's revenue, 97% of rider costs and 96% of the Group's total assets.

These procedures were completed using component materiality to support the Group audit opinion. Our revenue and rider cost reconciliation testing covered 99.6% of commissions and delivery fee revenue and 100% rider costs.

For the entities not subject to full scope audits or specified procedures, we tested the consolidation process and conducted analytical procedures to confirm our conclusion that there were no material misstatements in the aggregated financial information. All entities are currently managed in the UK and all audit work relevant to the Group audit was conducted by the Group and audit team based in London.

7.2 Our consideration of the control environment

In order to evaluate business cycle controls, we performed walkthrough procedures over key cycles, including, financial reporting, uncertain legal and tax positions, revenue, payroll, and purchase to pay, in order to understand whether controls were effectively designed to address the related risk. We then assessed the design and implementation of the key controls identified within the above processes across the audit period. We also performed operating effectiveness testing over the key controls within the revenue processes to determine whether the controls had operated effectively in the financial year.

We involved IT specialists to test the general IT controls over key financial reporting systems, relevant automated controls within those systems, and key controls over interfaces between the systems. In relation to GITCs, we performed an independent risk assessment of the systems used to support business processes and reporting to determine those which are of greatest relevance to the Group's financial reporting. We performed testing of GITCs across our in-scope applications, and their supporting infrastructure (database and operating system) covering controls surrounding access security and change management, as well as testing over relevant interfaces and automated controls. We reported findings from our controls work to the Audit and Risk Committee.

Report on the audit of the financial statements continued

8 Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9 Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

10 Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. 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 financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11 Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, internal and external legal counsel; and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including legal, tax, valuations, IT and fraud specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: uncertain legal and tax positions. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

INDEPENDENT AUDITOR'S REPORT CONTINUED

to the members of Deliveroo Plc

Report on the audit of the financial statements continued

11 Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.1 Identifying and assessing potential risks related to irregularities continued

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Listing Rules, local employment and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2 Audit response to risks identified

As a result of performing the above, we identified the following key audit matter related to the potential risk of fraud: uncertain legal and tax positions related to rider classification. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with regulatory authorities;
- reviewing the disclosures in the Audit and Risk Committee Report; and
- in addressing the risk of fraud through management override of controls, involving our fraud specialists to design tailored audit procedures; testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12 Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13 Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 64 and 151;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 64;
- the directors' statement on fair, balanced and understandable set out on page 83;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 90;

Report on other legal and regulatory requirements continued

13 Corporate Governance Statement continued

- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 90; and
- the section describing the work of the Audit and Risk Committee set out on page 86.

14 Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15 Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 7 December 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 4 years, covering the years ending 31 December 2018 to 31 December 2021.

15.2 Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16 Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard (ESEF RTS). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Mark Lee-Amies FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
24 March 2022

CONSOLIDATED INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Note	2021 £m	2020 (restated)* £m
Continuing operations			
Revenue	5	**1,824.4**	1,163.0
Cost of sales		**(1,327.1)**	(815.3)
Gross profit		**497.3**	347.7
Administrative expenses		**(785.9)**	(548.0)
Other operating income		**3.1**	4.0
Other operating expenses		**(18.8)**	(12.5)
Operating loss		**(304.3)**	(208.8)
Finance income	7	**7.3**	0.9
Finance costs	8	**(1.2)**	(4.7)
Loss before income tax		**(298.2)**	(212.6)
Income tax (charge)/credit	9	**(5.5)**	4.2
Loss for the year from continuing operations		**(303.7)**	(208.4)
Discontinued operations			
Loss for the year from discontinued operations	10	**(4.8)**	(18.0)
Loss for the year attributable to the owners of the Company	6	**(308.5)**	(226.4)

	Note	2021 £	2020 (restated) £
Loss per share			
From continuing operations			
– Basic	12	**(0.18)**	(0.15)
– Diluted	12	**(0.18)**	(0.15)
From continuing and discontinued operations			
– Basic	12	**(0.18)**	(0.17)
– Diluted	12	**(0.18)**	(0.17)

		2021 £m	2020 £m
Other comprehensive loss			
Loss for the year	6	**(308.5)**	(226.4)
Items that may be reclassified subsequently to profit or loss:			
Currency translation		**(8.5)**	3.3
Total comprehensive loss for the year		**(317.0)**	(223.1)

* Results for the year ended 31 December 2020 have been restated to reflect the reclassification of Roofoods Spain, S.L. as a discontinued operation.

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 150 to 181.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Note	2021 £m	2020 £m
Non-current assets			
Property, plant and equipment	13	**33.7**	22.9
Right-of-use assets	15	**39.8**	30.2
Intangible assets	14	**52.8**	41.9
Deferred tax asset	17	**10.7**	19.5
Investments in financial assets	18	**2.9**	—
Trade and other receivables	16	**17.3**	14.4
Total non-current assets		**157.2**	128.9
Current assets			
Inventory	20	**18.2**	8.2
Trade and other receivables	16	**103.7**	92.5
Cash and cash equivalents	19	**1,290.9**	379.1
Total current assets		**1,412.8**	479.8
Total assets		**1,570.0**	608.7
Non-current liabilities			
Lease liabilities	15	**(36.4)**	(28.7)
Provisions	22	**(81.7)**	(112.3)
Total non-current liabilities		**(118.1)**	(141.0)
Current liabilities			
Trade and other payables	21	**(368.0)**	(285.3)
Lease liabilities	15	**(10.2)**	(7.3)
Total current liabilities		**(378.2)**	(292.6)
Total liabilities		**(496.3)**	(433.6)
Net assets		**1,073.7**	175.1
Equity			
Share capital	23	**9.3**	7.1
Share premium		**1,013.0**	—
Merger reserve		**1,288.5**	1,153.5
Share option reserve		**161.2**	153.3
Accumulated losses		**(1,386.7)**	(1,135.7)
Foreign currency translation reserve		**(11.6)**	(3.1)
Total equity		**1,073.7**	175.1

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 150 to 181.

The financial statements on pages 146 to 181 were approved and authorised for issue on behalf of the Board of Directors on 24 March 2022 and were signed on its behalf by:

Adam Miller
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Note	Share capital (Note 23) £m	Share premium £m	Merger reserve £m	Share option reserve £m	Accumulated losses £m	Foreign currency translation reserve £m	Total £m
At 1 January 2020		5.9	—	778.6	100.8	(909.3)	(6.4)	(30.4)
Loss for the year		—	—	—	—	(226.4)	—	(226.4)
Other comprehensive income for the year		—	—	—	—	—	3.3	3.3
Total comprehensive income/(loss) for the year		—	—	—	—	(226.4)	3.3	(223.1)
Employee share-based payment awards	24	—	—	—	48.3	—	—	48.3
Deferred tax	17	—	—	—	4.2	—	—	4.2
Issue of share capital		1.2	—	374.9	—	—	—	376.1
At 31 December 2020		7.1	—	1,153.5	153.3	(1,135.7)	(3.1)	175.1
Loss for the year		—	—	—	—	(308.5)	—	(308.5)
Other comprehensive loss for the year		—	—	—	—	—	(8.5)	(8.5)
Total comprehensive loss for the year		—	—	—	—	(308.5)	(8.5)	(317.0)
Issue of share capital		2.2	1,013.0	135.0	—	—	—	1,150.2
Employee share-based payment awards	24	—	—	—	13.6	57.5	—	71.1
Deferred tax	17	—	—	—	(5.7)	—	—	(5.7)
At 31 December 2021		**9.3**	**1,013.0**	**1,288.5**	**161.2**	**(1,386.7)**	**(11.6)**	**1,073.7**

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 150 to 181.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Note	2021 £m	2020 £m
Cash flows from operating activities			
Net cash (used in)/generated from operating activities	25	**(167.7)**	7.4
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(21.4)**	(5.8)
Acquisition of intangible assets	14	**(34.6)**	(20.5)
Purchase of financial asset	18	**(2.9)**	—
Interest received		**0.5**	0.9
Net cash used in investing activities		**(58.4)**	(25.4)
Cash flows from financing activities			
Net proceeds from issue of share capital		**1,150.2**	178.0
Payments of lease liabilities	15	**(10.0)**	(9.7)
Interest on lease liabilities		**(1.2)**	(1.2)
Net cash from financing activities		**1,139.0**	167.1
Net increase in cash and cash equivalents		**912.9**	149.1
Cash and cash equivalents at the beginning of the year		**379.1**	229.8
Effect of foreign exchange rate changes		**(1.1)**	0.2
Cash and cash equivalents at the end of the year	19	**1,290.9**	379.1

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 150 to 181.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2021

1 General information

Deliveroo plc (the 'Company') and its subsidiaries (together, the 'Group') is a public limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006 (Registration number 13227665). The Company was incorporated on 25 February 2021 and replaced Roofoods Ltd as the ultimate Parent Company of The Deliveroo Group as part of the restructuring that accompanied the Initial Public Offering (IPO). The Group's ultimate controlling party is Will Shu.

The address of the registered office is The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE.

2 Application of new and revised International Financial Reporting Standards (IFRS)

New and amended IFRS Standards that are effective for the current year

No material impact on the adoption of new standards during the year.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

IFRS 17	Insurance Contracts	Effective for an annual period that begins on or after 1 January 2023
IFRS 10 and IAS 28 (amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date deferred indefinitely, to a date to be determined by the IASB
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	Effective for an annual period that begins on or after 1 January 2023
Amendments to IFRS 3	Reference to the Conceptual Framework	Effective for an annual period that begins on or after 1 January 2023
Amendments to IAS 16	Property, Plant and Equipment – Proceeds before Intended Use	Effective for an annual period that begins on or after 1 January 2022
Amendments to IAS 37	Onerous Contracts – Cost of Fulfilling a Contract	Effective for an annual period that begins on or after 1 January 2022
Annual Improvements to IFRS Standards 2018-2020 Cycle	Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IFRS 16 Leases, and IAS 41 Agriculture	Effective for an annual period that begins on or after 1 January 2022
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	Effective for an annual period that begins on or after 1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	Effective for an annual period that begins on or after 1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Effective for an annual period that begins on or after 1 January 2023

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods. The Directors expect to apply these standards from the effective date.

3 Summary of accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and the International Financial Reporting Standards Interpretations Committee (IFRS IC) interpretations as adopted by the United Kingdom, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)

On 6 April 2021, in connection with the pre-IPO reorganisation, the Roofoods Ltd shareholders entered into a Share-for-Share Exchange Agreement with the shareholders of Deliveroo plc. As a result, Deliveroo plc became the ultimate Parent Company of the Group, with a 100% investment in Roofoods Ltd.

The restructure does not constitute a business combination under IFRS 3 'Business Combinations'. As such, the comparative and current period reserves of the Group are adjusted to reflect the statutory share capital, share premium and merger reserves of Deliveroo plc as if it had always existed.

3 Summary of accounting policies continued

Basis of preparation continued

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all years presented.

Basis of consolidation

The consolidated financial statements of the Company incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December each year. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group is present in the UK, Ireland, The Netherlands, Australia, Hong Kong, Singapore, France, Belgium, Italy, Kuwait and the UAE. Legal entities have been incorporated in each of the countries noted.

The following UK subsidiaries will take advantage of the audit exemption set out within section 479A of the Companies Act 2006 for the year ended 31 December 2021. The undertakings listed below are 100% owned, either directly or indirectly by Deliveroo plc.

Company name	Company number
Deliveroo International Ltd	11465966
Deliveroo SP Ltd	10970586

Discontinued operations

A discontinued operation is a component of the Group for which operations and cash flows can be clearly separated from the rest of the Group and which represents a major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement. Comparatives are re-presented accordingly.

Going concern

The Group's loss for the financial year amounted to £308.5 million (2020: £226.4 million). The Group had net assets of £1,073.7 million (2020: £175.1 million) at year end, including a cash balance of £1,290.9 million (2020: £379.1 million). The Group also has access to a Revolving Credit Facility of £150 million, which is available until 7 April 2026. This remains undrawn at the date of signing, and is therefore available to draw down if required.

In assessing whether to adopt the going concern basis of accounting, management has considered whether there are any material uncertainties surrounding the Group's and Company's ability to continue operating over a period of at least twelve months from the date of this report. Management has prepared detailed forecasts which have been approved by the board. Appropriate assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook over the following twelve months and beyond. Appropriate sensitivities have been applied in order to stress test the model, considering situations in which future costs are substantially higher than forecast and future trading is less than forecasted. Management has also considered available undrawn cash facilities, which are not included in our forecasts as we do not currently anticipate needing to draw on these over the forecast period.

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities and obligations as they fall due over the forecast period, and accordingly are satisfied that the adoption of the going concern basis of preparation is appropriate.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in Great British Pounds (GBP), which is the functional currency of the Group.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group entity, using the exchange rates prevailing at the dates of the transactions (spot rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised through profit or loss.

Non-monetary items are not retranslated at year end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation. The functional currency of the entities within the Group has remained unchanged during the reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3 Summary of accounting policies continued

Foreign currency translation continued

On consolidation, monetary assets and liabilities have been translated into GBP at the closing exchange rate as at the reporting date. Income and expenses have been translated into GBP at the average exchange rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity.

Revenue

Revenue arises from commissions, user fees, restaurant sign-up fees and packaging sales. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received for goods and services provided in the normal course of business, net of discounts, rebates, refunds, the delivery fee portion of certain consumer credits utilised, VAT and other sales-related taxes.

Commissions

The Group is considered to be an agent with respect to the food and beverage ordered on the platform, as it is not subject to inventory risk or pricing risk, but instead receives a commission as remuneration from restaurants. Payment for the food and beverage is collected by the Group from the end user, and funds are remitted to the restaurant, net of the commission fee.

Revenue from commissions is earned and recognised at the point of order fulfilment when all performance obligations are fulfilled.

User fees

Consumers pay a fee, either for each order or on a subscription basis if they sign up for Deliveroo Plus. Fees payable on an order-by-order basis are recognised at the point of order fulfilment, when the performance obligation is fulfilled. Subscription fees are recognised on a straight-line basis over the period of the subscription.

In situations where customers are dissatisfied with the quality of the service provided, and the Group is at fault, customers may be offered a refund or credit for future orders. Due to the nature of the service, refunds are typically processed and recorded almost immediately as a deduction to revenue. Credit for future orders is added to a customer's account, and this is applied to the next order. A corresponding adjustment to revenue is recognised for the expected utilisation of credits in issue at the end of the financial year. This is based on actual data in respect of available credit, as well as historical usage patterns.

Restaurant sign-up fees

Sign-up fees are payable when a new restaurant joins Deliveroo. Fees comprise set-up on the platform and payment for restaurant equipment, enabling partner restaurants to receive orders. These fees are split, and the portion that relates to the restaurant equipment is recognised on receipt of the assets. The remainder is deferred and recognised over the assumed life of the customer. Certain partners receive rebates, and revenue is adjusted by the expected rebates which are realised on a case-by-case basis.

Packaging sales

Revenue from the sale of packaging is recognised when the packaging has been delivered, and performance obligations are fulfilled.

Cost of sales

Expenses are recognised as cost of sales in the period in which they are incurred, on an accruals basis. The largest element of cost of sales is the cost of delivery from restaurants and grocers to consumers.

Other operating income and other operating costs

Other operating income and costs are recognised in the period in which they are incurred, on an accruals basis. The largest element of other operating income and costs relates to the sale, and related cost, of equipment and clothing provided to riders.

Administrative expenses

Expenses are recognised in the income statement in the period in which they are incurred, on an accruals basis. The two largest elements of administrative expenses are staff costs and sales and marketing costs. Within marketing costs, we recognise the cost of new customer acquisition and customer retention credits, net of the delivery fee associated with each credit used where this is reasonable according to the specific facts and circumstances.

Finance income and expense

Interest income and expense is reported on an accruals basis using the effective interest method.

3 Summary of accounting policies continued

Government grants

Government grants are recognised in the income statement in the period in which they have been earned. These grants are recognised when there is reasonable assurance that the conditions associated with the grants have been complied with and the grants will be received.

Grants for the reimbursement of administrative expenses are deducted from the related category of costs in the income statement. Where grants do not relate to reimbursement of costs, they are recognised as other income. Once a government grant is recognised, any related deferred income is treated in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'.

Exceptional items*

Exceptional items* are separately identifiable income and expenditure arising from activities or events outside the normal course of business, and are deemed material to the understanding of the accounts. They are items of income or expense that are qualitatively or quantitatively material and are significant or unusual in nature or amount.

Exceptional items* mainly comprise incremental costs attributable to the COVID-19 pandemic, costs related to the closure of parts of the business and costs related to the preparation for an Initial Public Offering.

Income taxes

Any tax expense or credit recognised in the income statement is based on the results for the period as adjusted for items which are disallowed or not taxed. It is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is calculated using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not recognised if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

Intangible assets

Initial recognition

For internally-developed customised software, expenditure on the research phase of projects to develop new software for IT and telecommunication systems is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to, and has sufficient resources to, complete the project;
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

Qualifying development costs have been capitalised in accordance with IAS 38 'Intangible Assets'.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3 Summary of accounting policies continued

Intangible assets continued

Subsequent measurement

All intangible assets, including internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The useful life applied for all internally generated software is three years. Amortisation of intangible assets is recorded within 'administrative expenses' in the consolidated income statement.

Subsequent expenditure on maintenance of computer software is expensed as incurred.

Goodwill

Goodwill is not amortised but is instead reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount, then the impairment loss is allocated first to reduce the carrying amount of goodwill, and then to the other assets of the cash-generating unit pro rata on a basis of the carrying amount of each asset in the unit.

Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, driver and restaurant equipment, IT and office equipment and assets under construction.

Property, plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is subsequently measured at cost less subsequent accumulated depreciation and impairment losses. Assets under construction are not depreciated as they are not yet in use. Once construction is completed, the assets are transferred to the relevant fixed asset category.

Depreciation is recognised on a straight-line basis to write down cost to estimated residual value. The following useful lives are applied:

- leasehold improvements: the shorter of the lease term or 10 years;
- driver and restaurant equipment: 2-5 years; and
- IT and office equipment: 3 years.

Material residual value estimates and estimates of useful life are updated as required and reviewed at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised through profit or loss.

Inventory

Inventory has been valued using the first-in-first-out (FIFO) method. Inventory is stated at the lower of cost and net realisable value (NRV). Cost includes expenditure on bringing inventories to their current location and condition. NRV represents the estimated selling price less all estimated costs of completion.

An inventory provision is recognised in situations where NRV is likely to be less than cost. When calculating the provision, management considers the nature and condition of the inventory together with any other conditions existing at the end of the reporting period.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Either the timing or the amount of the outflow will be uncertain.

Provisions are measured at the estimated cost required to settle the present obligation, based on the most reliable evidence available at the reporting date, including risks and uncertainties associated with the present obligation.

Provisions are discounted where the time value of money is considered to be material. No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote in which case no disclosure is included.

3 Summary of accounting policies continued

Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs directly attributable to the issuing of new shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- share premium – comprises the difference between the value of the shares on issue and their nominal value;
- share options reserve – comprises equity-settled share-based remuneration;
- foreign currency translation reserve – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into Sterling;
- accumulated losses – comprises all current and prior period retained losses; and
- merger reserve – comprises the difference between the fair value of Roofoods Ltd as at 6 April 2021 and the nominal value of shares acquired by Deliveroo plc as part of the Share-for-Share exchange which took place prior to Admission.

All transactions with owners of the Parent are recorded separately within equity.

Capital management

The Group's capital structure consists solely of equity. The equity represents funds raised from shareholders. The primary objective of the Group's management of equity is to ensure that it is able to finance the Group's activities, both now and in the future. To maintain an appropriate capital structure in order to meet this objective, the Group may issue further shares to investors, make use of external financing as required or adjust its dividend policy.

Details of capital held can be seen in the consolidated statement of financial position, and in note 23. The Group is not subject to any externally imposed capital requirements.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The incremental borrowing rate is determined by reference to financing quotes available to the Group.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3 Summary of accounting policies continued

Leases continued

The Group as a lessee continued

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying right-of-use asset. If a lease transfers ownership of the underlying right-of-use asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying right-of-use asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as required.

The Group used the practical expedient as a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement, as permitted by IFRS 16.

Employee benefits

Short-term employee benefits

Short-term employee benefits are those that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The Group operates defined contribution pension plans. Contributions to the plans are charged to the consolidated income statement in the period in which they relate. Any contributions unpaid at the balance sheet date are included as an accrual at that date. In 2021 there were £2.1 million of accrued contributions (2020: £0.8 million).

Share-based payments

The Group operates share-based compensation plans for employees. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense in the statement of comprehensive income, with a corresponding credit to the share option reserve. The expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Vesting conditions may have market or non-market criteria, and are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates, and taking into account the number of equity instruments which have been cancelled, modified or forfeited in the period.

The Group recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods, if equity instruments expected to vest differs from previous estimates. Upon exercise of equity instruments the proceeds received net of any directly attributable transaction costs are allocated to share capital and share premium.

The Group maintains an employee benefit trust (EBT) which facilitates an internal market for participants in employee share-based compensation plans to sell their shares in the Company.

3 Summary of accounting policies continued

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners and equity issued by the Group in exchange for control.

At the acquisition date, the identifiable assets and liabilities assumed are recognised at their fair value, except for deferred tax assets or liabilities which are recognised in accordance with IAS 12 'Income Taxes'.

Goodwill is measured as the excess of the consideration transferred over the net of the fair value of identifiable assets and liabilities.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration.

Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed at the acquisition date. Any subsequent changes in the fair value of contingent consideration will be reported through profit and loss.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

Financial assets

Financial assets within the scope of IFRS 9 are measured at amortised cost, or fair value through profit and loss (FVTPL) depending on the nature of the item.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade and other receivables include amounts due from corporate customers and payment service providers for services provided in the normal course of business, prepaid amounts, deposits, amounts due from related parties and other amounts due from third parties. They are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

Investments

Investments in equity instruments are classified as at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial.

Impairment of financial assets

In accordance with IFRS 9 the simplified approach to measuring expected credit losses (ECL), which permits the use of lifetime ECL on trade and other receivables, has been applied.

Loss allowance for trade receivables due from corporate customers has been measured at an amount equal to lifetime ECL. All impairment losses in the accounts arise from contracts with customers. This is recorded within 'administrative expenses' in the income statement. The ECL is estimated by reference to past default experience of these debtors. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

3 Summary of accounting policies continued

Financial assets continued

Impairment of financial assets continued

The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables include obligations to pay for goods and services acquired in the normal course of business, amounts outstanding on purchases and other amounts due to third parties, including restaurants. The trade and other payables are considered to be short-term, non-interest-bearing and have no security attached. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'finance income' line item in income statement note 7 for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the income statement for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the income statement.

3 Summary of accounting policies continued

Significant accounting judgements and estimates

When preparing the financial statements, management has made a number of estimates and assumptions regarding the future and has made some significant judgements in applying the Group's accounting policies. Accounting estimates are reviewed on an ongoing basis, and revisions to such estimates are recognised in the current and future periods as applicable.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Provisions and contingent liabilities

The independent contractor status of riders, which applies in most of the jurisdictions in which we operate, has been and is likely to continue to be the subject of challenge in certain markets, including some of our key markets. We have been and are involved in legal proceedings, under which the independent contractor status of our riders is under review. The recognition of legal provisions (note 22) and associated contingent liabilities (note 29) arising from such matters involves management estimates of the present value of the potential costs required to settle obligations. Provisions are calculated based on the information available at the time of signing these accounts. Key inputs to the calculations of such provisions include the likelihood of receiving claims, the scope of those claims, the likelihood of making payments, an assessment of the time value of money and the risks specific to each potential obligation. A change in the assessment of these assumptions could materially change the measurement of a provision or contingent liability. In rare circumstances, where there are too many variables, the Directors may conclude it is not possible to estimate a contingent liability and disclose the fact. It is expected that the resolutions to these matters may extend over several years.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately above), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Provisions and contingent liabilities

The recognition of a provision requires judgement as to the likelihood of economic outflow. Where the Group has a possible obligation as a result of a past event, it will disclose a contingent liability. Changes to circumstances or the assessed likelihood of success may result in a contingent liability becoming a provision, or the remeasurement of a provision, and such judgements are reviewed in accordance with the recognition criteria set out in IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', on a regular basis. See notes 22 and 29 for detail of the amounts provided and disclosed as a contingent liability.

Discontinued operations

The identification of the closure of our Spanish business in November 2021 as a Discontinued Operation required judgement in interpreting IFRS 5: Discontinued Operations. IFRS 5 states that a discontinued operation comprises a component of an entity that either has been disposed of, or is classified as held for sale and represents a separate major line of business, or geographical area of operations. The directors have concluded that Deliveroo Spain is a separate entity and a separate geographical area of operations for which the results of the business are qualitatively significant. This conclusion particularly references the liabilities of the Company related to provisions and accruals for legal and regulatory investigations, and as such we consider the additional information shown as a result of concluding that the entity comprises a Discontinued Operation to be useful for the reader of the financial statements. As such, Spain has been classified as a Discontinued Operation in accordance with IFRS 5.

Consumer acquisition and retention costs

The group invests in marketing specifically to drive consumer acquisition and retention. Some of this spend is in the form of credits that can be applied to the consumer's account for an order on the Deliveroo platform, where those orders are placed in accordance with the terms and conditions of the credit. The customer for the provision of the delivery service is the consumer, with Deliveroo being the principal. IFRS 15: Revenue from contracts with customers, does not specify requirements or guidance on the treatment of such costs where the consideration payable to the customer exceeds the transaction price (i.e. the delivery fee revenue from that consumer), since the consumer is our customer in the delivery relationship. As such, judgement is applied in the classification of such costs. For the delivery fee element of the associated order, the cost of the credit is recognised as a debit to revenue. The excess of the cost of the credit is recognised as a marketing cost, having first offset any historic cumulative delivery fee revenue, reflecting the nature of the cost as a consumer acquisition and retention tool, and the nature of the marketplace business, where Deliveroo is the agent for the provision of food and beverage. Any subsequent sales to that consumer are recognised as revenue in the usual way, i.e. without adjusting the amount previously reflected as a marketing cost. Our judgement is that this better reflects the nature of these costs and the understanding of the Group's financial performance, rather than treating the entire amount as negative revenue. This has contributed to the overall increase in sales and marketing expenses in the year, and comprises £41.3 million (2020: £23.0 million) of sales and marketing costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

4 Segment information

Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance focuses on a geographical split of the Group between 'UK and Ireland' and 'International' (being overseas jurisdictions other than UK and Ireland). These geographical segments comprise both the operating and reportable segments under IFRS 8.

The CODM primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA*, see below) to assess the performance of the operating segments.

The segments primarily generate revenue through the operation of an on-demand food delivery platform.

In addition, another heading, not relating to reportable operating segments, have been included in order to reconcile revenue and adjusted EBITDA*. 'Other' primarily represents head office and Group services.

Finance income and costs are not allocated to segments as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Spain operations were discontinued in the current year. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more detail in note 10.

The following is an analysis of the Group's revenue and results by reportable segment:

2021	UK and Ireland £m	International £m	Segments total £m	Other £m	Total £m
Total revenue	980.7	843.7	1,824.4	—	1,824.4
Cost of sales	(650.4)	(676.7)	(1,327.1)	—	(1,327.1)
Other operating income	0.2	2.3	2.5	—	2.5
Administrative expenses	(229.8)	(216.1)	(445.9)	(166.5)	(612.4)
Other operating expenses	(9.6)	(9.2)	(18.8)	—	(18.8)
Adjusted EBITDA*	91.1	(56.0)	35.1	(166.5)	(131.4)
Share-based payments charge and accrued national insurance on share options	—	—	—	(87.6)	(87.6)
Legal and regulatory settlements and provisions	—	(0.8)	(0.8)	(6.7)	(7.5)
Exceptional income*	—	0.6	0.6	—	0.6
Exceptional costs*	(18.0)	(7.7)	(25.7)	(9.7)	(35.4)
Depreciation and amortisation					(43.0)
Finance income					7.3
Finance costs					(1.2)
Loss before income tax					(298.2)
Income tax					(5.5)
Loss for the year from discontinued operations					(4.8)
Loss after tax and discontinued operations					(308.5)

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

4 Segment information continued

2020	UK and Ireland £m	International £m	Segments total £m	Other £m	Total £m
Total revenue	599.0	564.0	1,163.0	—	1,163.0
Cost of sales	(381.8)	(433.5)	(815.3)	—	(815.3)
Other operating income	0.4	0.6	1.0	—	1.0
Administrative expenses	(131.0)	(117.8)	(248.8)	(98.2)	(347.0)
Other operating expenses	(6.1)	(6.4)	(12.5)	—	(12.5)
Adjusted EBITDA*	80.5	6.9	87.4	(98.2)	(10.8)
Share-based payments charge and accrued national insurance on share options	—	—	—	(73.2)	(73.2)
Legal and regulatory settlements and provisions	—	—	—	(70.9)	(70.9)
Exceptional income*	—	3.0	3.0	—	3.0
Exceptional costs*	(3.1)	(0.9)	(4.0)	(18.5)	(22.5)
Depreciation and amortisation	—	—	—	—	(34.4)
Finance income	—	—	—	—	0.9
Finance costs	—	—	—	—	(4.7)
Loss before income tax					(212.6)
Income tax credit					4.2
Loss for the year from discontinued operations					(18.0)
Loss after tax and discontinued operations					(226.4)

No single customer contributed 10% or more to the Group's revenue in either 2021 or 2020.

Revenues presented by reporting segment are in respect of transactions with external customers only.

The measurement of assets and liabilities by reportable segment is not included in this note disclosure as this information is not regularly reviewed by the CODM for decision making purposes.

Geographical information

The Group's non-current assets, excluding financial instruments, deferred tax assets and other financial assets, split by geographical location are detailed below:

	Non-current assets	
	2021 £m	2020 £m
UK and Ireland	**97.7**	79.9
Rest of the World	**28.6**	15.1
	126.3	95.0

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

5 Revenue

The Group's revenue is analysed as follows:

	2021 £m	2020 £m
UK and Ireland	**980.7**	599.0
Rest of the World	**843.7**	564.0
Total revenue	**1,824.4**	1,163.0

	2021 £m	2020 £m
Point in time	**1,760.2**	1,125.8
Over time	**64.2**	37.2
Total revenue	**1,824.4**	1,163.0

Contract balances are immaterial to the Group so no disclosure is provided. There have been no significant changes to the contract balances in the current financial year.

6 Loss for the year

Loss for the year for continuing and discontinued operations is stated after charging/(crediting):

	2021 £m	2020 £m
Depreciation of plant, property and equipment (see note 13)	**8.9**	8.1
Depreciation of right-of-use assets (see note 15)	**10.7**	9.2
Amortisation (see note 14)	**23.7**	17.8
(Decrease)/increase in provisions	**(30.6)**	79.9
Research and development costs	**42.0**	16.0
Loss on disposal of property, plant and equipment	**1.3**	0.5
Auditor's remuneration (see note 26)	**4.4**	2.3
Sales and marketing costs (excluding staff costs)	**281.2**	134.9
Staff costs (see note 24)	**284.7**	204.5
Exceptional items* (see note 11)	**44.7**	19.6

7 Finance income

	2021 £m	2020 £m
Bank interest received	**0.5**	0.9
Unrealised foreign exchange gains	**6.8**	—
Total finance income	**7.3**	0.9

8 Finance cost

	2021 £m	2020 £m
Interest expense on short-term finance	**—**	(0.6)
Interest expense on lease liabilities	**1.2**	1.2
Unrealised foreign exchange losses	**—**	4.1
Total finance cost	**1.2**	4.7

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

9 Income tax expense

	2021 £m	2020 £m
Current tax charge for the year	**3.4**	0.5
Current tax charge/(credit) relating to prior year adjustment	**0.3**	(0.9)
Deferred tax charge/(credit) relating to the current year	**2.1**	(1.9)
Deferred tax credit relating to prior year adjustment	**(0.3)**	(1.9)
Total	**5.5**	(4.2)

The standard rate of corporation tax applied to reported loss in the UK is 19.0% (2020: 19.0%). Taxation for other jurisdictions is calculated at the prevailing rates in the respective jurisdictions.

The reconciliation between the tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31 December 2021 and 2020 is as follows:

	2021 £m	2020 £m
Loss before income tax	**(298.2)**	(212.6)
Loss before tax multiplied by the tax rate of 19.01% (2020: 18.29%)	**(56.7)**	(38.9)
Adjustments for non-deductible expenses:		
Losses not recognised	**65.2**	23.8
Recognition of tax losses – deferred tax	**(1.1)**	(4.5)
Permanent differences	**3.2**	14.8
Tax credit received	**—**	(1.5)
Movement in other unrecognised temporary differences	**(5.7)**	4.3
Adjustment in respect of prior years	**0.2**	(1.7)
Effect of changes in tax rates	**(0.3)**	(0.1)
Other taxes	**0.7**	(0.4)
Total	**5.5**	(4.2)

In the UK, a corporation rate of 25% (effective 1 April 2023) was substantively enacted on 11 March 2021. This will impact the Group's future current tax charge accordingly.

The Group operates across a number of different jurisdictions, which results in various cross-border transactions arising between Group companies. In line with OECD guidelines, the Group bases its transfer pricing policy on the 'arm's length principle'. In certain situations, different tax authorities may seek to attribute further profit to activities being undertaken in their jurisdiction which could lead to double taxation, which the Group will seek to mitigate if it arises.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

10 Discontinued operations

On 29 November 2021, the Group ended operations in Spain. The Group has determined that achieving and sustaining a top-tier market position in Spain would require a disproportionate level of investment with highly uncertain long-term potential returns that could impact the economic viability of the market for the Group.

The results of the discontinued operations, which have been included in the loss for the year, were as follows:

	2021 £m	2020 £m
Revenue	**24.3**	27.8
Expenses	**(28.6)**	(40.7)
Loss before tax	**(4.3)**	(12.9)
Attributable tax expense	**(0.5)**	(5.1)
Net loss attributable to discontinued operations (attributable to owners of the Company)	**(4.8)**	(18.0)

11 Exceptional items

The following have been recognised as exceptional items where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business, and are deemed material to the understanding of the accounts. Exceptional items include redundancy costs, Coronavirus relief grants; which relate to Government grants received as a consequence of the impact of COVID-19 on the food industry, and COVID-19 related costs which primarily relate to the purchase of personal protective equipment for riders. Proposed M&A and other project costs and legal and professional fees in relation to a regulatory investigation and preparation for an Initial Public Offering have also been deemed exceptional and are split out below.

From continuing operations	**2021 £m**	2020 £m
Coronavirus relief grants	**(0.6)**	(3.0)
Coronavirus related costs	**1.3**	4.0
Redundancy costs	**—**	6.5
Legal and Regulatory fees	**6.0**	3.0
Proposed M&A and other project costs	**1.0**	3.2
Initial public offering related costs	**27.1**	5.8
Total exceptional items from continuing operations	**34.8**	19.5
From discontinued operations	**9.9**	0.1
Total exceptional items	**44.7**	19.6

12 Loss per share

The calculation of the basic and diluted loss per share is based on the following data. Losses are from continuing and discontinued operations.

Loss	2021 £m	2020 £m
Loss for the year from continuing operations	**(303.7)**	(208.4)
Loss for the year from continuing and discontinued operations	**(308.5)**	(226.4)

Number of shares	2021 No.	2020 (restated) No.
Weighted average number of Ordinary Shares outstanding	**1,707,650,646**	1,348,387,488

From continuing operations	2021 £	2020 £
Loss per share		
– Basic	**(0.18)**	(0.15)
– Diluted	**(0.18)**	(0.15)
From continuing and discontinued operations		
Loss per share		
– Basic	**(0.18)**	(0.17)
– Diluted	**(0.18)**	(0.17)

The weighted average number of shares has been restated in comparative periods to take into account the share split that took place during the current period.

There was no difference between basic earnings per share and diluted earnings per share, since the effect of all potentially dilutive shares outstanding was anti-dilutive.

The following potential ordinary shares are anti-dilutive and are therefore excluded from the weighted average number of ordinary shares for the purpose of diluted loss per share. These options could potentially dilute basic earnings per share in the future.

Number of shares	2021 No.	2020 No.
Equity-settled share-based payment schemes	**87,547,678**	103,010,758
Total	**87,547,678**	103,010,758

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

13 Property, plant and equipment

	Leasehold improvements £m	IT and office equipment £m	Driver and restaurant equipment £m	Assets under construction £m	Total £m
Cost					
At 1 January 2020	23.3	7.0	11.2	1.9	43.4
Additions	0.2	1.0	1.9	2.7	5.8
Disposals	(0.1)	—	(0.6)	(0.2)	(0.9)
Transfers between categories	1.6	—	0.7	(2.3)	—
At 31 December 2020	25.0	8.0	13.2	2.1	48.3
Additions	1.6	0.7	1.8	17.3	21.4
Disposals	(1.5)	—	(2.1)	(0.9)	(4.5)
Transfers between categories	11.3	—	3.1	(14.4)	—
Currency translation	(0.2)	(0.2)	(0.2)	(0.1)	(0.7)
At 31 December 2021	**36.2**	**8.5**	**15.8**	**4.0**	**64.5**
Accumulated depreciation					
At 1 January 2020	(7.3)	(4.1)	(6.2)	—	(17.6)
Depreciation charge for the year	(4.3)	(2.0)	(1.8)	—	(8.1)
Disposals	—	—	0.4	—	0.4
Currency translation	—	—	(0.1)	—	(0.1)
At 31 December 2020	(11.6)	(6.1)	(7.7)	—	(25.4)
Depreciation charge for the year	(5.1)	(1.4)	(2.4)	—	(8.9)
Disposals	1.2	0.1	1.9	—	3.2
Currency translation	0.1	0.1	0.1	—	0.3
At 31 December 2021	**(15.4)**	**(7.3)**	**(8.1)**	**—**	**(30.8)**
Net book value					
At 31 December 2021	**20.8**	**1.2**	**7.7**	**4.0**	**33.7**
At 31 December 2020	13.4	1.9	5.5	2.1	22.9

14 Intangible assets

	Goodwill £m	Acquired software £m	Capitalised development expenditure £m	Total £m
Cost				
At 1 January 2020	4.9	9.8	49.5	64.2
Additions	—	—	20.5	20.5
At 31 December 2020	4.9	9.8	70.0	84.7
Additions	—	—	34.6	34.6
At 31 December 2021	**4.9**	**9.8**	**104.6**	**119.3**
Accumulated amortisation				
At 1 January 2020	—	(2.1)	(22.9)	(25.0)
Amortisation charge for the year	—	(1.3)	(16.5)	(17.8)
At 31 December 2020	—	(3.4)	(39.4)	(42.8)
Amortisation charge for the year	—	(1.3)	(22.4)	(23.7)
At 31 December 2021	**—**	**(4.7)**	**(61.8)**	**(66.5)**
Net book value				
At 31 December 2021	**4.9**	**5.1**	**42.8**	**52.8**
At 31 December 2020	4.9	6.4	30.6	41.9

Goodwill was recognised on the acquisition of assets from Omakase Inc. It has been allocated to the cash-generating unit (CGU) 'Roofoods Ltd'. The recoverable amount of the group of CGUs is determined from value in use calculations. The key assumptions in these calculations comprise discount rates, growth rates, pricing fluctuations and changes to direct costs. These assumptions are consistent with available external information sources. Discount rates are estimated using pre-tax rates that reflect current market assessments of the time value of money. The discount rate used was 12.5%. A terminal growth rate of 3% was used to extrapolate cash flow beyond the forecast period.

For the purpose of a goodwill impairment review, management prepares cash flow forecasts for a period of five years. Thereafter a growth rate is applied that does not exceed the long-term average growth rate for the industry and geography. There is no reasonably possible change in any key assumptions that would cause the carrying amount to exceed the recoverable amount.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

15 Leases

Right-of-use assets

	Buildings £m	Equipment £m	Total £m
Cost			
At 1 January 2020	46.9	1.5	48.4
Additions	4.8	0.1	4.9
Disposals	(6.1)	—	(6.1)
Currency translation	0.1	—	0.1
At 31 December 2020	45.7	1.6	47.3
Additions	21.0	—	21.0
Disposals	(2.3)	(0.7)	(3.0)
Impairment	(0.3)	—	(0.3)
Currency translation	(0.5)	—	(0.5)
At 31 December 2021	**63.6**	**0.9**	**64.5**
Accumulated depreciation			
At 1 January 2020	(7.7)	(0.6)	(8.3)
Depreciation charge for the year	(8.8)	(0.4)	(9.2)
Disposals	0.4	—	0.4
At 31 December 2020	(16.1)	(1.0)	(17.1)
Depreciation charge for the year	(10.5)	(0.2)	(10.7)
Disposals	2.0	0.7	2.7
Impairment	0.1	—	0.1
Currency translation	0.3	—	0.3
At 31 December 2021	**(24.2)**	**(0.5)**	**(24.7)**
Carrying amount			
At 31 December 2021	**39.4**	**0.4**	**39.8**
At 31 December 2020	29.6	0.6	30.2

Amounts recognised in profit and loss

	2021 £m	2020 £m
Depreciation expense on right-of-use assets	**10.7**	9.2
Interest expense on lease liabilities	**1.2**	1.2
Expense relating to short-term leases	**0.5**	1.6

Total cash outflow for leases in 2021 was £11.2 million (2020: £10.9 million) for the Group.

The Group holds a number of property leases in association with the Editions and Hop businesses, together with one or more offices leased in each country in which we trade. Contracts vary in length from less than 12 months up to 15 years. There are also a smaller number of leases held in relation to equipment, primarily at our Editions sites.

15 Leases continued

Lease liabilities

	2021 £m	2020 £m
Current	**10.2**	7.3
Non-current	**36.4**	28.7
Total	**46.6**	36.0

The carrying amount of the lease liabilities and movements during the period are as follows:

	Buildings £m	Equipment £m	Total £m
At 1 January 2020	40.3	1.0	41.3
Additions	5.5	0.1	5.6
Disposals	(1.2)	—	(1.2)
Accretion of interest	1.2	—	1.2
Payments	(10.3)	(0.6)	(10.9)
At 31 December 2020	35.5	0.5	36.0
Additions	21.0	—	21.0
Disposals	(0.2)	—	(0.2)
Accretion of interest	1.2	—	1.2
Payments	(10.9)	(0.3)	(11.2)
Currency translation	(0.2)	—	(0.2)
At 31 December 2021	**46.4**	**0.2**	**46.6**

Maturity analysis

	2021 £m	2020 £m
Year 1	**11.4**	8.2
Year 2	**9.6**	6.5
Year 3	**8.2**	5.9
Year 4	**6.7**	5.5
Year 5	**5.8**	4.6
Onwards	**8.4**	8.6
Total cash flow	**50.1**	39.3
Less interest	**(3.5)**	(3.3)
Total	**46.6**	36.0

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

16 Trade and other receivables

	Current		Non-current	
	2021 £m	2020 £m	**2021 £m**	2020 £m
Trade receivables	**65.7**	53.9	**—**	—
Lifetime expected credit loss	**(2.5)**	(2.3)	**—**	—
Net trade receivables	**63.2**	51.6	**—**	—
Prepayments	**29.1**	25.7	**—**	—
Other receivables	**9.5**	15.2	**17.3**	14.4
Corporation tax receivable	**1.9**	—	**—**	—
Total receivables	**103.7**	92.5	**17.3**	14.4

The net carrying value of receivables is considered a reasonable approximation of fair value. Long-term other receivables relate to rental deposits for leased property all due within five years and bank guarantees disclosed in note 29. No customer accounts for more than 5% of the total trade receivables balance.

In accordance with IFRS 9 the simplified approach to measuring expected credit losses (ECL), which permits the use of lifetime ECL on trade and other receivables, has been applied.

Loss allowance for trade receivables due from corporate customers has been measured at an amount equal to lifetime ECL. All impairment losses in the accounts arise from contracts with customers. This is recorded within 'administrative expenses' in the income statement. The ECL is estimated by reference to past default experience of these debtors. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

For trade receivables due from our payment service providers and other receivables, the ECL is nil.

The following table details the risk profile of trade receivables for the Group:

2021	**Not past due £m**	**<30 days £m**	**31-60 days £m**	**61-90 days £m**	**>90 days £m**	**Total £m**
Expected credit loss rate	**0%**	**5%**	**10%**	**20%**	**38%**	
Estimated gross carrying amount at default	**55.6**	**3.2**	**1.7**	**0.8**	**4.4**	**65.7**
Lifetime ECL	**(0.1)**	**(0.2)**	**(0.2)**	**(0.1)**	**(1.9)**	**(2.5)**
Total						**63.2**

2020	Not past due £m	<30 days £m	31-60 days £m	61-90 days £m	>90 days £m	Total £m
Expected credit loss rate	0%	9%	18%	31%	39%	
Estimated gross carrying amount at default	46.7	1.9	0.8	0.4	4.1	53.9
Lifetime ECL	(0.2)	(0.2)	(0.1)	(0.1)	(1.7)	(2.3)
Total						51.6

The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Concentration of credit risk with respect to trade receivables is very limited due to the broad customer base across regions.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

17 Deferred tax

	2021 £m	2020 £m
Deferred tax assets		
Deferred tax assets relating to tax losses	**8.0**	9.3
Deferred tax assets relating to other temporary differences	**1.4**	1.4
Deferred tax assets relating to share-based payments	**—**	8.1
Deferred tax assets relating to fixed asset temporary differences	**1.3**	0.7
Net deferred tax assets	**10.7**	19.5

	1 January 2021 £m	Recognised in income* £m	Recognised in equity £m	Foreign exchange differences £m	Total £m
Fixed asset temporary differences	0.7	0.6	—	—	**1.3**
Tax value of loss carry-forwards utilised	9.3	(0.4)	—	(0.9)	**8.0**
Share-based payments	8.1	(2.4)	(5.7)	—	**—**
Other	1.4	—	—	—	**1.4**
Net deferred tax asset	19.5	(2.2)	(5.7)	(0.9)	**10.7**

	1 January 2020 £m	Recognised in income* £m	Recognised in equity £m	Foreign exchange differences £m	Total £m
Fixed asset temporary differences	1.4	(0.7)	—	—	0.7
Tax value of loss carry-forwards utilised	9.5	(0.2)	—	—	9.3
Share-based payments	1.5	2.4	4.2	—	8.1
Other	—	1.4	—	—	1.4
Net deferred tax asset	12.4	2.9	4.2	—	19.5

* This amount includes tax attributable to discontinued operations in Spain.

All deferred tax liabilities are expected to be settled more than 12 months after the reporting period.

The recognition of deferred tax assets is based on the Group's forecast of future operating results which is adjusted for significant permanent differences and specific limits to the use of any unused tax loss or credit. The Group has unrecognised tax losses of £1,425.9 million (2020: £884.7 million) available for offset against future taxable profits. There are also unrecognised temporary differences of £90.7 million (2020: £314.6 million) across other items including fixed assets and share-based payments. No deferred tax asset has been recognised in relation to these temporary differences on the basis that their future economic benefit is uncertain given the unpredictability of future profits. The significant portion of the unrecognised temporary differences arise in the UK where there is no expiry for utilisation.

18 Investments in financial assets

Financial assets measured at FVTPL

	2021 £m	2020 £m
Shares	**2.9**	—
Total investments in financial assets	**2.9**	—

The Group holds 10% of the Ordinary Share capital of OrderGrid Holdings Inc, an entity involved in ecommerce fulfilment solutions. The Directors of the Group do not consider that the Group is able to exercise significant influence over OrderGrid Holdings Inc, with no involvement in the day-to-day operations of that entity. The fair value of the investment was £2.9 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

19 Cash and cash equivalents

	2021 £m	2020 £m
Cash at bank	**183.1**	134.9
Money market fund	**560.6**	244.2
Short term deposit	**547.2**	—
Total cash and cash equivalents	**1,290.9**	379.1

All funds held are available on demand.

20 Inventory

	2021 £m	2020 £m
Restaurant equipment	**5.1**	2.6
Rider clothing and equipment	**12.7**	5.1
Food and packaging	**0.4**	0.5
Total inventories	**18.2**	8.2

At a Group level, the cost of inventories recognised as an expense in the year is £24.3 million (2020: £19.8 million). Of this, £12.0 million (2020: £9.7 million) is included within 'cost of sales' with £9.0 million (2020: £7.3 million) relating to restaurant equipment. £10.4 million (2020: £8.6 million) relating to rider clothing and equipment is within 'other operating expenses' in the consolidated income statement. The write down of inventory to net realisable value recognised as an expense in the year is £1.9 million (2020: £1.5 million). This is recorded within 'administrative expenses' in the consolidated income statement.

21 Trade and other payables

	2021 £m	2020 £m
Trade payables	**25.2**	22.9
Accruals and deferred income	**165.6**	136.1
Other tax and social security payables	**99.3**	61.4
Other payables	**15.1**	11.3
Amounts due to restaurants	**62.8**	51.4
Corporation tax payable	**—**	2.2
Total payables	**368.0**	285.3

The trade and other payables are considered to be short-term, non-interest-bearing and have no security attached. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value.

22 Provisions

	2021 £m	2020 £m
Legal provision	**81.7**	112.2
Earn-out provision	**—**	0.1
Total provisions	**81.7**	112.3

The movement in the provisions during the year is reconciled below:

	Legal provisions £m	Earn-out provision £m
At 1 January 2021	112.2	0.1
Foreign exchange revaluation	(3.3)	—
Additional amounts provided for	13.1	—
Amounts utilised	(12.2)	(0.1)
Amounts released	(6.1)	—
Amounts transferred to accruals	(22.0)	—
Total provisions	**81.7**	**—**

The Group is involved in a number of ongoing legal and arbitration proceedings with third parties, primarily across its European territories. The amounts provided in the legal provision represent our best estimate of associated economic outflows based on the status of proceedings at the time of approval of these financial statements, and are based on current claims from regulators, even where we dispute the amounts claimed. In some instances, court proceedings and investigations are expected to extend for at least 12 months, and as such, depending on the outcomes, the total economic outflow could be different to that currently provided. The Directors will review and revise the amounts of such provisions as necessary as and when new information becomes available. See note 29 for contingent liabilities for similar inspection types in other jurisdictions and differing stages.

Further to the amounts provided above, the challenges of the new on-demand economy means that, like other companies in this industry, some subsidiary companies may eventually be subject to further inspections or litigation of the same nature in the future. The Group would assess any such future challenge on a case-by-case basis. We continue to defend ourselves robustly against challenge of this nature, but we recognise that there are jurisdictions which may seek to regulate the on-demand economy and as a result the risk may be heightened, and we have recognised provisions accordingly. The Directors are confident in the operating model and practices – and will take all reasonable steps to defend its position if so challenged. In addition, the Company and its subsidiaries are engaged with relevant stakeholders to seek to bring greater certainty – together with flexibility – for individuals who work within the on-demand economy.

The earn-out provision relates to the earn-out arrangement arising on the acquisition of Cultivate Software Ltd. This is payable in two tranches a year, and two years post-acquisition.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

23 Share capital

Shares issued and fully paid:	**2021 Shares**	2020 Shares	**2021 £**	2020 £
Ordinary	**—**	1,336,755	**—**	1,336,755
Ordinary A	**1,754,496,973**	—	**8,772,485**	—
Ordinary B	**100,299,642**	—	**501,498**	—
Series A Preferred	**—**	328,947	**—**	328,947
Series B Preferred	**—**	440,579	**—**	440,579
Series C Preferred	**—**	491,566	**—**	491,566
Series D Preferred	**—**	469,150	**—**	469,150
Series E Preferred	**—**	1,243,722	**—**	1,243,722
Series F Preferred	**—**	1,395,544	**—**	1,395,544
Series G Preferred	**—**	1,435,742	**—**	1,435,742
Total shares issued	**1,854,796,615**	7,142,005	**9,273,983**	7,142,005

On 6 April 2021, in connection with the pre-IPO reorganisation, the Roofoods Ltd shareholders entered into a Share-for-Share Exchange Agreement with shareholders of Deliveroo plc. As a result, Deliveroo plc became the ultimate Parent Company of the Group, with a 100% investment in Roofoods Ltd. Prior to Admission, all shares, including those issued as part of the Series H fundraising round in January 2021 (209,306 Series H preferred shares), were converted to Ordinary A and Ordinary B Shares and sub-divided into 200 resulting in a nominal value per share of £0.005.

The share capital presented reflects the share capital structure of Deliveroo plc as if it had been the Parent of the Group during the current period and all comparative periods.

All shares have a nominal value of £0.005. At the year end, the Company and Group has authorised share capital of 1,854,796,615 (2020: 7,142,005). Of these, 1,854,796,615 (2020: 1,336,755) are Ordinary Shares and none (2020: 5,805,250) are preferred shares.

24 Employee benefits

24.1 Employee benefits expense

	2021 £m	2020 £m
Wages and salaries	**169.1**	112.8
Social security costs	**38.2**	39.6
Contributions to defined contribution plans	**6.3**	3.8
Share-based payment charge	**71.1**	48.3
Total employee benefits	**284.7**	204.5

24.2 Average monthly employee numbers

	2021 No.	2020 No.
Sales, marketing and operations	**1,887**	1,695
Technology	**383**	335
Administration	**309**	292
Directors and global management	**33**	27
Total employee numbers	**2,612**	2,349

No distinction is made between full-time and part-time employees in the above analyses.

24 Employee benefits continued

24.3 Share-based payments

The Company operates share schemes for all employees of the Group. The terms of the main current schemes from which the Group's employees benefit are set out below.

Post-IPO Employee Share Plans

Since the Company's admission on the London Stock Exchange on 7 April 2021, the Company has operated new share incentive plans, under the umbrella of the Deliveroo Incentive Plan:

(i) Restricted Share Plan: Nominal Cost options

These are stock options that are granted to employees following the IPO. They give an award holder the right to acquire Deliveroo Class A shares upon exercising the option at a nominal cost of £0.005 per share. Nominal Cost Options are granted to the majority of employees who do not fall under the criteria for alternative plans. The options vest subject to the award holder remaining employed with Deliveroo at the relevant vesting dates and the rules of the Deliveroo Incentive Plan ('DIP'). Awards granted under this scheme vest over four years, with a one-year cliff. Options which remain unexercised after a period of ten years from the date of grant will expire. Unvested options are forfeited if the employee leaves the Group before the options vest.

(ii) Restricted Share Plan: Conditional Share Awards (US)

Conditional Share Awards (sometimes referred to as RSUs or restricted stock units) are awards that are granted following the IPO, and are only applicable to US Taxpayers. They provide the award holder the right to acquire Class A shares upon vesting / settlement of the Award. The grant is "restricted" as the award must vest, and the award holder must remain employed at the time of vesting before they can receive the underlying Class A shares. Award holders are required to pay the nominal value of £0.005 per share at the time the award vests. Awards granted under this scheme vest over four years, with a one-year cliff. Unvested awards are forfeited if the employee leaves the Group before the conditional shares vest.

(iii) Restricted Share Plan: Conditional Share Awards (France)

Conditional Share Awards (France) are awards that are granted following the IPO, and are only applicable to employees based in France. They provide the award holder the right to acquire Class A shares upon vesting / settlement of the Award. The grant is "restricted" as the award must vest, and the award holder must remain employed at the time of vesting before they can receive the underlying Class A shares. Award holders are required to pay the nominal value of £0.005 per share at the time the award vests. Awards granted under this scheme vest over four years, with a two-year cliff. Unvested awards are forfeited if the employee leaves the Group before the conditional shares vest.

(iv) Performance Share Plan: Nominal Cost options

These are stock options that are granted to a subset of employees following the IPO. They give an award holder the right to acquire Deliveroo Class A shares upon exercising the option at a nominal cost of £0.005 per share. Nominal Cost Options are granted to the majority of employees who do not fall under the criteria for alternative plans. The options vest subject to the award holder meeting certain performance criteria, and the award holder remaining employed with Deliveroo at the relevant vesting dates. Awards granted under this scheme vest following a three-year cliff, and are subject to an additional two-year holding period. Options which remain unexercised after a period of ten years from the date of grant will expire. Unvested options are forfeited if the employee leaves the Group before the options vest.

(iv) Performance Share Plan: Conditional Share Awards (US)

These awards (sometimes referred to as RSUs or restricted stock units) are granted to a subset of employees following the IPO, and are only applicable to US Taxpayers. They provide the award holder the right to acquire Class A shares upon vesting/ settlement of the Award. The award holder must remain employed at the time of vesting, and the award holder must meet certain performance criteria before they can receive the underlying Class A shares. Award holders are required to pay the nominal value of £0.005 per share at the time the award vests. Awards granted under this scheme vest following a three-year cliff, and are subject to an additional two-year holding period. Unvested awards are forfeited if the employee leaves the Group before the shares vest.

Pre-IPO Employee Share Plans

The Group maintains the following, equity-settled share-based payment schemes for employees:

- EMI Scheme
- Unapproved option scheme
- French free share plan
- Restricted Stock Units (RSUs)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

24 Employee benefits continued

24.3 Share-based payments continued

Where plans are substantially similar, they are disclosed in aggregate below.

The following table sets out the movement in share awards during the year:

	Employee share options	Employee share options (France and US)	Performance share plans	Total	Weighted average exercise price (£)
Outstanding at 31 December 2019	88,196,400	66,269,400	—	154,465,800	0.04
Granted	24,959,200	9,888,200	—	34,847,400	0.06
Forfeited	(13,028,800)	(2,366,000)	—	(15,394,800)	0.07
Exercised	(11,000,200)	(173,800)	—	(11,174,000)	0.07
Outstanding at 31 December 2020	89,126,600	73,617,800	—	162,744,400	0.04
Granted	23,554,040	49,931,841	5,608,972	79,094,853	0.00
Forfeited	(7,616,896)	(7,215,887)	—	(14,832,783)	0.03
Exercised	(45,429,616)	(60,015,490)	—	(105,445,106)	0.03
Outstanding at 31 December 2021	**59,634,128**	**56,318,264**	**5,608,972**	**121,561,364**	**0.02**
Exercisable at 31 December 2021	19,216,576	4,593,600	—	23,810,176	0.03
Exercisable at 31 December 2020	51,555,355	31,728,845	—	83,284,200	0.04
Exercisable at 31 December 2019	43,893,800	21,287,200	—	65,181,000	0.04
Valuation method	Black-Scholes	Intrinsic value	Monte Carlo		

The weighted average share price for share options exercised during the year was £3.76 (2020: £1.64).

The share options outstanding as at 31 December 2021 had a weighted average remaining contractual life of 8.4 years (2020: 6.8 years) and the range of exercise prices was £0.00-£0.08 (2020: £0.00-£0.08).

The fair value of employee share options granted was determined using a Black-Scholes model, taking into account the terms and conditions under which the options were granted. The following table lists the principal assumptions used in the valuation:

	2021	2020
Vesting period	**1 month – 4 years**	1 month – 4 years
Volatility	**43%**	41%
Option life	**9.5 years**	3 years
Risk-free investment rate	**0.762%**	-0.11%
Weighted average share price	**£2.83**	£1.64
Weighted average exercise price at grant date	**£0.00**	£0.08

The underlying expected volatility was determined by reference to historical data of a peer group of similar companies' shares.

Employee share options (France and US) are accounted for using the intrinsic value method with the key assumptions as follows:

	2021	2020
Grant price	**£0.00**	£0.00
Weighted average market price	**£3.56**	£1.62
Attrition rate	**52%**	57%

24 Employee benefits continued

24.3 Share-based payments continued

The performance share plans are valued using the Monte Carlo method; and as a new share plan in 2021, there are no comparatives to disclose. However the assumptions for 2021 are as follows:

	2021
Exercise price	**£0.005**
Volatility	**43%**
Expected life	**3 years**
Risk-free investment rate	**0.0177%**
Dividend yield	**0%**

The underlying expected volatility was determined by reference to historical data of a peer group of similar companies' shares.

In total the charge shown in the table in note 24.1 relating to the equity-settled share-based payment plan has been included within 'administrative expenses' in the income statement, and credited to equity.

25 Reconciliation of cash used in operations

	2021 £m	2020 £m
Cash flows from operating activities		
Operating loss	**(308.8)**	(221.1)
Depreciation and amortisation	**43.3**	35.1
Loss on disposal of fixed assets	**1.3**	0.5
Loss on disposal of right-of-use asset	**0.3**	—
Impairment of right-of-use asset	**0.2**	—
Gain on disposal of lease liability	**(0.2)**	—
Share-based payments charge	**71.1**	48.3
(Increase)/decrease in inventories	**(10.0)**	1.4
(Increase) in trade and other receivables	**(14.1)**	(28.9)
Increase in trade and other payables	**79.8**	94.0
(Decrease)/increase in provisions	**(30.6)**	78.1
Cash (used in)/generated from operations	**(167.7)**	7.4

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

26 Auditor's remuneration

	2021 £m	2020 £m
Remuneration for audit of the 2021 financial statements	**2.0**	—
Remuneration for audit of the 2020 financial statements	**0.5**	1.1
Remuneration for audit of the 2019 financial statements	**0.1**	0.3
Audit related assurance services	**0.1**	—
Tax advisory services	**0.6**	0.1
Other assurance services	**1.1**	0.8
Total auditor's remuneration	**4.4**	2.3

The parent company incurred £0.3 million (2020: £nil) in relation to UK statutory audit fees for the year.

27 Financial instruments

27.1 Categories of financial instruments

	2021 £m	2020 £m
Financial assets at amortised cost		
Trade and other receivables (excluding prepayments)	**90.0**	81.2
Cash and cash equivalents	**1,290.9**	379.1
Total	**1,380.9**	460.3

	2021 £m	2020 £m
Financial assets at FVTPL		
Shares	**2.9**	—
Total	**2.9**	—

	2021 £m	2020 £m
Financial liabilities at amortised cost		
Trade and other payables	**(268.7)**	(285.3)
Total	**(268.7)**	(285.3)

27.2 Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments, the most significant of which are market risk, credit risk and liquidity risk. The Group's risk management is co-ordinated at its headquarters, in close co-operation with the Board of Directors, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes or write options. The most significant financial risks to which the Group is exposed are described on pages 179 and 180.

27 Financial instruments continued

27.3 Market risk

The Group is exposed to market risk through its use of financial instruments, and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Group's transactions are carried out in Sterling. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US Dollars, Euros, Australian Dollars, Hong Kong Dollars, Singapore Dollars and United Arab Emirates Dirham as well as funds held in US dollars. To mitigate the Group's exposure to foreign currency risk, non-Sterling cash flows are monitored in accordance with the Group's risk management policies.

The carrying amounts of the Group's cash balances held in foreign currency at the reporting date were as follows:

	2021 £m	2020 £m
USD	**55.4**	89.3
EUR	**69.8**	63.9
AUD	**4.2**	4.9
HKD	**3.4**	0.6
SGD	**6.1**	6.7
KWD	**3.7**	0.7
AED	**39.4**	18.5

The following table illustrates the sensitivity of exchange rate movements in regard to the Group's financial assets and liabilities, all other things being equal. It assumes a +/- 10% change of the exchange rates for the year ended at 31 December 2021.

	Cash increase/(decrease)			
	10% strengthening		10% weakening	
	2021 £m	2020 £m	**2021 £m**	2020 £m
USD	**(5.2)**	(8.2)	**6.0**	9.8
EUR	**(6.3)**	(5.7)	**7.9**	7.2
AUD	**(0.3)**	(0.4)	**0.5**	0.5
HKD	**(0.3)**	0.2	**0.4**	0.3
SGD	**(0.6)**	(0.7)	**0.6**	0.7
KWD	**(0.3)**	—	**0.4**	0.2
AED	**(3.7)**	(1.8)	**4.3**	2.0

The Group's sensitivity to fluctuations in foreign currencies is the result of holdings in foreign currency due to fundraising in USD and the growth of overseas entities. The sensitivity performed is a reasonable approximation of possible future changes. Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CONTINUED

27 Financial instruments continued

27.4 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2021 £m	2020 £m
Cash and cash equivalents	**1,290.9**	379.1
Trade and other receivables (excluding prepayments)	**90.0**	81.2
Total financial assets	**1,380.9**	460.3

The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group considers that £2.5 million (2020: £2.3 million) of trade and other receivables included within the above financial assets are impaired, with the remainder not impaired. Impairment is calculated based on an age analysis of receivables as well as awareness of individual receivable balances.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk in relation to any single counterparty or any group of counterparties having similar characteristics. The Group holds no financial assets that are past due as at the end of the reporting date but not impaired.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with investment grade (with weighted average investment grade AA-) external credit ratings.

27.5 Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business.

The Group's objective is to maintain cash to meet its liquidity requirements. This objective was met for the reporting periods by keeping all cash as readily available. Funding for long-term liquidity needs is additionally secured by the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables are considered sufficient for the current cash outflow requirements.

On 7 April 2021, Roofoods Ltd (as borrower and guarantor), Deliveroo France SAS, Deliveroo Ireland Limited and Deliveroo Italy SRL (as guarantors) entered into a revolving credit facility agreement (the RCF) with a small group of lenders, providing Sterling and Euro denominated revolving credit facilities of up to £150 million for general and working capital purposes of the Group. The key terms of the RCF include: (i) Roofoods Ltd as initial borrower; (ii) an initial term of 36 months which can be extended for up to an additional 24 months; (iii) provision of information covenants and financial covenants; (iv) the provision of guarantees by certain Group companies in respect of certain obligations under the RCF; and (v) springing security if a minimum liquidity level is breached for multiple testing periods. To date, no drawdowns have been made pursuant to the RCF.

The Group's financial liabilities measured at amortised cost are all made up of trade and other payables. They have contractual maturities as follows:

	2021 £m	2020 £m
Within one year	**268.7**	285.3
Total	**268.7**	285.3

The above amounts reflect the contractual undiscounted cash flows, which are in line with the carrying values of the liabilities at the reporting date.

28 Related party transactions

Transactions with key management personnel

	2021 £m	2020 £m
Wages and salaries	**27.2**	5.0
Post-retirement benefits	**0.1**	0.1
Termination payments	**—**	0.1
Share-based payment charge	**47.9**	23.3
Total remuneration	**75.2**	28.5

29 Contingent liabilities and guarantees

As regulators consider the new on-demand economy, from time-to-time companies operating in the gig economy will be subject to regulatory inspections and investigations. Certain companies in the Group are currently subject to such investigations about elements of our operating model. Whilst we defend ourselves robustly in such cases, we recognise the inherent uncertainty connected to regulatory inspections and investigations. Due to the stage of completion of such discussions, it is not possible to predict, with any reasonable certainty, the likely outcome. However, whilst we consider that the chance of economic outflow is not probable at this stage, it is possible that economic outflow could be needed to settle all or some of these claims at the eventual conclusion of such matters.

Depending on the outcomes, the total economic outflow in relation to the quantifiable contingent liabilities is estimated to be £37.3 million (2020: £10.3 million). In addition to this, there is a new regulatory challenge at an extremely early stage. As such, it is difficult at this time to quantify a potential economic outflow, and we will continue to refine our calculation; however at the time of signing of the financial statements, we have assessed a range of economic outflows representing our best estimate in the event of a potential adverse outcome, which could range from £75 million to £200 million. There are further contingent liabilities which are not, at this time, quantifiable, due to the lack of available information to enable such estimation. The Directors will review the amounts of such contingent liabilities as necessary throughout the duration of the relevant proceedings and revise amounts accordingly as and when new information is available.

The Group has issued guarantees totalling £7.6 million. Of this, £6.8 million relates to guarantees provided to tax authorities. The remainder primarily relates to office rental guarantees.

On 9 December 2021, the European Commission published proposals on the regulation of platform work. The proposals recognise that the majority of platform workers will be confirmed as self-employed. The proposals contain a 'rebuttable presumption' of employment, in which platform workers would be presumed to be employees should two of five criteria set out in the proposals be met. Any such determination could be challenged ('rebutted') by a platform. Any such challenge would be based on existing domestic employment law. The proposals are at an early stage and subject to consultation, and, if adopted, will be applied prospectively. As such, at this time there is no impact on our calculation and recognition of contingent liabilities or provisions. Deliveroo believes the proposals could provide welcome clarity on the tests to determine the status of platform workers and is contributing to the consultation process.

30 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

PARENT COMPANY BALANCE SHEET

As at 31 December 2021

Registration number: 13227665

	Note	2021 £m
Fixed assets		
Investments	6	**3,922.4**
Intercompany loan	3	**1,035.5**
		4,957.9
Current assets		
Debtors	4	**48.1**
Cash at bank and in hand	5	**0.2**
		48.3
Net assets		**5,006.2**
Capital and reserves		
Called up share capital	7	**9.3**
Share premium reserve		**1,013.0**
Merger reserve		**3,915.2**
Profit and loss account		**68.7**
Shareholders' funds		**5,006.2**

As permitted by Section 408 of the Companies Act 2006, the Company's Statement of profit or loss has not been included in these financial statements. The Company recorded a profit for the period to 31 December 2021 of £11.0 million.

Approved and authorised by the Board on 24 March 2022 and signed on its behalf by:

Adam Miller
Director

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

For the period from 25 February 2021 to 31 December 2021

	Share capital (Note 7) £m	Share premium £m	Merger reserve £m	Profit and loss account £m	Total £m
Profit for the period and comprehensive income	—	—	—	11.0	11.0
Employee share-based payment awards	—	—	—	57.7	57.7
Issue of share capital	9.3	1,013.0	3,915.2	—	4,937.5
At 31 December 2021	**9.3**	**1,013.0**	**3,915.2**	**68.7**	**5,006.2**

NOTES TO THE FINANCIAL STATEMENTS

For the period from 25 February 2021 to 31 December 2021

1 General information

The Company is a public company limited by share capital, incorporated in England and Wales.

Deliveroo plc (formerly Deliveroo Holdings Limited) (the 'Company') was incorporated in England and Wales on 25 February 2021 as Bruno and Albi Limited, a private company limited by shares in the United Kingdom, renamed Deliveroo Holdings Limited on 5 March 2021 and re-registered as a public company limited by shares and renamed Deliveroo Holdings Plc on 10 March 2021. Deliveroo Holdings Plc was subsequently renamed Deliveroo Plc on 18 April 2021.

The Company's principal activity is that of a holding company. On 7 April 2021, the Company was admitted to the London Stock Exchange.

The address of its registered office is:

The River Building
Level 1 Cannon Bridge House
1 Cousin Lane
London
EC4R 3TE
United Kingdom

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the period presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Amounts are presented in GBP and to the nearest million pounds (to one decimal place) unless otherwise noted.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions permitted by FRS 102:

- the requirements of Section 7 'Statement of Cash Flows' and Section 3 'Financial Statement Presentation', paragraph 3.17(d);
- the requirements of Section 11 'Financial Instruments', paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), and 11.48(c); and
- the requirements of Section 33 'Related Party Disclosures', paragraph 33.7.

Name of Parent of Group

These Parent Company financial statements are consolidated in the Group financial statements of Deliveroo Plc.

The consolidated financial statements of Deliveroo Plc may be obtained from https://corporate.deliveroo.co.uk/.

Disclosure of long or short period

The principal accounting policies adopted in the preparation of the financial statements are set out below. The Company has presented a period from incorporation on 25 February 2021 to 31 December 2021 and the policies have been consistently applied to the period presented, unless otherwise stated.

Going concern

These financial statements have been prepared on the going concern basis, which assumes continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At the reporting date, the Company's current assets exceed its current liabilities by £48.3 million and it has net assets of £5,006.2 million for the period ended 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the period from 25 February 2021 to 31 December 2021

2 Accounting policies continued

Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the Director is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no key sources of estimation uncertainty at the balance sheet date that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies.

Tax

Any tax expense or credit recognised in the income statement is based on the results for the period as adjusted for items which are disallowed or not taxed. It is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is calculated using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. However, deferred tax is not provided on the initial recognition of goodwill or on the initial recognition of an asset or liability unless the related transaction is a business combination or affects tax or accounting profit. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not recognised if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

Investments

Investments in subsidiaries are stated at cost less cumulative impairment losses.

Investments are reviewed for potential impairment indicators at least annually, and where such indicators exist, an impairment review is carried out. Potential impairment indicators includes the market capitalisation of the Group being below the Group's net asset value. The recoverable amount of the Group's cash generating units as used for impairment testing the Group's goodwill and intangible assets also supports the recoverable amounts of the parent company's investments and intra-Group balances.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade debtors

Trade and other receivables include amounts due from related parties and other amounts due from third parties. They are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

2 Accounting policies continued

Share capital

Share capital represents the fair value of shares that have been issued. Any transaction costs directly attributable to the issuing of new shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- share premium – comprises the difference between the value of the shares on issue and their nominal value;
- share options reserve – comprises equity-settled share-based remuneration;
- profit and loss account – comprises all current period profit/(loss); and
- merger reserve – comprises the difference between the fair value of Roofoods Ltd as at 6 April 2021 and the nominal value of shares acquired by Deliveroo plc as part of the Share-for-Share exchange which took place prior to Admission.

Share-based payments

The Group operates share-based compensation plans for employees. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense in the statement of comprehensive income, with a corresponding credit to the share option reserve. The expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Vesting conditions may have market or non-market criteria, and are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates, and taking into account the number of equity instruments which have been cancelled, modified or forfeited in the period.

It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods, if equity instruments expected to vest differs from previous estimates. Upon exercise of equity instruments the proceeds received net of any directly attributable transaction costs are allocated to share capital and share premium.

The Group maintains an employee benefit trust (EBT) which facilitates an internal market for participants in employee share-based compensation plans to sell their shares in the Company.

3 Intercompany loan

	2021 £m
Intercompany loan – Roofoods Ltd	**1,035.5**

4 Debtors

	2021 £m
Amounts owed by related parties	**48.0**
Other debtors	**0.1**
	48.1

5 Cash and cash equivalents

	2021 £m
Cash and short-term deposits	**0.2**

6 Investments

	2021 £m
Investments	**3,922.4**

On 6 April 2021, the Company issued Ordinary Shares in a share for share exchange with the shareholders of Roofoods Limited. Consequently, Deliveroo plc directly owns 100% of Roofoods Limited.

NOTES TO THE FINANCIAL STATEMENTS CONTINUED

For the period from 25 February 2021 to 31 December 2021

6 Investments continued

Details of undertakings

Investments in subsidiaries of the Company consist of the following, all of which are included in the Group consolidated results for the year:

2021 Undertaking	Registered office	Holding	Proportion of Ordinary Shares held
Subsidiary undertakings			
Roofoods Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE UK	Ordinary	100%
Roofoods (USA) Inc.	2711 Centerville Road, Suite 400, Wilmington, New Castle County, Delaware 19808 USA	Ordinary	100%
Deliveroo France SAS	1 bis avenue de la République, 75011 Paris France	Ordinary	100%
Deliveroo Germany GmbH*	c/o Cormoran GmbH, Am Zirkus 2, 10117, Berlin, Germany	Ordinary	100%
Deliveroo Ireland Ltd	2 Dublin Landings, North Dock, Dublin 1	Ordinary	100%
Deliveroo Netherlands BV	Raamplein 1, 1016 XK Amsterdam The Netherlands	Ordinary	100%
Deliveroo Belgium SPRL	Spaces, Rue des Poissonniers 13, 1000 Bruxelles Belgique	Ordinary	99.9%
Roofoods Spain SL	Calle Antonio González Echarte, 1, 28029 Madrid Spain	Ordinary	100%
Deliveroo Australia Pty Ltd	Level 2, 161 Collins St, Melbourne VIC 3000 Australia	Ordinary	100%
Deliveroo Singapore Pte Ltd	135 Cecil Street, #10-01, MYP Plaza, 69536 Singapore	Ordinary	100%
Deliveroo Hong Kong Ltd	Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay Hong Kong	Ordinary	100%
Deliveroo Italy SRL	Deliveroo c/o Il Parallelo via Carlo Bo, 11 20143 Milano	Ordinary	100%
Deliveroo DMCC	Unit No 123, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai UAE	Ordinary	100%
Deliveroo SP Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE UK	Ordinary	100%
Deliveroo International Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE UK	Ordinary	100%
Roofoods Food Delivery LLC	API Trio Tower, 32F – Al Barsha 1, Dubai UAE	Ordinary	49%
Deliveroo Editions DMCC	Unit C05, Swiss Tower, Plot No. JLT-PH2-Y3A, Jumeirah Lakes Towers, Dubai UAE	Ordinary	100%
Roofoods Editions Restaurant LLC	Shop 07, Majestic Tower, Business Bay, Dubai UAE	Ordinary	49%
New Skies SPV Limited	P.O. Box 35665, 34, Al Maqam Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi UAE	—	—
Roofoods Consumer Products Delivery Gulf SPC	Kuwait City, Qiblah Block 9, Ahmed Al-Jaber Street, Zumeridah Tower, Mezzanine 2, Office Number 4 Kuwait	—	—
Roofoods Restaurant LLC	L1-016-WTC Mall, Abu Dhabi, United Arab Emirates	Ordinary	49%
Deliveroo SPC Limited	1306, Level 13, Al Fattan Currency House, Tower 2, Dubai International Financial Centre, Dubai, 506615, United Arab Emirates UAE	—	—
Editions SPC Ltd	Unit 06, 07 , Level 13, Currency House, Tower 2, Dubai International Financial Centre, Dubai, 506615 UAE	—	—
Deliveroo HOP Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE United Kingdom	Ordinary	100%

6 Investments continued
Details of undertakings continued

2021

Undertaking	Registered office	Holding	Proportion of Ordinary Shares held
Delivery HOP Italy SRL	Deliveroo c/o Il Parallelo via Carlo Bo, 11 20143 Milano Italy	Ordinary	100%
Deliveroo sp. z o.o.	ul. ALEJE UJAZDOWSKIE, nr 41, WARSZAWA, 00-540, WARSZAWA Poland	Ordinary	100%
New Skies General Trading SPC	Kuwait City, Qibla Block 9, Ahmed Al-Jaber Street, Plot 7A, Mezzanine 2 Floor, Office Number 11 Kuwait	—	—
Roofoods Management 1 Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London EC4R 3TE United Kingdom	Ordinary	100%
Deliveroo Editions Food Preparation Management Company SPC	Moubarak al Kabeer, West Abu Fateerah, block 1, street 25, building 513, floor 1	—	—
Cultivate Software Ltd**	7 Exchange Crescent, Conference Square, Edinburgh EH3 8AN	Ordinary	100%
Roofoods Private Limited	2nd Floor, SKYVIEW 10, The Skyview, Sy no 83/1 Raidurgam, Hitech City Main Rd Hyderabad, TELANGANA 500081 India	Ordinary	100%
Deliveroo HOP Trading LLC	Plot Number 674/289 – Control Tower Retail – R#4 PO Box 24980	Ordinary	100%

* Ceased trading in 2019.

** In liquidation throughout the period.

7 Share capital
Shares issued and fully paid
During the period 1,754,496,973 Ordinary A shares having an aggregate nominal value of £8,772,485 were allotted.

During the period 100,299,642 Ordinary B shares having an aggregate nominal value of £501,498 were allotted.

8 Parent and ultimate parent undertaking
The Parent Company financial statements are consolidated in the Group financial statements of Deliveroo plc, which are available from https://corporate.deliveroo.co.uk/.

9 Non-adjusting events after the financial period
The Company intends to undertake a court-approved capital reduction to cancel the amount standing to the credit of its share premium account in full (the "Capital Reduction"). The Capital Reduction, when completed, will create distributable reserves to allow the Company (among other things) to pay dividends in the future.

4-YEAR FINANCIAL SUMMARY

£m unless stated	2018	2019	2020	**2021**
Selected operating metrics				
Orders (m)	72.4	118.5	173.7	**300.6**
GTV per order* (£)	22.2	21.3	22.9	**22.1**
GTV*	1,609.9	2,521.7	3,978.8	**6,631.0**
Revenue	476.1	771.8	1,163.0	**1,824.4**
Cost of sales	(384.9)	(583.2)	(815.3)	**(1,327.1)**
Gross profit*	91.2	188.6	347.7	**497.3**
Marketing and overheads*	(289.0)	(415.5)	(358.5)	**(628.7)**
Adjusted EBITDA*	(197.7)	(226.9)	(10.8)	**(131.4)**
YoY % change in constant currency*				
Orders	82%	64%	51%	**73%**
GTV per order*	(9%)	(4)%	6%	**(2)%**
GTV*	65%	57%	62%	**70%**
% of GTV*				
Revenue	29.6%	30.6%	29.2%	**27.5%**
Gross profit*	5.7%	7.5%	8.7%	**7.5%**
Marketing and overheads*	(17.9)%	(16.5)%	(9.0)%	**(9.5)%**
Adjusted EBITDA*	(12.3)%	(9.0)%	(0.3)%	**(2.0)%**
Selected metrics: Consolidated Income Statement				
Adjusted EBITDA*	(197.7)	(226.9)	(10.8)	**(131.4)**
Depreciation and amortisation	(15.8)	(29.3)	(34.4)	**(43.0)**
Share based payments charge and accrued national insurance on share options	(43.6)	(31.0)	(73.2)	**(87.6)**
Loss for the period attributable to owners of the Company▹	(232.0)	(317.3)	(226.4)	**(308.5)**
Selected metrics: Consolidated Statement of Cash Flows				
Net cash generated from operating activities▹	(176.3)	(198.7)	7.4	**(167.7)**
Purchase of property, plant and equipment▹	17.8	5.0	5.8	**21.4**
Acquisition of intangible assets▹	17.0	21.4	20.5	**34.6**
Cash and cash equivalents at the end of the period▹	184.6	229.8	379.1	**1,290.9**

Deliveroo ceased operations in Germany in August 2019, Taiwan in April 2020, and Spain in November 2021. In accordance with IFRS 5, Spain has been classified as a discontinued operation in 2021 and results for 2020 have been restated (results for 2018 and 2019 have not been restated); neither Germany nor Taiwan has been classified as a discontinued operation. In this summary, all figures are for continuing operations in the period, except for those marked with a triangle (▹), which are for continuing and discontinued operations in the period.

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

GLOSSARY

£
Pound (GBP).

€
Euro (EUR).

Adjusted EBITDA*
Gross profit less marketing and overhead expenses; it excludes *inter alia* depreciation and amortisation, exceptional costs, exceptional income, and share-based payments charge.

Admission
The date that Deliveroo Plc was admitted to the London Stock Exchange (7 April 2021).

Annual General Meeting (AGM)
Meeting of shareholders of the Company held each year to consider ordinary and special business as provided in the Notice of AGM.

Articles
The Articles of Association of Deliveroo plc.

Average order frequency (AOF)
The average number of orders placed by active consumers in a month.

Average order value (AOV)
The total gross merchandise value divided by the total number of orders.

BEIS
The Department for Business, Energy and Industrial Strategy, the UK government department responsible for business, industrial strategy, and science and innovation with energy and climate change policy.

Board
The Board of Directors of Deliveroo plc.

Business segments
The Company operates in two segments: the UK and Ireland (UKI) segment and the International segment, comprising the remainder of the Company's markets.

CAGR
Compound annual growth rate.

CEO
Chief Executive Officer & Founder, Will Shu.

CFO
Chief Financial Officer, Adam Miller.

The Company, the Group, Deliveroo, we, our or us
We use these terms to refer to either Deliveroo Plc itself or certain of its subsidiaries, depending on context.

Class A Ordinary Shares
The Class A Ordinary shares are listed on the standard listing segment of the Financial Conduct Authority's Official List and traded on the Main Market for listed securities of the London Stock Exchange. The rights and restrictions are set out in the Company's Articles.

Class B Ordinary Shares
The Class B Ordinary Shares are not admitted to listing and trading and are held by the Company's CEO, Will Shu. The rights and restrictions are set out in the Company's Articles.

Consolidated financial statements
Financial statements that include the results and financial position of the Company and its subsidiaries together as if they were a single entity.

Consumer NPS
Consumer Net Promoter Score. A customer loyalty and satisfaction measurement taken from asking customers how likely they are to recommend Deliveroo.

COVID-19 or coronavirus disease
The disease caused by Severe Acute Respiratory Syndrome Coronavirus 2, which is responsible for the ongoing global pandemic that has impacted the Company's operations.

CMA
The UK Competition and Markets Authority.

DEFRA
Department for environment, food and rural affairs.

Deliveroo Hop or Hop
Deliveroo's new rapid grocery delivery service operating from delivery-only stores and offering groceries in as little as 10 minutes.

DE&I
Diversity, equity and inclusion.

DIB
Diversity, Equity, Inclusion and Belonging employee groups which currently include Gender Equality, Racial Equality, LGBTQ and Wellbeing.

Directors or Executive Directors or Non-Executive Directors (NEDs)
The Directors, Executive Directors and Non-Executive Directors of the Company.

DSP awards
Deferred share awards granted as part of the annual bonus under the Deliveroo plc Incentive Plan.

Earnings per share (EPS)
Profit for the year attributable to equity shareholders of the Company allocated to each Ordinary Share.

Editions
Deliveroo's delivery-only kitchens which offer opportunities for restaurants to expand to new areas and increase choice in local neighbourhoods for consumers.

Employees
Employees of the Group.

Employee engagement
Deliveroo uses the Peakon employee engagement survey tool, asking for monthly employee feedback on a wide range of topics.

ESG
Environmental, Social and Governance.

Executive Management
Deliveroo's Executive Directors and the Executive Committee as detailed on the Deliveroo website.

Financial year
The year ended 31 December.

FRC
Financial Reporting Council.

Gross merchandise value (GMV)
The total value of food baskets (net of any discounts), excluding from our Signature offering, and is represented excluding any consumer fees, tips, VAT, or other sales-related taxes.

GLOSSARY CONTINUED

Gross profit
Gross profit is calculated as revenue less costs of sales, which primarily comprises rider costs and credit card fees.

Gross profit margin (as % of GTV)
Gross profit divided by GTV.

Gross transaction value (GTV)
Comprises the total value of food baskets (net of any discounts) and consumer fees, excluding from our Signature offering, and is represented including VAT and other sales-related taxes but excluding any discretionary tips

Hyperlocal
The localised nature of Deliveroo's business.

IAS
International Accounting Standards as issued by the IASB.

IASB
International Accounting Standards Board.

IFRS
International Financial Reporting Standards as issued by the IASB as adopted by the EU.

IPO
Initial public offering. Deliveroo became a public listed company following Admission on 7 April 2021.

KPI
Key performance indicator.

Monthly active consumers
The monthly active consumers (MACs) is the number of individual consumer accounts that have placed an order on our platform in a given month.

Orders
The total number of orders delivered from our platform, including from our Marketplace and Signature offering, over the period of measurement.

Plus
Deliveroo's consumer subscription programme that unlocks access to unlimited free delivery for a fixed monthly fee.

PSP awards
Performance Share Plan awards. Long term incentive plan awards with performance conditions, issued under the Deliveroo plc Incentive Plan.

Remuneration Policy
The Directors' Remuneration Policy (subject to approval at the 2022 AGM).

Remuneration Reporting Regulations
Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

Risk appetite
The nature and extent of the principal risks Deliveroo is willing to take to achieve its long-term strategic objectives.

RSP awards
Restricted Share Plan awards under the Deliveroo Plc Incentive Plan.

Restricted Stock Units (RSUs)
Restricted Stock Unit awards under the Deliveroo plc Incentive Plan.

Senior Managers or Senior Management
Individuals in our organisational structure who are 'Levels 8' or above, excluding the Executive Directors.

Signature
Deliveroo's white label offering, enabling restaurant partners to create a direct channel to consumers for delivery, while leveraging Deliveroo's technology platform, logistics network, and consumer care to facilitate that delivery.

Scope 1 emissions
Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by the Company.

Scope 2 emissions
Scope 2 emissions are greenhouse gas emissions from the generation of purchased electricity consumed by the Company.

Scope 3 emissions
Scope 3 emissions are indirect greenhouse gas emissions as a consequence of the operations of the Company, but are not owned or controlled by the Company.

Shareholders
The holders of Shares in the capital of the Company.

Shares
The shares in the capital of the Company from time to time, which from Admission shall consist of the Class A Shares and the Class B Shares, each having the rights set out in the Articles from time to time.

SID
Senior Independent Director.

Subsidiary or Subsidiaries
A company or other entity(ies) that is/are controlled by Deliveroo.

The three sides of the marketplace
(1) consumers, (2) riders and (3) restaurant and grocery partners.

TAM
Total Addressable Market.

The UK Corporate Governance Code (the Code)
Guidance, issued by the Financial Reporting Council in 2018, on how companies should be governed, applicable to UK listed companies, in respect of reporting periods starting on or after 1 January 2019.

tCO_2e
Tonnes (t) of carbon dioxide (CO_2) equivalent (e).

TSR
Total Shareholder Return.

VP
Vice President.

GLOSSARY – ALTERNATIVE PERFORMANCE MEASURES

The Group assesses performance using Alternative Performance Measures (APMs) which are not defined under IFRS. Definitions of measures and reconciliations to amounts presented in the financial statements are set out below.

Metric	Definition and purpose	Reconciliation to GAAP measure
Financial measures		
Gross merchandise value (GMV)	Gross merchandise value (GMV) is the total value of food baskets (net of any discounts), excluding from our Signature offering, and is represented excluding any consumer fees, tips, VAT, or other sales-related taxes. GMV is commonly used among platform companies for understanding the value of goods traded on a marketplace.	See definition for calculation method
Gross transaction value (GTV)	GTV comprises the total value of food baskets (net of any discounts) and consumer fees, excluding from our Signature offering, and is represented including VAT and other sales-related taxes but excluding any discretionary tips. As such, GTV represents the total value paid by consumers, excluding any discretionary tips. It is a widely used measure for understanding the total value spent by consumers on our marketplace. Spain discontinued operations are excluded from GTV in 2020-21 but included for 2018-19.	See definition for calculation method
Average order value (AOV)	Average order value (AOV) is defined as the total gross merchandise value divided by the total number of orders. AOV is considered a key driver of the Group's GTV. Spain discontinued operations are excluded from AOV in 2020-21 but included in 2018-19.	See definition for calculation method
Gross transaction value per order	Gross transaction value per order (or GTV per order) is defined as the total gross transaction value divided by the total number of orders. GTV per order is used as a measure for understanding the total value spent by consumers on our marketplace on a unit basis. Spain discontinued operations are excluded from GTV per order in 2020-21 but included for 2018-19.	See definition for calculation method
Revenue take rate (as % of GTV)	Revenue take rate is revenue divided by GTV. It is a widely used measure for understanding the proportion of total value spent by consumers on our marketplace that is captured by Deliveroo.	See definition for calculation method
Gross profit	Gross profit is calculated as revenue less costs of sales, which primarily comprises rider costs and credit card fees. Gross profit is used to calculate gross profit margin which is considered a good measure of profitability at a transactional level.	See below for reconciliation
Gross profit margin (as % of GTV)	Gross profit margin as a percentage of GTV is defined as gross profit divided by GTV. It is considered a good measure of profitability at a transactional level.	See definition for calculation method
Marketing and overheads	Marketing and overheads represent the difference between gross profit and adjusted EBITDA. For the purposes of assessing and managing performance, Deliveroo's fixed cost base has been split into two major categories: marketing and overheads. Marketing costs are a combination of both brand-building activities and activities focused on in-period acquisition. Overheads consist of staff costs, the non-capitalised portion of costs relating to information technology, and other administrative expenses.	See below for reconciliation
Adjusted EBITDA	Adjusted EBITDA represents loss for the year before income tax charge/credit, finance costs, finance income, depreciation and amortisation, exceptional costs, exceptional income, legal and regulatory settlements and provisions, and share-based payments charge and accrued national insurance on share options. Adjusted EBITDA is considered to be a measure of the underlying trading performance of the Group and is used, amongst other measures, to evaluate operations from a profitability perspective, to develop budgets, and to measure performance against those budgets. EBITDA less capital expenditure and capitalised development costs is used as a further measure of underlying operating profitability of the business.	See below for reconciliation

GLOSSARY – ALTERNATIVE PERFORMANCE MEASURES CONTINUED

Adjusted EBITDA margin (as % of GTV)	Adjusted EBITDA margin is defined as adjusted EBITDA divided by GTV. It is used, amongst other metrics, as a measure of operating profitability.	See definition for calculation method
Segment adjusted EBITDA	Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance focuses on a geographical split of the Group between 'UK and Ireland' and 'International' (being overseas jurisdictions other than UK and Ireland). The CODM primarily uses segment adjusted EBITDA to assess the performance of the operating segments.	See note 4 for further information
Exceptional items (income/ costs)	Exceptional income and exceptional costs are items where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business and are deemed material to the understanding of the Group's accounts.	See note 11 for further information
Constant currency	Constant currency adjusts for period-to-period local currency fluctuations. The Group uses constant currency information because the Directors believe it allows the Group to assess consumer behaviour on a like-for-like basis to better understand the underlying trends in the business.	See definition for calculation method

Reconciliation to financial statements	**2021 £m**	2020 £m
Operating loss	**(304.3)**	(208.8)
Depreciation	**19.3**	16.6
Amortisation	**23.7**	17.8
EBITDA	**(261.3)**	(174.4)
Share-based payments charge and accrued national insurance on share options	**87.6**	73.2
Legal provisions and other settlements	**7.5**	70.9
Exceptional items*	**34.8**	19.5
Adjusted EBITDA*	**(131.4)**	(10.8)
Marketing and overheads*	**628.7**	358.5
Gross profit*	**497.3**	347.7

* To supplement performance assessment, Deliveroo uses Alternative Performance Measures (APMs), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 191.

COMPANY AND SHAREHOLDER INFORMATION

Registered office
The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE

Managing your shares and shareholder communications
The Company's share register is maintained by our registrar, Equiniti. Shareholders with queries relating to their shareholding should contact Equiniti directly using one of the methods listed below:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: 0371 384 2030*

Telephone (outside UK): +44 121 415 7047

Online: help.shareview.co.uk

Website: www.equiniti.com

* Lines are open Monday to Friday 8.30am to 5.30pm, excluding public holidays in England and Wales

Shareholders can manage their holdings online or elect to receive shareholder documentation/ communication in electronic form by registering at www.shareview.co.uk. Shareholders who have elected to receive electronic communication but require a paper copy of any of the Company's shareholder documentation, or wish to change their instructions, should contact Equiniti directly using one of the methods listed above.

Annual General Meeting (AGM)
The Board currently intends to hold the AGM in May 2022. The arrangements for the Company's 2022 AGM and details of the resolutions to be proposed, together with explanatory notes, will be set out in the Notice of AGM to be published on the Company's website.

Independent auditor
Deloitte LLP
1 New Street Square, London, EC4A 3HQ

Corporate website
You can access the corporate website at https://corporate.deliveroo.co.uk. The corporate website provides useful information including annual reports, results announcements and share price data, as well as background information about the Company and current issues. Shareholders are encouraged to sign up to receive email notification of results and press announcements as they are released by registering at https://corporate.deliveroo.co.uk.

Share price information
The latest Deliveroo plc share price can be found on our website at https://corporate.deliveroo.co.uk.

ShareGift
Shareholders who only have a small number of shares whose valuation makes it uneconomic to sell them may wish to consider donating them to charity through ShareGift, the independent charity share donation scheme (registered charity no. 1052686). Further information may be obtained from ShareGift on 020 7930 3737 or at sharegift.org.

Shareholder fraud
Fraud is on the increase and many shareholders are targeted every year. If you have any reason to believe that you may have been the target of a fraud, or attempted fraud in relation to your shareholding, please contact Equiniti immediately.

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