

# **Just Eat Limited**

## **Annual Report and Accounts 2019**



**Company number**  
06947854

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\* On 31 January 2020 the offer by Takeaway.com for Just Eat plc became fully unconditional. On 2 March 2020, the premium listing of Just Eat shares was cancelled and the Company ceased to be listed. Just Eat plc was subsequently re-registered as Just Eat Limited.

# Our business model

## Offering the broadest choice for Customers and helping restaurants prosper

Our hybrid business model leverages proprietary world-class capabilities offering the best and broadest choice to our customers, while creating value for our Restaurant Partners and people.

### How our model works

Our brands attract millions of customers to our global platform. Customers use the app to discover new food or reorder their favourites. We provide an unrivalled range of choice with access to 119,600 restaurants. Customers can make their payment seamlessly and safely on our app and then sit back and track the delivery of their order. They can also leave feedback for our Restaurant Partners. We then use data to create an even more personalised experience, attracting more customers and Restaurant Partners to our platform.

### How we make money

#### **Order-driven revenues**

Order-driven revenue accounted for 95% of total revenue (2018: 94%). It comprised commission paid by our Restaurant Partners on successful orders, delivery fees and service charges. Commission revenue is driven by the number of placed orders, the average order value ("AOV") and commission rates, agreed with each restaurant on our platform.

#### **Top Placement revenues**

Restaurant Partners have the option to pay for promotional Top Placement on the Just Eat platform, listed in a clearly labelled sponsored slot at the top of search results. There is a limited number of slots and eligible restaurants must meet certain quality and performance criteria. Top Placement contributed 5% of revenue in 2019, following the successful roll-out of performance-based products in select markets (2018: 5%).

#### **Connection fees and other revenues**

Connection fees to access the Just Eat platform and other services, such as branded commodity products, accounted for less than 1% of revenues (2018: 1%). Connection fees vary by geography and market maturity, from £nil to £750. The fees cover the cost of hardware installation into the restaurants, as well as the sales and onboarding process.

# Strategic performance review

## Overview

2019 was a year of significant progress for Just Eat across all Key Performance Indicators. Revenue increased by 28% to £997.3 million with uEBITDA up 6.4% to £201.9 million. This revenue performance was driven by significant expansion of our delivery capability in the UK, strong growth in Canada, good momentum in our European markets as well as an improved performance in our Australian business.

Continued investment in our hybrid offering has driven the anticipated uEBITDA decline in the UK to £183.0 million (2018: £189.5 million). Similarly, our Australia & New Zealand operations recorded a uEBITDA loss of £7.0 million (2018: profit of £6.5 million), as we expanded our delivery proposition and optimised the hybrid offering. Our established delivery-driven business, SkipTheDishes, in Canada recorded a uEBITDA of £19.2 million (2018: loss of £11.5 million). Our Europe segment uEBITDA was £41.8 million in the period (2018: £24.3 million).

The Group recorded a reported loss before tax of £132.8 million (2018: profit of £105.1 million), principally due to an increase in associate losses of £85.5 million, goodwill impairment charges of £92.3 million (2018: £nil), in respect of our Australian business, as well as acquisition transaction and integration costs of £24.2 million (2018: £14.8 million), a £9.4 million increase related to the merger with Takeaway.com.

Group Adjusted EPS for the year was 16.3p (2018: 18.9p) while Group reported basic EPS was a loss of 23.4 pence (2018: profit per share of 12.1 pence).

Just Eat connected 119,600 restaurants (277,600 Restaurant Partners including Brazil & Mexico) to serve over 254 million takeaways with 28.9 million active customers in 11 markets. Growth was underpinned by our hybrid-led strategy and delivered in a period of uncertainty for the business in light of the agreed merger.

## Our strategy

### Creating a leading hybrid marketplace

We completed another year of successfully implementing our hybrid-led strategy of combining our unrivalled marketplace with the targeted roll-out of delivery.

Our targeted investment into delivery, underpinned by the SkipTheDishes technology, continued to deliver tangible results, with strong momentum achieved in the UK and Australia and further delivery expansion launched in Italy in August.

We continued to successfully leverage Skip's technology to drive strong momentum in our Australian business, following the creation of the hybrid offering last year.

In Canada, having completed the roll-out of SkipTheDishes, we enjoyed profitable growth.

## Segmental overview

	Orders m	Revenue £m	uEBITDA £m
<b>2019</b>			
United Kingdom	132.9	445.5	183.0
Canada	48.3	283.2	19.2
Australia & New Zealand	13.8	62.8	(7.0)
Europe	59.1	205.8	41.8
Total segment	254.1	997.3	237.0
Head office	-	-	(35.1)
<b>Total</b>	<b>254.1</b>	<b>997.3</b>	<b>201.9</b>

	Orders m	Revenue £m	uEBITDA £m
<b>2018 (restated<sup>1</sup>)</b>			
United Kingdom	122.8	385.6	189.5
Canada	30.7	177.9	(11.5)
Australia & New Zealand	13.0	46.7	6.5
Europe	49.8	171.0	24.3
Total segment	216.3	781.2	208.8
Head office	-	-	(19.1)
<b>Total</b>	<b>216.3</b>	<b>781.2</b>	<b>189.7</b>

1. Restated to deconsolidate Mexico, see Note 2. Mexico was previously included in the International segment.

## United Kingdom

The continued shift in consumer behaviour presented a number of opportunities and challenges in 2019 in a highly competitive market. The marketplace business retained its leading position, with the core geographic expansion of our UK delivery offering largely completed by the end of the third quarter. Total UK revenues increased by 16% to £445.5 million (2018: £385.6 million), while orders grew by 8%, as delivery drove revenue performance. Underlying EBITDA reduced by 3% to £183.0 million (2018: £189.5 million).

## **Canada**

Our market-leading Canadian business, SkipTheDishes, remained a stronghold of operational excellence in delivery. The business had a strong year, ending the period in profit, in an increasingly competitive market. We generated 48.3 million orders, up 57% over 2018. Revenue grew by 59% to £283.2 million (2018: £177.9 million), with positive uEBITDA of £19.2 million.

## **Australia & New Zealand**

2019 marked a turning point for our business in Australia & New Zealand, which enjoyed a return to revenue and order growth from April. Revenues increased 34% to £62.8 million (2018: £46.7 million). Australia & New Zealand uEBITDA loss was £7.0 million (2018: £6.5 million profit), reflecting the ongoing roll-out of our hybrid proposition – combining marketplace and delivery.

Overall, the performance of our Australian business over the course of 2019 was in line with our expectations. However, an increased level of competition at the end of the year, with the arrival of a new market participant and the ending of exclusivity on a large restaurant chain, have changed our view of the level of growth in long-term profitability of the business. Consequently, while we remain optimistic about the long-term prospects of the business, we have taken an impairment charge of £92.3 million in the current financial year.

## **Europe**

We were pleased with momentum across our European operations, comprising Denmark, France, Ireland, Italy, Norway, Spain and Switzerland. Revenues in the Europe segment increased 20.4% year on year, to £205.8 million (2018: £171.0 million). Over 59 million orders were placed across our seven markets, up 19% year on year (2018: 49.8 million). The region achieved uEBITDA growth of 72% to £41.8 million (2018: £24.3 million).

## **LATAM**

Just Eat owns a 33% stake in iFood, the leading hybrid marketplace for takeaway food delivery in Brazil. The Group also owns 67% of a similar business in Mexico, operating as SinDelatol. We maintained a Board representation in iFood and Mexico in 2019 and were active participants in the strategic decision-making processes. Neither iFood nor Mexico are consolidated. We have significant influence over the Brazilian business, but do not have control, while for Mexico, we have joint control with the other shareholder. We have restated the prior year periods in these financial statements to reflect a change in accounting treatment for Mexico, which was previously consolidated. Further details of the critical judgement regarding the consolidation of Mexico and the prior year restatement are provided in Note 2 to the financial statements.

### *iFood (Brazil and Colombia)*

iFood remains a clear market leader in Brazil and continued to experience exceptionally strong growth, processing over 26 million orders. Just Eat continued its commitment to share in the investments in iFood which is required to pursue delivery and innovative market initiatives in a more intense competitive environment. Just Eat's share of 2019 losses after tax totalled £58.2 million.

During 2019, Just Eat invested £83.2 million of the cash committed for iFood's funding round, maintaining our percentage shareholding, as we support iFood's growth in Brazil. iFood continued to operate in 11 cities in Colombia.

### *Mexico*

Mexico remains a smaller part of the LATAM business. It continued to generate strong order growth of 86%. Our share of 2019 losses after tax totalled £22.6 million and we invested £20.5 million.

The overall Mexican online takeaway market is expected to continue to grow significantly. However, it is an extremely competitive market and still in the early stages of development and therefore significant investment is expected to be made through most of the period covered by our projections, with profitability being seen only towards the very end of the period. Following an impairment review of our interest in the joint venture, we have concluded that it is appropriate to impair the asset by £15.8 million, which is included within our share of results of associates, outside of operating profit.

## **Operating costs**

Operating costs increased to £634.0 million (2018: £445.8 million). Significant categories of cost include: staff costs of £220.1 million (2018: £163.1 million); marketing costs of £151.5 million (2018: £143.7 million); non-current asset impairments, depreciation, amortisation and asset disposal losses of £175.2 million (2018: £50.6 million); and merger and acquisition-related costs of £24.2 million (2018: £14.8 million).

Impairment charges for 2019 include £92.3 million of goodwill impairment charges described above in respect of our Australian business and £2.0 million of Order Pads found to have a technical defect and for which a warranty claim has been made.

## **Items outside of uEBITDA**

Adjusting items from uEBITDA to operating profit were £215.3 million in the period (2018: £69.0 million). Included within the adjusting items is the goodwill impairment charge of £92.3 and acquisition transaction and integration costs of £24.2 million (2018: £14.8 million), which primarily relate to the merger with Takeaway.com. Other significant items include depreciation of £25.7 million (2018: £11.9 million), amortisation of non-acquisition intangible assets of £22.7 million (2018: £13.4 million), amortisation of intangible assets arising on acquisitions of £31.4 million (2018: £23.4 million). Depreciation included a charge of £8.6 million in respect of right-of-use lease assets, relating to the leasing standard new for 2019 (IFRS16). The increase in the amortisation charge for non-acquisition intangible assets was due to the increased investment in our technology platform.

A full reconciliation between uEBITDA and operating profit is provided in the section dedicated to Alternative Performance Measures ("APMs") at the end of this document.

Excluded from both uEBITDA and operating profit is our share of the results of associates and joint ventures, which represented a loss in the period of £112.8 million (2018: loss of £13.7 million).

## **Taxation**

Our tax charge was £26.4 million (2018: £21.8 million). The adjusted effective tax rate, after removing the results of associates, long-term employee incentive costs, foreign exchange gains and losses, other gains and losses, and amortisation of acquired intangible assets, was 23.5% (2018: 20.2%).

## **Loss for the year**

The statutory loss for the year was £159.2 million (2018: profit of £83.3 million). The change in profitability at the statutory level is driven by items outside of uEBITDA, with an increase in associate losses of £85.5 million, goodwill impairment charges of £92.3 million (2018: £nil), an increase in charges for property, plant and equipment and other intangible assets of £32.3 million, and an increase in M&A activity costs of £9.4 million.

## **Earnings per share**

Adjusted EPS was 16.3 pence (2018: 18.9 pence), down 14% on last year and tracking the decrease in uEBITDA and the increase in depreciation charges covered above.

Statutory basic EPS was a loss per share of 23.4 pence (2018: profit per share of 12.1 pence).

The APM appendix to the financial statements includes a reconciliation between statutory and adjusted EPS.

## **Balance sheet**

Net assets decreased by £164.0 million to £633.7 million, primarily as a result of the loss for the year of £159.2 million.

Non-current assets decreased by £32.7 million, which was mainly due to goodwill impairment of £92.3 million, offset by: the recognition of a right-of-use asset under the new leasing standard ("IFRS16"); which ended the year at £31.9 million; and an increase in other intangible assets of £19.3 million. Our investment in associates and joint ventures increased by £4.1 million, primarily driven by cash injections of £103.7 million, offset by our share of losses of £99.2 million. During the year, £40.5 million (2018: £25.2 million) of development costs were capitalised, including £27.4 million spent on the core platform and £10.5 million in Canada.

Non-current liabilities increased by £166.3 million, of which £157.5 million relates to borrowings, with £157.0 million of net drawdowns on our revolving credit facility. The new non-current IFRS16 lease liabilities were £25.2 million at the end of the year.

Our net current liabilities decreased by £35.0 million as a result of working capital movements due to timing of year-end payment runs.

## **Cash flow and net debt**

Net cash from operating activities, including payments for tax and interest, was £100.8 million (2018: £170.9 million). This decrease of £70.1 million was largely due to: a decrease in the amounts owed to Restaurant Partners of £22.1 million (due to the timing of our payment runs); an increase in tax paid of £18.1 million, following payments on account being made to the Danish tax authority; and an increase in amounts held by Payment Service Providers by £4.7 million. During the year we changed our accounting policy for the treatment of amounts held by Payment Service Providers from being included within cash and cash equivalents to being treated as a receivable. The remainder of the increase is driven by the reduction in operating profit largely caused by M&A activity.

The business spent £276.5 million on investing activities during the year (2018: £357.0 million). The outflow predominantly related to funding provided to iFood of £83.2 million, funding provided to Mexico of £20.5 million, cash spent on acquisitions of £101.2 million (including deferred consideration) and capital expenditure of £75.5 million (including development costs). The amounts spent on acquisitions included £76.6 million on the historical acquisitions of Hungryhouse, SkipTheDishes and Flyt, £15.8 million for City Pantry and £8.0 million for Practi.

As at the year end, the business had operating cash balances of £92.3 million (2018: £94.7 million). Excluding cash remitted to restaurants following the end of the period and the IFRS16 lease liabilities, net debt was £167.7 million (2018: £8.0 million net debt). This form of net debt is the measure used in the Group's banking covenant calculations and is therefore our internally monitored measure.

## **Post balance sheet events**

### ***Merger with Takeaway.com***

The offer by Takeaway.com for Just Eat became unconditional in all respects on 31 January 2020. On 2 March 2020, the premium listing of Just Eat shares was cancelled and the Company ceased to be listed.

### ***Capital injection***

Subsequent to the year end, we received a capital injection of €350 million from our parent company, enabling our revolving credit facility to be substantially paid down.

## **COVID-19**

The onset of the COVID-19 pandemic during the first quarter of 2020 and the ensuing quarantine introduced by governments across our markets has had an impact on our business. However, the online food delivery sector remained resilient, relative to other sectors. While some of our Restaurant Partners were temporarily closed for business and restaurants took some time to adapt, in all our markets, many restaurants have remained open for pick-up and delivery and our business continues to grow.

During this period of disruption and uncertainty Just Eat has committed to supporting its customers, Restaurant Partners, couriers and people as the spread of the virus continued to impact communities across the world. We introduced contact-free delivery for all orders across our network, to ensure customers receive their food deliveries safely, as well as a range of support packages, to help our Restaurant Partners during this difficult time.

## Our Key Performance Indicators

The success of our strategy is measured by the key performance indicators ("KPIs"), as defined below. The selection and definition of KPIs remain consistent with prior years. However, all KPIs have been restated to deconsolidate the results of Mexico. Further details are provided in Note 2 to the financial statements.

	2017 (restated)	2018 (restated)	2019	Definition and calculation
Orders, millions	169.9	216.3	254.1	Number of successful orders placed
Revenue, £millions	545.3	781.2	997.3	Total of all revenue streams generated by the Group.
Underlying EBITDA ("uEBITDA"), £millions	167.3	189.7	201.9	Earnings before interest, tax, depreciation and amortisation, additionally adjusted. For full definitions and reconciliations of Alternative Performance Measures ("APMs"), please refer to the dedicated section at the end of this document.
Average revenue per order ("ARPO"), £	3.00	3.40	3.70	Total of order-driven revenues, divided by total orders. A full breakdown of order-driven revenue is provided in Note 3 to the financial statements.
Active customers, millions	21.1	25.5	28.9	The number of customers who have placed at least one order within the last 12 months at the reporting date.
Number of restaurants	77,300	93,900	119,600	The number of Restaurant Partners capable of taking orders across all Just Eat platforms at the reporting date.

# Section 172(1) statement

## Promoting the success of the company

The Board sets the priorities for the business and creates and reviews the control and decision-making framework under which the business operates. A number of decisions are reserved for the Board with others devolved to management. The varied experience and extensive knowledge of the various Board members assist with the consideration and balancing of the needs and wants of the various stakeholder groups; indeed, this diversity is taken into consideration when new appointments are made to the Board. The Board receives guidance on shareholder engagement through meetings, reports and ongoing support.

In the past year, the Board has guided Just Eat through a period of increasing competition by focusing on key player positioning in every market and being an ally to our stakeholders. This has ranged from supporting Restaurant Partners through educational courses to recommending the Takeaway.com bid to enable our shareholders, employees, Restaurant Partners, couriers and suppliers to continue investing and working with a premium listed company.

## People

### *How do we engage?*

The Chair of the Board has attended several of Just Eat's monthly "all-hands", speaking alongside our Executive Team to provide colleagues with regular updates on what the Board is working on. During this year, much of the discussion related to the progress of the merger with Takeaway.com N.V..

The Just Eat Forum was set up in conjunction with the Board, which worked with the People and Internal Communications teams to define the parameters and rules of engagement and choose members via a democratic process. The Forum now comprises ten UK based colleagues representing all departments and at all levels across the business, who meet with Roisin Donnelly, our designated Director for Employee Engagement, on a monthly basis to discuss staff-raised issues and share insight. Currently the Forum is UK centric, but all Group functions are represented.

Two employee engagement surveys were run across the whole business over the course of 2019. The global survey (excluding Canada) closed in January with 76% participation, and the one in September covered our global population including Canada, recording a 69% participation rate. Top line results were shared with the Board, the Executive Team and the Forum. Actions arising included bringing forward end of year reviews to enable salary payments to be paid from the start of 2020, rather than the end of March.

As part of our diversity and inclusion initiatives, "Bring your best self to work" and "Belonging" at Just Eat, Board members reviewed the strategy to address diversity and inclusion within Just Eat. Board members also met with the LGBTQ+ (lesbian, gay, bisexual and transgender) employee network leader to discuss and provide support for the 2019/2020 inclusion strategy.

### *How is engagement feedback brought into the boardroom and what was its effect?*

The Board continues to focus on incorporating the views of our people into the way we do business. Following a Group-wide consultation with over 500 Just Eaters in 2019, we created new corporate values, which reflect how we want to work and succeed. We continue to encourage our people to demonstrate our values in the conversations we are having and the way we approach things.

## Customers

### Consumers

#### *How do we engage?*

We have highly knowledgeable user experience and customer facing teams which regularly engage a wide variety of customers around the world and in a variety of ways, both proactively and reactively. In 2019 we launched a dedicated project that focused on the end to end customer experience, engaging on a one-to-one basis with our customers, Restaurant Partners, and our people.

### *How is engagement feedback brought into the boardroom and what was its effect?*

Results of engagement are presented to the Board throughout the year, ranging from eNPS feedback in the CEO's report for February to the Tech roadmap presented to the Board in July 2019. The Board takes decisions to invest in and otherwise support continual improvement of our platform and operations to enhance customer experience. For example in 2019, we increased personalisation, displayed restaurant hygiene ratings directly on our app and website in the UK and further increased platform security, e.g. launched a fraud detection tool to make our platforms in the UK, Australia, New Zealand, Norway, Denmark, Ireland, Italy and Spain even more secure for customers to use.

## Restaurant partners

### *How do we engage?*

Board Directors, as part of their induction and throughout their tenure, are encouraged to go on sales and after-sales visits to Restaurant Partners. For example, the Audit Committee Chair accompanied Territory Managers to restaurants for relationship management meetings several times over the year.

### *How is engagement feedback brought into the boardroom and what was its effect?*

Over 2019 we extended the scope of our restaurant support programme by offering discounted restaurant-related services and products, and by providing educational courses on food hygiene and safety. We also improved our Orderpad functionality to help improve the Restaurant Partner experience. The Board oversaw these activities through regular reports received from departments across the business, including operations, legal and corporate communications, and made periodic decisions on significant partnerships and investment.



## **Couriers**

Food ordered via Just Eat is delivered in one of the following ways:

- restaurant self-delivery;
- third party delivery companies;
- self-employed delivery contractors; and
- employees.

### **Restaurant self-delivery**

#### ***How do we engage?***

We work with our Restaurant Partners, which arrange the delivery of their orders. Our Restaurant Partners are contractually required to comply with applicable legislation.

### **Third party delivery companies**

#### ***How do we engage?***

We partner with delivery companies across our markets and ensure they uphold the high standards we expect when dealing with service providers. We contractually agree with our delivery partners that they have the necessary processes, agreements and/or guidelines in place to ensure couriers comply with the relevant legislation.

### **Self-employed delivery contractors**

#### ***How do we engage?***

We have highly detailed processes for couriers, which must be complied with before any courier is onboarded on our network. Processes differ from one jurisdiction to the other in compliance with local legislation. These are reviewed by the management on a regular basis.

## **Employees**

#### ***How do we engage?***

Our employed couriers in Denmark are provided with training, tools to carry out the deliveries and benefits to enable our couriers to have everything they need when out on the road delivering for Just Eat. Since December 2019 our Spanish business has run a trial using employed couriers. Employed couriers in Spain are provided with training and merchandised equipment (jackets, bags, helmets and bikes), which has made them feel part of the business. Facilities have also been provided for couriers to use between deliveries.

#### ***How is engagement feedback brought into the boardroom and what was its effect?***

The Board has recently asked for appropriate courier incident processes to be rolled out globally across all of our markets. This will involve appropriate recording and escalation of incidents including accidents, harassment, damage to property and mishandling of personal data.

## **Suppliers**

#### ***How do we engage?***

The Board has oversight of significant business cases and spend on key supplier relationships. This is managed through updates and decision making for deals that fall within Board reserved matters. We recognise the importance of monitoring these key relationships, at the onboarding stage and throughout the course of the relationship, to ensure we get the right skills and fit. We encourage our suppliers to consider social and ethical compliance in both their dealings with us and within their own business and keep them informed of our expectations with regard to ethical business conduct.

We ensure that our suppliers have easy and effective means of contacting us, in the course of normal business and should any issues arise. We have put in place a commercial owner for each supplier relationship across the business, with clear escalation pathways to surface potential issues, concerns or feedback.

#### ***How is engagement feedback brought into the boardroom and what was its effect?***

In 2019 we created a Group procurement team and rolled out a revised Delegation of Authority and Group Purchasing Policy to streamline the procurement process and improve transparency.

As part of our continued commitment to combat Modern Slavery, we communicated our Social and Ethical Compliance Policy to certain suppliers, to make them aware of their responsibilities with regard to Modern Slavery. This policy was also incorporated into the new Group Purchasing Policy which was published in August 2019.

Our payment practices are under review throughout the year with a push for continuing improvement.

## **Shareholders**

#### ***How do we engage?***

Over the course of 2019 our Chair, Interim CEO, CFO and members of the Investor Relations team have maintained an active and regular dialogue with our shareholders through results announcements, press releases, phone conversations and investor roadshows, as well as face-to-face meetings with individual investors. The updates included information on the financial and operational performance of our business and overall strategic direction. Our investor relations programme also covered ongoing engagement with the sell-side analyst community who write research reports on the industry. Regular and scheduled engagement activities were supplemented by ad-hoc presentations, documents, webcasts and roadshows related to the offers made for the Company.

### How is engagement feedback brought into the boardroom and what was its effect?

The Board was provided with regular updates on shareholder engagement activity, and feedback throughout the year; for example, a section of the Board meeting on 1 May 2019 was devoted to an in-depth discussion of recent activities with shareholders. Timely and regular shareholder engagement has enabled us to provide shareholders a better understanding of our business and inform their decision-making process. It has also helped to inform the Board's recommendation of the merger, working in the best interests of our shareholders.

### Communities and environment

We recognise that single-use plastics are a convenient and cost-effective choice for many of our Restaurant Partners, but we are working to ensure that they are not the only choice. In 2019, the Board oversaw increased investment in the research and development of biodegradable sachets and food containers made from seaweed.

The Board also approved significant charitable contributions in 2019. We continued to work in partnership with FoodCycle throughout the year. On Black Friday, we donated £0.50 from each order placed in the UK to FoodCycle, totalling £250,000. In addition, having seen the devastating impact of the Australian bush fires, the Board agreed to donate AUD 150,000 to support the bush fire relief effort in November 2019.

Further details on the business' work in this area can be found in the Sustainability section of this Annual Report.

As part of our responsible business strategy, we also have an ongoing programme of engagement with other stakeholders who have both an interest in our business and influence over other stakeholder groups. This helps to inform the Board's decision-making process.

### Political stakeholders

We engage regularly with Members of Parliament and their advisers on topics of relevance to our operations. For example, during 2019 we gave evidence to the DEFRA Select Committee on the topic of plastic packaging and held meetings with parliamentarians to discuss proposals around the introduction of a Digital Services Tax. We have also invited our constituency MPs to visit our offices so that they gain a better understanding of Just Eat and how our business operates.

### Regulatory authorities

We have a positive relationship with the Food Standards Agency in the UK. We contribute to the FSA's decision-making process as it seeks to evolve food industry regulation and have worked closely with the FSA to make some significant changes to the information we provide to our customers about restaurants' food hygiene ratings. We also made changes to our technology, redirecting customers with allergies.

### Business groups

Just Eat is a member of the Confederation of British Industry ("CBI") and a number of other industry bodies such as ISBA and the Advertising Association.

### Principal decisions taken over 2019

Decision	Key stakeholders considered	Maintaining high standards of business conduct	Short term	Long term
<b>Recommending Takeaway.com offer</b>	○ ○ □ □ □	✓		✓
<b>Rejecting Prosus offer</b>	○ ○ □ □ □		✓	✓
<b>Delco investment</b>	○ ○ ○ □	✓	✓	✓
<b>iFood investment</b>	○ ○ □		✓	
<b>Practi acquisition</b>	○ □	✓		✓
<b>City Pantry acquisition</b>	○ ○ □	✓		✓
<b>Approval of GREAT values</b>		and indirectly our other stakeholders ✓	✓	✓
<b>McDonald's and Greggs</b>	○ ○ ○	and indirectly Restaurant Partners ✓	✓	✓
<b>Canada lease</b>	□		✓	✓

○ Couriers      □ People

○ Customers      — Restaurant Partners

○ Investors      □ Suppliers

# Principal risks and uncertainties

During 2019, the Director of Internal Audit and Risk continued to build the team, bringing on board a senior audit manager from a big four firm, a technology auditor and a senior auditor located in Canada. We continued to support the business in enhancing the maturity assessment of our internal control environment, to ensure it remains appropriate as we grow, whilst also meeting our corporate governance responsibilities. Our risk management activities have extended beyond Group, functional and country levels into specialised assessments such as Modern Slavery, anti-bribery and corruption and fraud. The outputs allowed the Board to carry out a robust assessment of the principal risks facing the Company and were a significant constituent of the Audit Committee's and Board's agenda.

## Risk management framework

The process governing risk identification and managing its impact on the Group is subject to review by the Board. The Executive Team supports the Board in monitoring our risk exposure through regular reviews. The risk register and the methodology applied are subject to review by the Executive Team and are updated to reflect new and developing risks. The corporate risk register is presented to, and reviewed by, the Board and Audit Committee on a regular basis.

In presenting the principal risks on the following pages, the Board has provided details around strategic context, mitigation, key risk indicators, categorisation and ownership. Whilst the headline principal risks remain essentially the same, a summary of key aspects that came under consideration in 2019 is provided below:

- **Growth investment** (see Competition) – Industry competition is well funded to allow an aggressive pursuit of customers and growth through marketing, discounting and low to negative margin delivery. Should Just Eat not have the funding or the appetite to match the growth investment of competitors, this could have an adverse effect on acquisition, frequency and ultimately market share.
- **Innovation** (see Changing service experience) – We recognise that competitors have a strong focus and pace of innovation, so whilst we continue to rationalise and consolidate platforms, there is an increased risk that we do not focus on innovating our product and services, which could impact customers' and Restaurant Partners' experience and retention.
- **Gig economy class actions** (See Social, regulatory and legislative change) – The profile of class actions has increased across the wider industry and is included in our principal risks, given these can lead to significant settlement costs and attract adverse media attention.
- **Strategy and operation of restaurant devices** (See Technology resilience) – The Group has a high dependency on the Orderpad restaurant devices. This highlighted the need for greater risk mitigation within day-to-day operations as well as the need to implement more robust supply chain and disaster recovery strategies.
- **Joint ventures and acquisitions** (See Joint ventures and acquisitions) – This principal risk broadened beyond its focus on SkipTheDishes in 2018 to include the increased investment in, and value of, our Latin American joint ventures, as well as the continued maturing of SkipTheDishes and the integration of recent acquisitions of Flyt, Practi and City Pantry.

Certain business risks we face, such as those disclosed within Note 20, are generally faced by other comparable online businesses. There are also additional risks that the Group is exposed to that are not considered principal risks but may have an adverse impact if they occur.

## Going concern

Based on the Group's cash flow projections, including consideration of the impact of COVID-19, the Just Eat Limited Board is satisfied that the Company and the Group will be able to operate within the existing financing arrangements in place with our new parent company for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements.

As described elsewhere in this Annual Report, the Company was acquired on 31 January 2020 and is now a subsidiary of Just Eat Takeaway.com N.V., which is itself listed in both Amsterdam and London. Although the acquisition took place on 31 January 2020, it was only cleared by the UK Competition and Markets Authority ("CMA") on 15 April 2020.

Since the granting of formal approval by the CMA, the following changes have taken place in the Group's financing arrangements:

- In April 2020, Just Eat Takeaway.com N.V. announced that it had raised €400 million by way of a placing of ordinary shares and €300 million in the form of a convertible bond; and
- In May 2020, Just Eat Takeaway.com N.V. injected €350 million by way of a capital contribution into Just Eat Limited.
- Future funding of the Group is expected to come from Just Eat Takeaway.com N.V., rather than the Group's Revolving Credit Facility ("RCF"), which will be extended to include the whole of the wider Just Eat Takeaway.com Group in the coming months.

Since Just Eat Limited now forms part of the Just Eat Takeaway.com N.V. Group we have made enquiries about the financing requirements of the wider Just Eat Takeaway.com N.V., and based on these enquiries are satisfied that we will be able to operate within the Just Eat Takeaway.com N.V. financing arrangements.

Taking into account the recent capital contribution and continued access to funding from our parent company, the Directors believe that Just Eat Limited and its subsidiaries will have access to sufficient liquidity for their operations for the foreseeable future, and that the Group is well placed to manage its financing and other significant risks satisfactorily. For these reasons, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

## EU referendum ("Brexit") update

With the withdrawal of the United Kingdom under Article 50 on 31 January 2020 and its entering into the transition period for the duration of 2020, we have continued to monitor developments and potential impacts that Brexit may have on our performance and results. We continued our work with the British Takeaway Campaign, which had another active year engaging MPs and responding

to government consultations on matters such as immigration and skills shortages. Working with the Campaign has allowed us to be informed of those risks and issues that affect the takeaway industry.

There remains uncertainty around the impacts of both the United Kingdom exiting on 31 January 2020 and the post-transition environment; however, we continue to believe that Brexit risks fall within our overall “Global economic and political headwinds” principal risk, rather than being a principal risk in its own right. We provide a summary of the potential direct and indirect impacts we have considered in arriving at this conclusion:

#### **Potential direct implications**

##### ***Currency risk***

A further weakening of sterling would serve to increase our reported revenue. Our growing International business now accounts for 55% of total Group revenue. However, certain investments and expenditure are non-sterling, which would have the impact of reducing profit.

##### ***Consumer spending***

Adverse economic conditions arising out of increased inflation or interest rates could impact consumers. However, our experience is that the takeaway industry is resilient and that consumers may exchange takeaways as an alternative to more expensive out-of-home dining.

##### ***Employee attrition***

Changes to immigration policy or impacts to residency status could affect our employee attrition rates. A low percentage of UK based employees are EU nationals.

#### **Potential indirect implications**

##### ***Restaurant Partner contraction***

Under a scenario where Brexit has a significant adverse impact on the UK economy, there is a risk that lines of credit and borrowing products may be more difficult to access, increasing liquidity and business closure risks.

##### ***Skills and capacity shortages***

Restrictive changes to UK migration policy have the potential to add further burdens to an existing skills and capacity shortage within the restaurant, takeaway and delivery industry. This could impact short-term industry performance but perhaps more importantly could impact the longer-term growth of our industry.

##### ***Cost and availability of food***

Whilst the risk of a no-deal Brexit had significantly reduced by year end, there remains uncertainty around the net cost impact on imported food in the medium term. The UK has entered a transition period with new rules expected to take effect on 1 January 2021 once the UK and EU have agreed a trade deal. Under a new trade deal, the cost of imported food from the EU could increase; however, former EU tariffs for non-EU imports would no longer apply and could lower costs. The UK food manufacturing industry's dependency on migrant workers will be impacted as immigration policy becomes clearer. This knock-on impact to our Restaurant Partners may adversely impact our commercial terms with them.

### **Principal risks**

#### ***1. Strategic: Competition***

**Owners:** Chief Executive Officer

**Change:** Risk increased

##### ***What is the risk and impact?***

Over the short to medium term, an inability to counter the increased scale, service experience, choice and growth-related funding of our competitors. Over the longer term, an ineffectual response to diversifying revenue concentration risk, the development of new business models by competitors, the strengthening of existing players or the disintermediation of material Restaurant Partnerships. This could adversely impact market share, growth, revenue, margin and overall profitability.

##### ***How is the risk managed?***

**Global delivery organisation** – A new Chief Delivery Officer role leading a focused Group delivery function which has progressed significantly against its operational blueprint. This function now supports significant operations across Canada, the UK, Australia and Italy, whilst third party delivery partnerships fulfil demand in other territories.

**Strategic partner growth** – Teams and specialists continue their focus on extending our range to include the branded meals our customers really enjoy.

**Marketing performance** – Delivering significant change programmes across our business to leverage global partnerships and standardise operations, improving performance, efficiency, insights and governance.

**Diversifying revenue** – Continued investment and focus on new business, product discovery and M&A teams.

**Ongoing business intelligence** – We closely monitor territory performance through advanced analytics.

## **2. Technology: Changing service experience**

**Owners:** Chief Executive Officer

**Change:** Risk stable

### ***What is the risk and impact?***

Our pace of product innovation and/or technology change fails to meet either the evolving expectations of our customers and Restaurant Partners, or the velocity of our competitors. This could impact our brand, customer and Restaurant Partner experience and loyalty and ultimately market share, revenue and profitability.

### ***How is the risk managed?***

**Improved product delivery** – We have implemented a superior delivery methodology to drive rigorous prioritisation, a clear roadmap and greater focus and accountability across technology teams and markets for features and improvements that are prioritised.

**Customer and Partner product development teams** – We have dedicated teams which innovate and develop new features for our services, with successful piloting of “cross-functional squads” taking place in 2019.

**Organisational and operational reviews** – We undertook a significant organisational review in 2019 to align and integrate UK and Canada based technology teams. Further, we continue to undertake operational reviews to mature teams and processes and drive consistent use of technology standards to ensure cost-efficient scalability.

**Architecture governance and alignment** – An established architecture guild that owns the prioritising and tracking of infrastructure-related projects. Further, a technology steering committee charged with ensuring that infrastructure and product teams’ priorities are aligned.

## **3. Regulatory: Social, regulatory and legislative change**

**Owner:** Group General Counsel

**Change:** Risk increased

### ***What is the risk and impact?***

Shifts in public attitudes in addition to legal and/or regulatory changes may adversely impact the business. Potential impacts include brand and reputational loss, compromised revenue streams, increased costs of operations, legal costs, damages and/or fines.

### ***How is the risk managed?***

**Corporate communications** – A dedicated team with a social strategy communicates and represents Just Eat externally, whilst channelling feedback and public opinion back into the business to drive improvement.

**Monitoring and compliance** – Our in-house legal, finance, tax and compliance functions monitor emerging, new and evolving risks, while Internal Audit assesses compliance and controls.

**Technology** – In areas such as food safety and allergens, we have designed risk mitigation into the customer journey.

**Access to expertise** – Where required, external specialists supplement our teams to assess, scope and plan responses to changes in the regulatory landscape.

**Change projects** – We establish discrete project teams to address significant legislation changes.

## **4. Reputational: Brand**

**Owner:** Chief Executive Officer

**Change:** Risk stable

### ***What is the risk and impact?***

An event, or a series of events, inflicts considerable harm to our brand over the short term. An ineffectual brand strategy weakens our brand or its authenticity over the longer term. A significant decline in brand value would result in the loss of new and existing customers and Restaurant Partners, impacting orders, revenue and overall profitability.

### ***How is the risk managed?***

**Brand ownership and strategy** – Senior accountability, strategies and plans exist to enhance and protect our brand.

**Escalations and crisis management** – We have compliance, social media and communications teams in place to manage incident escalations and minimise brand damage.

**Proactive initiatives** – We live our brand values, working on initiatives including the British Takeaway Campaign, our STEM Ambassador programme, the Sustainable Restaurant Association, the Better Fast Food Network and biodegradables to help the sector become more sustainable and support Restaurant Partners to evolve and grow their businesses.

**Restaurant agreements** – Legal provisions allow us to churn restaurants when considered a risk to customers or brand.

**Courier onboarding and management** – Behavioural training and courier complaints processes to minimise courier-related risks.

**Protocols and organisation** – Skilled teams operate within established brand policies and guidelines.

## **5. Operational: Cyber security and data protection**

**Owners:** Chief Operating Officer

**Change:** Risk stable

### **What is the risk and impact?**

We sustain a major security breach or lose control of sensitive systems and data. A major security breach has the potential to cause significant operational disruption, data theft or destruction, malicious damage and/or theft of assets. Further, loss of control over data could result in private or commercially sensitive data being made available to unauthorised parties. Following such an incident, it is probable that the reputational and operational impacts would weaken orders, revenue and underlying profitability and could lead to regulatory fines and brand damage.

### **How is the risk managed?**

**Governance, strategies and plans** – Dedicated executive steering groups exist to govern both the delivery of a strategic cyber plan that aligns to a recognised global security framework, and the ongoing roadmap of efforts to enhance and improve our data protection posture allied to GDPR obligations. Lastly, we have strengthened our Data Protection Officer (“DPO”) role through a partnership with industry specialists.

**Policies and awareness** – A suite of policies covering both information security and data protection are available to employees via our intranet, with ongoing training and awareness activities.

**Security team** – We have an integrated global security team operating out of the UK and Canada and have continued to grow the team to support business projects, monitor operations, enhance systems and cloud infrastructure security and target security culture and compliance.

**Security systems** – We continue to build and enhance our detection and prevention systems to protect our environment and quickly detect potential issues.

**Identity management** – An identity management programme continues to successfully integrate and enhance identity management to improve posture and create one source of truth across Just Eat.

**Data governance** – We have a dedicated team to direct our practices around data enablement and governance.

## **6. Organisational: Joint ventures and acquisitions**

**Owners:** Chief Executive Officer and Chief Financial Officer

**Change:** Risk increased

### **What is the risk and impact?**

A lack of direct control over daily operations and decision making whilst our joint ventures businesses continue to grow significantly, (ii) the residual risk as we continue to integrate and mature SkipTheDishes’ governance in line with the Group, and (iii) the risk we fail to successfully integrate and scale other recent acquisitions so to achieve their projected benefits. Dependent on the risk, impacts could range from financial loss and associated brand and reputation damage to data, intellectual property, service quality and regulatory compliance impacts.

### **How is the risk managed?**

**Joint venture governance** – We attend board meetings, receive regular performance reporting and maintain regular management meetings. Investment is subject to formal analysis and approval in line with delegated authorities up to our Group Board level.

**Canadian leadership** – Building on the changes in 2018, further strength was added to SkipTheDishes’ leadership, bringing in an experienced CFO and establishing a dedicated Chief Delivery Officer for the global delivery organisation.

**Canadian organisation** – Significant progress was made in rolling out the new delivery organisation, integrating security resources under the Group team and harmonising other processes with the Group.

**Governance changes** – SkipTheDishes now operates a delegated authority system integrated into the Group.

**Transparency** – Our whistleblowing policy and anonymous contact process operate in Canada.

**Acquisitions** – Accountability and management of acquisitions has been strengthened during 2019 with Executive Team ownership, the transfer of one of our experienced Finance Managers into a finance leadership position and the establishment of regular reports.

## **7. Infrastructure: Technology resilience**

**Owner:** Chief Operating Officer and Group General Counsel

**Change:** Risk decreased

### **What is the risk and impact?**

Widespread and/or prolonged outage of critical platforms, infrastructure and devices that support services to customers, Restaurant Partners and delivery couriers. The online nature of our businesses, our dependence on bespoke restaurant devices and our increased reliance on automated delivery logistics systems mean that large-scale outages would have an immediate impact on orders and revenue as customers, Restaurant Partners and/or couriers would be unable to transact with us. Thereafter, the impact to our brand could deepen if we were unable to pass collected revenue back to our Restaurant Partners or pay both couriers and business suppliers.

#### ***How is the risk managed?***

**Architecture** – Our platforms are all hosted on Amazon Web Services on a “three site basis” to provide multi-site resilience and failovers to reduce the risk of major outages and to enable rapid restoration of services.

**Platform and reliability engineering** – A dedicated global team has existed since H1 2019 to focus on delivering and enhancing reliability across our platforms.

**Monitoring** – Our specialist technology teams now operate against common processes in major geographies and provide 24/7 monitoring of our platforms and respond to outages.

**Business recovery** – We have implemented disaster recovery systems and continuity plans to minimise disruptions and facilitate the resumption of services.

**Device management** – Executive accountability supported by specialist teams, leading efforts on device management organisational design, as well as strategies for future sourcing, disaster recovery and off-the-shelf alternatives.

### ***8. Organisational: Growth, people and culture***

**Owner:** Chief Executive Officer and Chief People Officer

**Change:** Risk increased

#### ***What is the risk and impact?***

Through this phase of significant change and growth, we fail to: retain talent and maintain stable leadership; evolve at pace in a scalable way; accurately estimate the impacts of delivery logistics; and protect the positive and powerful aspects of our culture today as an agile, entrepreneurial business. This may in turn impact our cost efficiency and productivity, and ultimately the execution and achievement of strategic objectives and performance milestones.

#### ***How is the risk managed?***

**Succession planning** – Our People team undertakes exercises to assess succession for senior leadership positions and other critical roles.

**Talent pipeline** – Along with established processes to manage our talent pipeline, we have enhanced our presence on social recruitment channels and increased partnerships externally.

**Development of global organisation** – We achieved significant milestones in globalising product, data and technology teams in 2019 and will continue to drive changes through 2020.

**Change management** – Through planning and consistent two-way communication, we ensure collective alignment and employees that are engaged with business change.

**Delivery and hybrid management** – We have established a global delivery function with experienced management and have a Chief Data Officer accountable for enhancing our understanding of marketplace versus delivery economics.

**Employee voice** – We regularly measure employee engagement to ensure we have a clear employee value proposition that motivates and retains our talent.

**Inclusive culture** – We strive to create a culture of inclusion and openness through a focused programme of effort.

### ***9. Operational: Supplier resilience***

**Owner:** Chief Financial Officer

**Change:** Risk increased

#### ***What is the risk and impact?***

Any of our key suppliers suffer significant and prolonged loss of their services, disrupting our business operations.

Dependent on the supplier, disruptive impacts could be experienced across our online platforms, our operational call centres and our expanding delivery networks. This could impact orders, revenue, customer and Restaurant Partner experience, and ultimately our brand in the most severe of cases.

#### ***How is the risk managed?***

**Group procurement function** – Established a new dedicated Director of Group Procurement role tasked with aligning and maturing existing procurement teams and practices and increasing risk management over our global supply chains.

**Technology** – Single points of disruption risks are reviewed, prioritised and acted upon by the CIO.

**Operations** – We have globally distributed outsource capabilities divided across tier one suppliers with cross-site failovers and approved local recovery plans.

**Delivery logistics** – Our newly established global Delivery function has developed and continues to refine its approach to mitigate network impacts caused by delivery supplier disruptions.

**Ordering devices** – Our evaluation of suppliers and associated risks is now supported by an experienced Director of Group Procurement.

#### **10. Financial: Global economic and political headwinds**

**Owner:** Chief Financial Officer

**Change:** Risk stable

##### ***What is the risk and impact?***

Significant economic or political events, with a particular emphasis on the UK, weaken order volumes and/or growth projections in one or more of our markets or threaten to disrupt our operations. Economic and political factors have the potential to present both risks and opportunities. Changes in governing political parties and their policies and the consequences of Brexit may have adverse implications on immigration, access to talent and food price inflation or taxes, impacting the Group and Restaurant Partners.

##### ***How is the risk managed?***

**Public affairs and communications** – We have an established corporate communications team that monitors our markets' political environments and have joined the Confederation of British Industry ("CBI") to underpin our public affairs strategy.

**Impact assessments** – We continue to conduct and update analysis of events such as Brexit to understand possible impacts and to mobilise action plans as necessary.

**Cash investments** – We restrict investments of liquid resources to AAA-rated money market funds and lodge deposits with approved counterparties.

**Diversification across the globe** – Our global footprint continues to diversify as Canada and Australia grow in scale, with the consequent advantage of reducing our reliance on the UK market.

**Financial planning** – We conduct rigorous financial planning to manage and monitor cost versus revenue performance.



# Our People

## The people delivering our success

With over 3,500 people working across 11 countries, Just Eat is proud to have a unique culture where people are motivated to deliver their best every day for the benefit of our customers, Restaurant Partners, shareholders and wider stakeholders.

In 2019 we made further significant progress in building an organisation where people love to work, starting with a complete reboot of our values across all our markets. We continued to enhance our diversity and inclusion programme, known as "Belonging".

We maintain a constant focus on what Just Eaters across the globe need, want and expect from a leading employer. We aim to develop initiatives and implement changes to our policies, processes and ways of working that transform how we work and what we offer our people so that they feel motivated, inspired and rewarded by coming to work.

### Building a culture of belonging

Companies often talk about diversity and inclusion; at Just Eat we call it Belonging. We are creating and building a culture of inclusion that is unique to this special company, so that our people can bring their full selves to work. In 2019 we partnered with EY in order to complete a full review of our approach to belonging, diversity and inclusion, to help inform our recommendations moving forward.

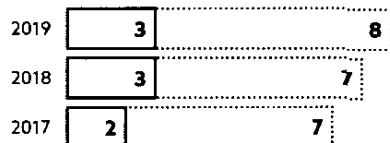
In developing our Belonging programme, we started by listening to our people and understanding their needs through employee forums and surveys, then taking actions that positively impact their lives.

Our LGBTQ+, BAME and Women in Tech network groups ensure that the needs of our diverse populations are represented and that the business is supporting them in the right way.

#### Gender breakdown of our Board, senior management and all employees at 31 December 2019:

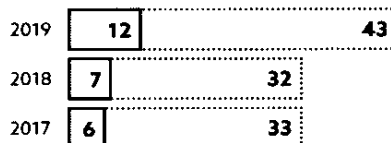
##### Board membership

**27%** female



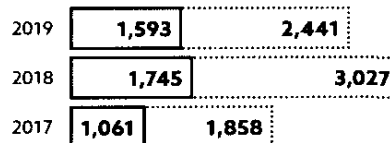
##### Senior management<sup>1</sup>

**22%** female



##### All employees

**39%** female



○ Female    ○ Male

1. We have defined our senior management to be the top two grading levels for roles within the global business. This is predominantly our Executive Team and their direct reports.

# Sustainability

## Our impact on the world and our communities

At Just Eat, we know that the environmental and social footprint of our business goes far beyond our owned operations and that we have an unparalleled opportunity to influence others across the dynamic and diverse takeaway industry. In 2019, our sustainability efforts focused on the following workstreams:

### 1. Reducing the environmental impact of the takeaway sector

We continued to develop our partnership with sustainable packaging startup Notpla (formerly Skipping Rocks Lab) to reduce the impact of single-use plastics in the takeaway sector, successfully completing a government-backed trial in the UK in 2019. We have also ensured that events such as the Just Eat Food Fest and brand campaign launches are free of plastic food packaging.

We continue to show Restaurant Partners the innovation taking place in the electric vehicle market and have invested in heavy discounts to help them trial or rent electric bikes and scooters in the UK and France, respectively. In Spain, almost 30% of the vehicles used by our third-party delivery partners are environmentally friendly, e.g. electric.

Tackling food waste is another priority for the business. We offer an industry-leading rebate to our UK Restaurant Partners who recycle their used cooking oil. We also partner with FoodCycle in the UK, supporting the redistribution of surplus food. In Denmark, we have a partnership Madklubben, to pick up surplus food and deliver it to DanChurchSocial shelters. Similarly, in Italy, our initiative Ristorante Solidale unites surplus food with those in need, avoiding unnecessary waste.

### 2. Promoting healthier food options on our platform

Healthy cuisines and menu options are one of the fastest growing categories on the Just Eat platform and we are promoting these and making them easier for customers to find. Restaurants listing “healthy” as a cuisine type have grown by 35% since 2018 in Ireland.

We have continued providing pro-bono marketing and sales support to Shift, a charity which uses research and design techniques to create products and services which help address social problems such as obesity.

### 3. Raising food hygiene and safety standards

In February 2019, we announced a £1 million investment in the UK to help raise standards across the takeaway sector, which included a bespoke training programme for restaurants. In partnership with NSF, the leading global food safety consultants. We now give extra support to any restaurant on our platform with a Food Hygiene Rating lower than three to help them improve their rating. Of those restaurants that have since been reinspected by their local authorities, 99% of zero-rated and almost 80% of one or two-star rated have improved their scores, and almost half of all UK restaurants on our platform are rated five or Pass (in Scotland).

In July 2019, we became the first food delivery platform to start publishing the official Food Hygiene Rating of every restaurant we work with in the UK directly on our app and website and customers now have the ability to filter by restaurants with a rating of three or above. We also include the date of the restaurant's last inspection so that customers can make an informed choice.

### 4. Developing talent

For further information on our actions and initiatives please see the People section of this Annual Report.

### 5. Supporting charitable causes

Our markets continue to support charities which seek to tackle the issues of hunger, isolation, homelessness and food waste. In 2019, highlights included:

- We raised over £250,000 to support FoodCycle in the UK with a first-of-its-kind marketing activation for Black Friday with 50 pence donated by Just Eat for each customer order. As a result of our donation, FoodCycle is planning to open new projects across the UK, as well as continue to feed the 1,500 people who already walk through its doors every week.
- As part of our sponsorship of Just Eat dublinbikes, which promotes cycling in Dublin city, we raised €80,000 for the Peter McVerry Trust in 2019 by donating 10 cents for every journey taken between May and July.
- In Italy, we launched the Ristorante Solidale initiative in Naples, the first city to launch in the South of Italy. We served more than 6,000 meals in 35 poor communities across four cities: Milan, Turin, Rome and Naples. We also served 25kg of risotto to those in need during Food Week in Milan and 750 piatti sospesi or “suspended dishes” over the festive period.
- In France we have supported Action Contre la Faim (Action Against Hunger) since 2011. Customers are offered the option of donating €5 to the charity as part of our loyalty programme and, in 2019, more than €25,000 was donated. In Spain, we collaborated with a famous Spanish fashion designer Ana Locking to create a sweatshirt with the objective of raising money to fund school meals for children in need.
- In Canada, SkipTheDishes hosted its first-ever internal giving campaign, which raised \$70,000 for more than 40 community organisations that champion diversity and inclusion. For the third year, SkipTheDishes sponsored the annual Winnipeg Jets Food Drive. In 2019 the initiative raised 32,811 pounds of non-perishable food donations for the Winnipeg Harvest. We have also developed a new pilot project that leverages SkipTheDishes’ delivery network to support food distribution to local shelters – scheduled to launch in Q1 2020.

Further details of our greenhouse gas emissions reporting can be found within the Directors’ Report.

### Modern Slavery

As part of our commitment to tackle and eradicate Modern Slavery, and in support of our Modern Slavery Policy, we have continued to run regular compliance training to raise staff awareness. The Modern Slavery Committee is well established and continues to develop our processes to help ensure the prevention of Modern Slavery in our business and supply chain and to identify and manage Modern Slavery risk. Further guidance and training is available to all staff through our internal communication site on what to do if they suspect any form of Modern Slavery in our business or supply chain. Further information is provided in our Modern Slavery Statement.

## **Building a Responsible Business**

### **Code of Conduct**

We have a comprehensive employee Code of Conduct, governing subjects such as conflicts of interest, fraud, money laundering, bribery and corruption and maintaining a professional yet fun work environment. We also have a separate Anti-bribery and corruption policy and a Gift & hospitality declaration which enables our people to easily notify, and where appropriate, obtain approval for the giving or receiving of gifts or hospitality. In addition, the Fraud policy sets out our clear aim to prevent, deter and eliminate fraud and corrupt conduct. It is our policy to conduct all of our business in an honest and ethical manner and we are committed to acting fairly and with integrity. Specifically we take a zero-tolerance approach to bribery and corruption and effective measures and systems are in place to counter bribery. We will uphold all laws relevant to countering bribery and corruption in all the jurisdictions in which we operate.

### **Human rights**

Whilst the Group has no specific policy in place regarding human rights, all employment policies and practices are equally applied to all employees, officers, consultants, volunteers, interns, and casual and agency workers. Details of the employee Code of Conduct are discussed above.

### **Privacy**

Our internal and external facing data protection policies and processes (including our customer and Restaurant privacy policies, together with our Employee data retention policy) are all designed to govern the way we process personal data. Throughout 2019 we continued to monitor data governance and GDPR compliance.

# Non-financial information statement

We aim to comply with the new Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006. The below table, and information it refers to, is intended to help stakeholders understand our position on key non-financial matters.

Reporting requirement	Policies and standards which govern our approach	Risk management and additional information
Environmental matters	Support of innovative platforms and R&D into alternatives to single-use plastics Advocating alternative food waste management methods	Sustainability, page 17 Sustainability, Reducing the Environmental Impact of the Takeaway Sector, page 17
Employees	Code of Conduct Diversity, Inclusion and Belonging programme Whistleblowing	Sustainability, Code of Conduct, page 18 Our People, Building a culture of belonging, page 16 Principal risks and uncertainties, page 10
Human rights	Code of Conduct Modern Slavery Policy Modern Slavery Statement	Sustainability, Code of Conduct, page 18 Sustainability, Modern Slavery, page 17 Sustainability, Modern Slavery, page 17
Privacy	Customer Privacy Policy Restaurant Privacy Policy Employee Data Retention Policy	Sustainability, Privacy, page 18 Sustainability, Privacy, page 18 Sustainability, Privacy, page 18
Social matters	Volunteering and pro-bono work	Sustainability, page xx and 17
Anti-corruption and anti-bribery	Anti-bribery and Corruption Policy Fraud Policy Gifts and hospitality declaration	Sustainability, Code of Conduct, page 18 Sustainability, Code of Conduct, page 18 Sustainability, Code of Conduct, page 18
Description of principal risks and impact of business activity		Principal risks and uncertainties, pages 10 to 15
Description of the business model		Our business model, page 2
Non-financial key performance indicators		Our KPIs, page 6

The Board delegates authority to the Executive Team for policy compliance whilst the Internal Audit and Risk functions provide independent assurance in regard to matters of compliance. This is in addition to those specific areas where we have external monitoring, or where the Board is informed directly of non-compliance issues in the subsequent Board Meeting. Where a material breach is found, the Board is informed promptly.

The strategic report was approved by the Board on 21 August 2020.

On behalf of the Board



**James Sporle**  
**Director**  
21 August 2020

# Directors' report

The Directors have pleasure in presenting their Annual Report and audited financial statements of the Company and the Group for the year ended 31 December 2019.

The Directors' Report contains certain statutory, regulatory and other information and incorporates, by reference, the Strategic Report and the Corporate Governance Report included earlier in this document.

## Results and dividends

The audited financial statements of the Group and of the Company for the period under review are set out on pages 36 to 73 and pages 74 to 77, respectively. The Company intends to retain its earnings to expand the growth and development of its business and, therefore, the Directors do not anticipate paying ordinary dividends in the foreseeable future.

## Strategic Report

A fair review of the Group's performance during the period and of its position at the period end, including commentary on its likely future development and prospects, is set out in the Strategic Report on pages 3 to 5, whilst information on principal risks and uncertainties and key performance indicators is given on pages 10 to 15 and page 6, respectively. All of this information should be read in conjunction with this report. The Corporate Governance section, includes the Annual Remuneration Report and summarises the Directors' remuneration arrangements on page 25. The Our People and Sustainability sections on pages 16 and 17, respectively summarise the Group's approach to diversity, health and safety, environmental matters and community matters. All of these sections form part of this Directors' Report, into which they are incorporated by reference.

## Change of control

The purchase of the Company's share capital by Takeaway.com N.V. resulted in the cessation of the Just Eat Limited share option schemes. Existing options vested in proportion to the vesting period to-date and any applicable performance conditions, resulting in no additional charge to the income statement in 2020. Any unvested Awards lapsed. The deferred Bonus Share Plan was subject to mandatory rollover and employees in a Sharesave scheme could voluntarily rollover their option.

The Company has a committed Revolving Credit Facility arrangement which provides its lenders with certain rights under a change of control. In August 2019, we received a change of control waiver from all the RCF Lenders for the prospective combination with Takeaway.com N.V..

The purchase of the Company's share capital by Takeaway.com N.V. resulted in the acceleration of deferred consideration payments in relation to the acquisition of City Pantry and Practi. Accelerated payments of £12.1 million were made in the first quarter of 2020, as a result of the acquisition by Takeaway.com N.V..

The Company does not have any agreements with any Director or officer of the Company that would provide compensation for loss of office or employment resulting from a takeover. Save as otherwise disclosed above, there are no other significant agreements to which the Company is a party to that take effect, alter or terminate, upon a change of control following a takeover bid.

## Events after the balance sheet date

On 31 January 2020 the proposed combination of Takeaway.com and Just Eat plc became wholly unconditional, resulting in the subsequent purchase of the share capital of Just Eat plc. Subsequently, Just Eat plc delisted from the London Stock Exchange and changed its name to Just Eat Limited. This is considered to be a non-adjusting post balance sheet event and resulted in bankers fees contingent on the deal completing of £65.6 million. On 15 April 2020, the UK Competition and Markets Authority lifted the hold separate order which had previously been issued and on 23 April 2020 gave its full clearance.

The purchase of the Company's share capital triggered certain matters, as covered in the change of control section above.

In March 2020, our Group banking facility was amended and extended. The facility level was increased to £535 million, denominated in two tranches, £267.5 million and €307.6 million and the term extended to 9 March 2025. The facility also includes an accordion option to increase the facility by a further £200 million.

Subsequent to the year end, we received a capital injection of £307 million from our parent company, enabling our revolving credit facility to be substantially paid down.

Impairment assessments for the year ended 31 December 2019 are based on the plans in place for the business at that date and do not reflect any decisions made by management of the new parent company.

## Going concern and risk management

The Company's statement with regard to the going concern basis for preparing the financial statements is included in the Principal Risks and Uncertainties section of this Annual Report.

The Directors carried out a robust assessment of the principal risks facing the Group. This included those that could threaten its business model, future performance, solvency or liquidity. Details of how we manage and mitigate these are set out in the Principal Risks and Uncertainties section of this Annual Report.

## Greenhouse gas emissions (unaudited)

This section has been prepared in accordance with our regulatory obligation to report greenhouse gas emissions pursuant to section 7 of the Act (Strategic Report and Directors' Report) Regulations 2013.

The table below shows our emissions performance. Our emissions disclosures have both been independently verified by Carbon Credentials against the ISO 14064-3 standard.

	2019	2018 (restated <sup>1</sup> )	2017 (restated <sup>1</sup> )
Scope 1 combustion of fuel and operation of facilities (tCO <sub>2</sub> )	1,046	884	1,118
Scope 2 electricity (tCO <sub>2</sub> )	768	849	592
Scope 3 business travel (tCO <sub>2</sub> )	3,238	3,436	2,605
<b>Total scope 1, 2 and 3 emissions (location based)</b>	<b>5,052</b>	<b>5,169</b>	<b>4,315</b>
tCO <sub>2</sub> e per £m scope 1,2 and 3 emissions (location based)	5.1	6.6	7.9
Market based scope 2 electricity (tCO <sub>2</sub> )	985	1,000	613

1. Restated to deconsolidate Mexico, see Note 2 to the financial statements.

### Data notes:

- Emissions presented here exclude those of third party suppliers, including delivery drivers, and those of our Restaurant Partners.
- Scope 1 comprises vehicle emissions in relation to operational visits to restaurants.
- Scope 2 comprises our energy consumption in buildings.
- Scope 3 comprises other business travel.
- We quantify and report our organisational greenhouse gas emissions in alignment with the World Resources Institute's Greenhouse Gas ("GHG") Protocol Corporate Accounting and Reporting Standard.
- Emissions from the consumption of electricity outside of the UK are reported in tCO<sub>2</sub> rather than tCO<sub>2</sub>e since the International Energy Agency emission factors for electricity currently account for carbon dioxide emissions only.
- Scope 2 emissions have been calculated using the location based and market based methods. Under the location based method, we have utilised the UK government and the International Energy Agency country-specific emission factors for electricity generation. Under the market based method, for our European operations, we have utilised the residual mix electricity emission factor published by RE-DISS as we have been unable to obtain tariff-specific emission factors from our suppliers, and for all non-European suppliers we have utilised the location based grid electricity emission factors as residual emission factors have yet to be calculated outside of Europe. This approach is in line with the data hierarchy outlined in the GHG Protocol Scope 2 Guidance.
- In line with previous years we have presented our total emissions in relation to revenue, in order to represent how our emissions are impacted by the growth in the business.

### Performance

Overall, emissions have reduced by 2% in 2019 (2018: increase of 20%). The key driver behind this is the 6% reduction in Scope 3 emissions (business travel), which makes up 64% of total emissions.

### Reducing the environmental impact of our office operations

We continuously strive to encourage environmentally friendly behaviour in our offices. At our London headquarters between 70–80% of all waste is recycled each month. We have banned plastic cups, reduced plastic cutlery usage and have trialled agile working to reduce travel and desk space.

### Financial instruments

Our risk management policies relating to capital risk and financial risk (which includes market risk, credit risk and liquidity risk) are detailed within Note 22. In addition, the overall risk framework and strategy for the Group is included within the Strategic Report.

### Research and development

We continue to dedicate resources to improve the customer experience and enhance our offering to Restaurant Partners. The Company and the Group do not perform basic research. Development costs incurred are capitalised when it is probable that future economic benefits will be attributable to the asset and that these costs can be measured reliably (see Notes 5 and 14).

### Overseas branches

The Company has no branches outside the UK.

### Political donations

The Company did not make any political donations during the current or prior year.

### Employment of disabled persons

Our policy in respect of the employment of disabled persons is set out in the Our People section of this Annual Report.

### Employee engagement

Details of employee engagement are set out in the Our People section of this Annual Report and forms part of the Section 172 Statement in the Strategic Report.

## Business relationships

Details of how we foster the Company's business relationships with suppliers, customers and others are set out in our business model on page 2 and forms part of the Section 172 Statement in the Strategic Report.

## Share capital

Certain key information relating to the Company's shares is shown below:

- The Company's shares at the year end comprised entirely Ordinary shares of £0.01 each, which rank equally in all respects.
- The rights attached to the shares, in addition to those conferred on their holders by law, are set out in the Company's Articles of Association. The Company's Articles of Association may only be amended by a special resolution of the shareholders.
- There are no restrictions on the transfer of shares or on the exercise of voting rights attached to them, except: (i) where the Company has exercised its right to suspend their voting rights or to prohibit their transfer following the omission of their holder, or any person interested in them, to provide the Company with information requested by it in accordance with Part 22 of the Act; or (ii) where their holder is precluded from exercising voting rights by the FCA's Listing Rules or the City Code on Takeovers and Mergers.
- The Group operates employee share plans as set out in the Report of the Remuneration Committee commencing and in Note 8 of the financial statements.
- Shares held by the Employee Benefit Trusts ("EBTs") abstain from voting by agreement with the Company.
- Save as described above, shares acquired through the Company's employee share plans rank *pari passu* with shares in issue and have no special rights.
- At the year end, the Company had authority exercisable by the Directors to issue up to 452,594,396 shares *subject to certain restrictions*.
- Save as described under the Board Representation Agreement described below, the Company is not aware of any agreements or control rights between shareholders that may result in restrictions on the transfer of securities or on voting rights.

Further information regarding the Company's share capital, including the changes to this during the year, is set out in Note 23 of the financial statements.

## Substantial shareholdings

The offer by Takeaway.com for Just Eat became fully unconditional on 31 January 2020. On 2 March 2020, the premium listing of Just Eat shares was cancelled and the Company ceased to be listed. Consequently, Just Eat Takeaway.com became the sole shareholder of Just Eat.

## Tax governance

The Company is committed to high standards of tax governance. In complying with paragraph 16(2) and paragraph 25(1), Schedule 19 of the UK Finance Act 2016, the Group's tax strategy, as approved by the Board, is published on the corporate website.

## Directors

The Directors of the Company who served throughout the period and up to the date of signing this Annual Report (except where noted) were:

- Gwyn Burr (appointed SID on 26 July 2019 and resigned 1 May 2020);
- Roisin Donnelly – NED (resigned 6 May 2020);
- Peter Duffy – Interim CEO (resigned 31 July 2020);
- Jörg Gerbig (appointed on 26 May 2020);
- Mary Basterfield (appointed on 18 August 2020);
- James Sporle (appointed on 18 August 2020);
- Mike Evans – NED (Chair) (resigned 1 May 2020);
- Paul Harrison – CFO (resigned 30 June 2020);
- Jambu Palaniappan – NED (appointed on 24 June 2019 and resigned 30 April 2020);
- Helen Weir – NED (resigned 2 March 2020);
- Diego Oliva – NED (resigned 2 March 2020);
- Fred Coorevits – NED (resigned 2 March 2020);
- Alistair Cox – NED (resigned 2 March 2020);
- Andrew Griffith – SID (resigned 26 July 2019); and
- Peter Plumb – CEO (resigned 21 January 2019).

Certain key matters in connection with the Directors are shown below:

- The business of the Company is managed by its Directors, who may exercise all powers of the Company subject to the Articles of Association and UK legislation. Directors of the Company are appointed either by the Board or by shareholders under the Company's Articles of Association and may resign or be removed in a similar manner.
- The Directors' interests in the Ordinary share capital of the Company and any interests known to the Company of their connected persons are set out in the Report of the Remuneration Committee.
- The Company has made qualifying third-party indemnity provisions for the benefit of its Directors in relation to certain losses and liabilities that they may incur in the course of acting as Directors of the Company, its subsidiaries or associates, which remain in force at the date of this report. No member of the Board had a material interest in any contract of significance with the Company or any of its subsidiaries at any time during the year, except for their interests in shares and in share awards and under their service agreements and letters of appointment.

### **Related party transactions with Directors**

Please refer to Note 26 for details of transactions entered into with related parties.

### **Directors' Responsibility Statement**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations. UK company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and parent company financial statements in accordance with IFRS, as adopted by the European Union. Under UK 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 the Company, and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IFRS, as adopted by the European Union, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 the Group and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Act and, as regards the Group financial statements, Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Directors, whose names and functions are listed on this page, confirm that, to the best of each person's knowledge and belief:

- the Company and Group financial statements, which have been prepared in accordance with IFRS, as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group and the parent company; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that they face.

The Board considers the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's position, performance, business model and strategy.

### **Disclosure of information to the auditor**

Each of the Directors of the Company at the time when this report was approved confirms that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he or she has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given in accordance with section 418(2) of the Act.

### **Auditor**

Deloitte LLP, the Group's auditor, has indicated its willingness to continue in office and, in accordance with section 487(2) of the Act, Deloitte is deemed to have been reappointed.

Approved by the Board of Directors and signed on its behalf.



**James Sporle**

**Director**

21 August 2020



# Report of the Remuneration Committee

This is the Annual Statement from the chair of the remuneration committee introducing the Directors' remuneration report ("DRR") for 2019.

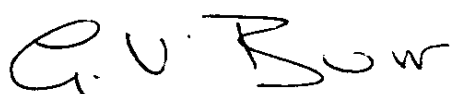
During the relevant financial year, the Committee determined the following major or substantial matters:

- January 2019 – we agreed the remuneration related terms (within our policy) for both Peter Plumb's stepping down as Chief Executive Officer of the Company and Peter Duffy's appointment as Interim Chief Executive Officer. Full details regarding these matters were disclosed in our DRR for 2018.
- March 2019 – we agreed the performance condition weightings for Performance Share Plan ("PSP") awards to be made in 2019, so that these had an equal one third weighting on Revenue growth, EPS growth and relative TSR metrics. Full details regarding these matters were disclosed in our DRR for 2018.
- July 2019 – we considered the potential treatment of "in-flight" PSP awards and "in-flight" Sharesave awards should the offer from Takeaway.com be successful. Full details regarding the determinations of these matters and the agreement to the proposed treatments by Takeaway.com are contained in the Co-operation Agreement between Takeaway.com N.V. and Just Eat plc dated 5 August 2019 which is disclosed on the Just Eat Limited website.

Following the 2019 financial year end, the Committee applied its judgement to make normal course determinations of the outcomes of 2019 annual bonus outcomes and the vesting outcomes of 2017 PSP awards (measured to FYE 31 December 2019). Details of these determinations are set out below. In considering Adjusted diluted EPS for the 2017 PSP award, performance was assessed consistently with both our previously disclosed Alternative Performance Measures (using our uEBITDA as the basis) and further adjusted to exclude the investment in delivery in 2019 as an exceptional matter (such investment not being in contemplation when the relevant Adjusted Diluted EPS target range for FY 2019 was established).

Additionally, following Takeaway.com N.V.'s announcement of 10 January 2020 that its offer for Just Eat was unconditional as to acceptances (having achieved acceptances representing approximately 80.4 per cent. of the voting rights of Just Eat at that time), the Committee determined the performance vesting outcomes for in-flight 2018 and 2019 PSP awards in the context of the offer from Takeaway.com as required by the Co-Operation Agreement dated 5 August 2019. Such performance vesting outcomes were fully reduced for time pro-rating. In considering performance vesting outcomes for these PSP awards, as provided for in the PSP rules the Committee applied its judgement in considering both:

- Financial information regarding forecast financial performance to the end of the respective performance periods for applicable performance metrics for Revenue growth (2018 and 2019 PSP awards) and EPS growth (2019 PSP awards).
- For TSR performance metrics (2018 and 2019 PSP awards), the actual value delivered to Just Eat shareholders under the offer by Takeaway.com at the time when the offer was declared unconditional. This measurement point was determined to be the most reflective of the actual economic value delivered to our shareholders under the revised offer from Takeaway.com on 19 December 2019 without the distortions of averaging periods (during which both the original and revised offers from Takeaway.com and Prosus N.V. impacted Just Eat's share price materially) and the impacts of exchange rate differences.



**Gwyn Burr**

**Chair, Remuneration Committee for 2019**

# Annual report on remuneration

## Introduction

We present this Directors' Remuneration Report to reflect the UK's Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (the "DRR regulations"). The Directors' Remuneration Report also describes how the Board has complied with the provisions set out in the UK Corporate Governance Code (the "Code") relating to remuneration matters.

## Implementation Report

### Summary of implementation of Directors' remuneration policy in 2020 (unaudited)

Element of remuneration policy	Detail of implementation of policy for 2020 – applicable whilst Just Eat remains a quoted company
<b>Base salary</b>	Base salaries for Executive Directors in 2020 are as follows: Peter Duffy – £513,255 (2019: £500,000 combined salary plus interim CEO increment; 2.65% increase in line with UK employee increases). Paul Harrison – £475,790 (2019: £463,500; 2.65% increase in line with UK employee increases).
<b>Benefits</b>	Provision of car allowance and private medical cover, and any other benefits offered to the Executive Directors in 2020, will be in line with benefits for all employees, including non-taxable insurance coverage for all employee groups.
<b>Pension</b>	No changes to the pension arrangements for Executive Directors are anticipated for 2020. Pension contributions of 5% of base salary are paid into the Group's defined contribution pension plan. If impacted by HMRC limits on contributions, amounts can be paid as a cash supplement in lieu of pension contributions (reduced for the impact of employer's NICs). This contribution rate is in line with the wider UK workforce.
<b>Annual Bonus Plan</b>	The maximum potential levels for 2020 are to be as follows: Peter Duffy – 150% of base salary. Paul Harrison – 150% of base salary.

Element of remuneration policy	Detail of implementation of policy for 2020 – applicable whilst Just Eat remains a quoted company
<b>Long-term incentives provided under the Just Eat Performance Share Plan ("PSP")</b>	It is proposed that the PSP award levels for Executive Directors for 2020 are to be as follows: Peter Duffy – 200% of base salary. Paul Harrison – 200% of base salary. A holding period applies so that any PSP awards for which the performance vesting requirements are satisfied will not be released for a further two years from the third anniversary of the original award date.
<b>All employee share plans</b>	The performance measures for PSP awards in 2020 will be settled by the new Just Eat Takeaway.com Remuneration Committee following completion of the merger. This intention is to replicate the existing performance conditions of EPS, TSR and revenue as closely as possible.
<b>Shareholding guidelines</b>	Executive Directors have the opportunity to participate in the Company's HMRC tax-advantaged share plans on the same basis as all other UK employees. Guideline levels are 400% of base salary level for all Executive Directors. Executive Directors are expected to retain 50% of the Ordinary shares vesting under all share plans, after any disposals for the payment of applicable taxes, until they have achieved the required level of shareholding.

For 2020, the fees for the roles of Chair and Non-executive Director whilst Just Eat remains a quoted company were as follows:

Chair £300,000

Non-executive Director £62,500

Senior Independent Director £12,500

Chair of Audit Committee or Remuneration Committee £15,000

Committee membership fee (Audit Committee and Remuneration Committee) £5,000

Designated Non-executive Director for employee engagement £15,000

All of the above fee levels are unchanged from 2019.

### Single total figure table (audited)

The remuneration for the Executive and Non-executive Directors of the Company who performed qualifying services during the year is detailed below.

For the year ended 31 December 2019:

	Salary and fees £	Taxable Benefits <sup>3</sup> £	Bonus Scheme <sup>4</sup> £	Long-term Incentives <sup>5</sup> £	Pension £	Other <sup>7</sup> £	Total £
Mike Evans	305,000	11,076	—	—	—	—	316,076
Peter Duffy <sup>1</sup>	494,516	16,348	330,000	—	25,375	—	866,239
Paul Harrison	463,500	26,349	382,388	524,220	23,175	—	1,419,632
Peter Plumb <sup>2</sup>	39,234	1,536	—	122,125	1,728	735,434	900,057
Andrew Griffith <sup>8</sup>	51,923	—	—	—	—	—	51,923
Alistair Cox	73,125	—	—	—	—	—	73,125
Gwyn Burr	87,901	2,027	—	—	—	—	89,928
Diego Oliva	72,500	—	—	—	—	—	72,500
Roisin Donnelly	87,500	—	—	—	—	—	87,500
Helen Weir	74,167	1,081	—	—	—	—	75,248
Jambu Palaniappan <sup>6</sup>	32,452	—	—	—	—	—	32,452

1. Appointed as Interim Chief Executive Officer on 21 January 2019.

2. Peter Plumb resigned as Chief Executive Officer on 21 January 2019.

3. More details on taxable benefits can be found on page 26.

4. More details on the Annual Bonus Plan can be found on page 27. The 2020 annual bonus amounts will be deferred for any outcomes above 75% of base salary. For Paul Harrison this means a deferral of £34,763. Amounts that are deferred under the Deferred Share Bonus Plan and are not subject to further performance conditions will be granted by Just Eat Takeaway.com N.V.

5. The value of the PSP award (which vested on 31 January 2020) was calculated using a three-month average share price to 31 December 2019 of 736.8 pence. For Paul Harrison, this represents the performance vesting of his 2017 PSP award at 69.3% as detailed on page 28 giving 71,148 vesting shares. For Peter Plumb £115,260 of this value represents the increase in value of the shares from grant to exercise. For Peter Plumb this represents time pro rating and the performance vesting of his 2017 PSP award at 69.3% as detailed on page 28 giving 16,575 vesting shares.

6. Appointed as a Non-executive Director on 24 June 2019.

7. The amounts in the other column relate to pay for Peter Plumb's notice period. Full details of Peter Plumb's leaving arrangements can be found in the 2018 Annual Report.

8. Resigned 26 July 2019.

For the year ended 31 December 2018:

	Salary and fees £	Taxable Benefits <sup>5</sup> £	Bonus Scheme <sup>6</sup> £	Long-term Incentives <sup>7,8</sup> £	Pension £	Other £	Total £
Mike Evans <sup>1</sup>	215,362	5,250	—	—	—	—	220,612
Peter Plumb <sup>2</sup>	695,000	26,398	816,713	4,484	31,553	—	1,574,148
Paul Harrison	450,000	39,897	551,848	781,636	22,500	—	1,845,881
David Buttress <sup>3</sup>	19,385	8,298	—	699,077	—	—	726,760
Andrew Griffith	92,763	—	—	—	—	—	92,763
Alistair Cox	64,737	669	—	—	—	—	65,406
Gwyn Burr	82,500	3,047	—	—	—	—	85,547
Diego Oliva	72,500	—	—	—	—	—	72,500
Roisin Donnelly	66,974	—	—	—	—	—	66,974
Helen Weir <sup>4</sup>	5,625	—	—	—	—	—	5,625

1. Appointed as a Non-executive Director on 6 March 2018 and subsequently was appointed Chair on 26 April 2018.

2. Peter Plumb resigned as Chief Executive Officer on 21 January 2019.

3. Retired from the Board on 26 April 2018.

4. Helen Weir was appointed to the Board on 1 December 2018.

5. More details on taxable benefits can be found on page 26.

6. More details on the Annual Bonus Plan can be found on page 27. The 2018 annual bonus amounts will be deferred for any outcomes above 75% of base salary. For Peter Plumb this means a deferral of £295,463 and for Paul Harrison a deferral of £214,348. Amounts are deferred under the Deferred Share Bonus Plan and are not subject to further performance conditions.

7. The LTIP value for Peter Plumb includes the intrinsic gain of his Sharesave option when it was granted on 19 September 2018, being the difference between the option price (623 pence) and the average market value of Just Eat shares when Sharesave invitations were issued (778.2 pence), multiplied by the number of option shares (2,889 shares).

8. The value of the PSP award was calculated using the price at the point of vesting. For Paul Harrison the share price was 795.0 pence, the performance vesting of his December 2016 PSP award at 88.2% as detailed on page 29 giving 98,319 vesting shares. For David Buttress the share price was 759.0 pence. A time pro rated portion of his March 2016 PSP award vested under the same performance conditions meaning 92,105 shares vested. For both individuals the vested shares remain subject to a two-year holding period.

### External appointments

The Company's policy is to permit an Executive Director to serve as a Non-executive Director elsewhere when this does not conflict with the individual's duties to the Company and, where an Executive Director takes such a role, they will be entitled to retain any fees which they earn from that appointment.

### Taxable benefits (audited)

Peter Duffy and Paul Harrison received a car allowance of £15,000 and £25,000 respectively.

The Executive Directors are non-contributory members of the Company private health scheme which provides cover for them and their immediate family, currently defined as their spouse/partner and dependent children aged under 25.

Although not a taxable benefit, the Executive Directors participate in the Company's life assurance scheme which pays their dependants a sum equal to four times their salary if they die during their term of employment by the Company.

The remaining value reported in the taxable benefits column relates to expenses paid for travel.

#### External appointments (unaudited)

Paul Harrison is a Non-executive Director for Ascential plc. During 2019, Paul received £62,210 in Non-executive Directors' fees in relation to this role.

Peter Duffy is a Non-executive Director for Close Brothers Group plc. During 2019, Peter received £73,250 in Non-executive Directors' fees in relation to this role.

In accordance with the Company's Directors' remuneration policy, Peter and Paul are entitled to retain these fees. Just Eat allows its Executive Directors to hold external appointments as they provide opportunities to hone decision making and strategic thinking skillsets.

#### Short-term incentives (audited)

##### Annual Bonus Plan

For 2019, bonuses were payable based on certain personal/strategic and financial performance targets which had been agreed at the start of the year.

		Peter Duffy		Paul Harrison	
	Weighting as % of bonus	% achieved in 2019	Total bonus earned £	% achieved in 2019	Total bonus earned £
Personal measures	20%	100%	120,000	100%	139,050
Strategic measure: customer NPS	10%	0%	—	0%	—
Revenue targets	35%	0%	—	0%	—
uEBITDA targets	35%	100%	210,000	100%	243,338
Total bonus achieved	100%	55%	330,000	55%	382,388 <sup>1</sup>

1. Any bonus above 75% of base salary will be deferred under the Deferred Bonus Share Plan that will vest in equal parts annually over three years. The amount subject to deferral is £34,763.

Against the specific financial measures (each weighted with 35% of total annual bonus potential), outturns were as follows:

Performance measure	Threshold performance level for 2019 annual bonus (25% of each element)	On-target performance level for 2019 annual bonus (50% of each element)	Maximum performance level for 2019 annual bonus (100% of each element)	Performance level attained for 2018 annual bonus	% of the maximum potential achieved
Revenue targets	1,000	1,050	1,100	990.5	0%
uEBITDA targets	185	195	205	207.9	100%

In calculating the outcomes against financial measures, the Remuneration Committee has, consistent with how it applied the Directors' remuneration policy for the annual bonus in past years, used its judgement to exclude the impacts of acquisitions and disposals in the year. The adjustments removed both the positive and negative impacts of these actions so as to ensure the integrity of measuring performance against the initially set targets, within which these actions were not envisaged. Likewise, the targets and related outcomes were calculated on a constant currency basis.

The strategic measures (10% of total bonus opportunity) related to customer based metrics in 2019. The measure used to monitor customer sentiment was customer net promoter score. The outturns were as follows:

Performance measure	Threshold performance level for 2018 annual bonus (25% of each element)	Maximum performance level for 2018 annual bonus (100% of each element)	Performance level attained for 2018 annual bonus	% of the maximum potential achieved
Customer NPS	31	33	29	0%

Peter Duffy and Paul Harrison received a rating of 100% of a total 10% weighting against personal measures. This reflected strong and appropriate tone from the top and leadership during the 2019 year in which shareholders benefited both from operational performance and securing value through the merger with Takeaway.com.

## Long-term incentives (audited)

### 2017 PSP awards

Paul Harrison was a participant in the 2017 PSP award which vested by reference to performance over the three financial years to 31 December 2019. This award vested in accordance with the following performance levels.

Performance measure and weighting	Target range	Performance achieved	% achieved
Adjusted diluted EPS (50%)*	Target range between adjusted diluted EPS of 18.5p and 23.9p.	24.0p	100.0%
	Target range between median performance against the constituents of the FTSE 250 (excluding investment trusts) rising on a pro rata basis until full vesting for upper quintile performance.	52nd percentile	27.8%
TSR (50%)			
<b>Total</b>			<b>63.9%</b>

\* As explained in the Committee Chair's Annual Statement, the calculation of the EPS figure above excludes the investment in delivery in 2019 as an exceptional matter.

As explained in the 2018 Directors' Remuneration Report, Peter Plumb was also a participant in this award although the number of his award shares was reduced by time pro rating at the time of his leaving Just Eat in January 2019. Within the figures disclosed for the single figure table for the vesting of the 2017 PSP awards, the portion of the disclosed values relating to share price appreciation was £115,260.05 for Paul Harrison (average share price for the five days prior to award on 15 March 2017 was 574.8 pence) and £8,436.69 for Peter Plumb (average share price for the five days prior to award on 18 September 2017 was 685.9 pence).

### 2018 and 2019 PSP awards

As explained in the Annual Statement by the Committee Chair introducing this report, following Takeaway.com N.V.'s announcement on 10 January 2020 that its offer for Just Eat was unconditional as to acceptances, the Committee determined the performance vesting outcomes for inflight 2018 and 2019 PSP awards in the context of the offer from Takeaway.com as required by the Co-Operation Agreement dated 5 August 2019. Such performance vesting outcomes were fully reduced for time pro rating. The determinations are summarised below. The applicable performance conditions are summarised on page 29.

PSP award	Performance metric (and weighting)	Performance vesting	Time pro rata outcome	Total Vesting
2018	Revenue (75%) Attained: 100%	75.0%	44.4%	33.3%
2019	Revenue (33.3%) Attained: 100%	66.7%	27.8%	18.5%
	TSR (25%) Attained: nil			
	TSR (33.3%) Attained: 100%			
	EPS (33.3%) Attained: nil			

### Performance Share Plan ("PSP")

Details of the PSP awards held by Directors are detailed in the table below:

	As at 1 January 2019 (number)	Awards granted (number)	Awards vested (number)	Awards exercised (number)	Awards lapsed (number)	As at 31 December 2019 (number)	Face value of awards granted in 2019 <sup>1</sup> (£)	Earliest exercise date of awards granted in 2019 <sup>3</sup>	Latest exercise date of awards granted in 2019 <sup>4</sup>
Peter Duffy	72,008	76,657	—	—	—	148,665	£579,375	14 Mar 22	13 Mar 29
Paul Harrison	324,875	122,651	98,319	—	40,195	505,650	£927,000	14 Mar 22	13 Mar 29
Peter Plumb <sup>2</sup>	236,304	—	—	—	190,594	45,710	—	—	—

- The face values for the PSP awards made in 2019 have been calculated using the grant price in accordance with the plan rules. For the awards granted on 14 March 2019, the grant share price was 755.8 pence which is the average share price over five days immediately preceding the grant date. Details of the performance measures for the PSP awards are below.
- Full details of Peter Plumb's departure terms can be found in the 2018 Directors' Remuneration Report. The minimum closing share price in 2019 was 570.6 pence and the maximum closing share price in 2019 was 838.8 pence. The closing share price on 31 December 2019 was 834.8 pence.
- Due to the merger this date was brought forward to 31 January 2020.
- Due to the merger and subsequent Compulsory Acquisition Notice served by Takeaway.com this date was brought forward to 7 March 2020.

The performance measures and targets for the PSP awards made in 2017, 2018 and 2019 were as summarised overleaf.

Performance measure	2017 award (50% growth in Adjusted EPS and 50% TSR)	2018 award (75% growth in revenue and 25% TSR)	2019 award (33.3% growth in revenue, 33.3% TSR and 33.3% Adjusted EPS)
<b>Adjusted EPS growth</b> 20% of this part vests at threshold performance rising on a pro rata basis until 100% vests. Measured over three financial years commencing with the year of award.	Target range between 18.5p and 23.9p for 2019.	N/A	Target range between 32p and 42p for 2021.
<b>TSR</b> 20% of this part vests at threshold performance rising on a pro rata basis until 100% vests. Measured over three financial years commencing with the year of award.	Target range between median performance and rising on a pro rata basis until full vesting for upper quintile performance. Measured against constituents of FTSE 250 (ex IT) at commencement of performance period (three financial years to 31 December 2019).	Target range between median performance against the constituents of a defined comparator group, consisting of ten companies, rising on a pro rata basis until full vesting for upper quartile performance. Measured over three years commencing with the date of award.	Target range the same as for 2018. Measured over three financial years to 31 December 2021.
<b>Revenue growth</b> 20% of this part vests at threshold performance rising on a pro rata basis until 100% vests. Measured over three financial years commencing with the year of award.	N/A	Target range between 17% and 27% CAGR for three financial years commencing in 2018.	Target range between 19% and 29% CAGR for three financial years commencing in 2019.

#### Detail

The EPS condition applies to the EPS achieved in the final year of the three-financial-year performance period, based on the reported fully diluted EPS (subject to such adjustments as the Committee considers appropriate).

The revenue growth condition for 2018 and 2019 awards is focused on organic revenue growth so that: (1) it is limited to organic growth and bolt-on acquisitions only (with any material acquisitions excluded from the final revenue figure used (or the base increased to achieve the same effect)); (2) Hungryhouse is treated as included in the 2017 base figure for 2018 awards on a fully annualised basis; and (3) an additional underpin to the revenue condition applies so that this element will only vest to the extent that the Committee is satisfied that the revenue achieved is (a) sustainable, (b) achieved without incurring investment and/or other costs outside the corridor of investment envisaged by the Board at the time of grant, and (c) achieved in a manner consistent with the Group's risk controls.

Both the revenue and EPS conditions' awards exclude any contribution (positive or negative) to these measures from LATAM (given that Brazil and Mexico are managed by our JV partner) or from other minority interests. This will hold management accountable for performance in those operations they manage.

The TSR condition for 2017 compares the TSR over the three months prior to the start of the financial year in which the grant is made with the three months prior to the end of the third financial year. The comparator group is the constituents of the FTSE 250 (excluding IT) as at the start of the relevant performance period.

The TSR condition for 2018 and 2019 awards compares the TSR performance of the Company to the TSR performance of each of the constituents of a comparator group over a period of three years. The starting TSR is measured using the three months prior to the start of the performance period and the closing TSR is measured using the three months prior to the end of the performance period.

The TSR comparator group for the 2018 and 2019 awards is a selected group of "digital disruptors", being:

- ASOS (UK);
- Autotrader Group (UK);
- Boohoo.com (UK);
- Delivery Hero (Germany);
- GoCompare (UK);
- Grubhub (USA);
- Moneysupermarket (UK);
- Ocado Group (UK);
- Rightmove (UK); and
- Takeaway.com (Netherlands).

A further underpin applies to the 2019 PSP awards such that no shares shall become vested unless the Remuneration Committee is satisfied as to the Company's general financial performance in the applicable performance period.

## Sharesave Plan

	As at 1 January 2019 (number)	Awards granted (number)	Exercise price (pence)	Awards vested (number)	Awards exercised (number)	Awards lapsed (number)	As at 31 December 2019 (number)	Earliest exercise date <sup>2</sup>	Latest exercise date <sup>3</sup>
Peter Duffy	2,889	—	623.0	—	—	—	2,889	1 Nov 21	30 Apr 22
Paul Harrison	3,461	—	520.0	—	—	—	3,461	1 Nov 20	30 Apr 21
Peter Plumb <sup>1</sup>	2,889	—	623.0	—	—	2,889	—	—	—

1. Peter Plumb's Sharesave options lapsed on 21 January 2019; for full details on his departure terms please see page 71 of the 2018 Annual Report.
2. Due to the merger and subsequent Compulsory Acquisition Notice served by Takeaway.com this date was brought forward to 7 March 2020.
3. Due to the merger this date was brought forward to 31 January 2020.

## Statement of Directors' shareholding and share interests (audited)

The table below details the total number of Directors' interests in shares for the Chair, any Non-executive Directors with shares and each Executive Director at 31 December 2019:

	PSP	DSBP	Sharesave	Shares held	Total interest in shares
Mike Evans	—	—	—	6,238	6,238
Paul Harrison	447,526	28,360	3,461	14,622	493,969
Peter Duffy	148,665	—	2,889	—	151,554
Helen Weir	—	—	—	5,000	5,000
Alistair Cox	—	—	—	3,725	3,725

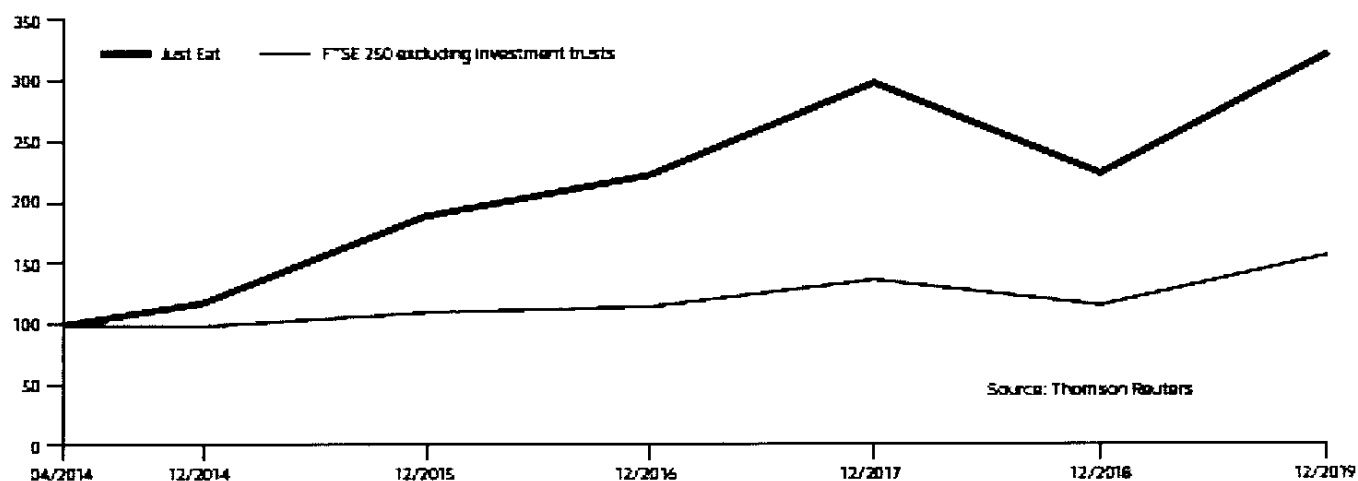
The shareholdings and awards set out above include those held by the Chair, Non-executive Directors and Executive Directors and include shares held by their respective connected persons.

There have been changes in the interests in shares detailed above between 31 December 2019 and the date of this report due to the merger between Just Eat and Takeaway.com. All unvested shares became exercisable at the point of completion under the change of control provisions of the plan rules. As such Peter Duffy and Paul Harrison exercised all options under the PSP to the permitted extent and retained the Just Eat Takeaway.com shares after disposals for tax, National Insurance and dealing costs.

Under the shareholding guidelines implemented by the Remuneration Committee, Executive Directors are required to build and then maintain a shareholding (excluding shares held conditionally under any incentive arrangements) equivalent to at least 400% of base salary. At the 2019 year end, Paul Harrison and Peter Duffy did not comply with this requirement. In accordance with the Company's shareholding guidelines, Executive Directors are expected to retain 50% of the Ordinary shares vesting under all share plans, after any disposals for the payment of applicable taxes, until they attain the required level of shareholding.

## Performance graph and Chief Executive Officer remuneration table (unaudited)

The following graph shows the TSR performance of an investment of £100 in Just Eat plc shares from its listing in April 2014 to the end of the 2019 financial year compared with a £100 investment in the FTSE 250 Index (excluding investment trusts), over the same period. The FTSE 250 Index (excluding investment trusts) was chosen as a comparator because it represents a broad equity market index of which the Company has been a constituent for the majority of the period since its listing in April 2014.



The table below details the Chief Executive Officer remuneration over the same period as presented in the TSR graph:

	Single total figure of remuneration £	Annual bonus payout against maximum %	Long-term incentive vesting rates against maximum opportunity %
2019 – Peter Duffy <sup>1</sup>	866,239	55%	N/A
2019 – Peter Plumb <sup>1</sup>	794,443	N/A	N/A
2018 – Peter Plumb	1,574,148	78%	N/A
2017 – Peter Plumb <sup>2</sup>	458,293	80%	N/A
2017 – David Buttress <sup>2</sup>	903,814	N/A	100%
2016 – David Buttress	1,273,874	94%	N/A
2015 – David Buttress	5,025,550	100%	100%
2014 – David Buttress <sup>3</sup>	3,857,963	100%	100%

1. In 2019 both Peter Plumb and Peter Duffy held the role of Chief Executive Officer, and hence two lines are shown.

2. In 2017 both David Buttress and Peter Plumb held the role of Chief Executive Officer, and hence two lines are shown. For David Buttress the figure excludes any amount of Non-executive Directors' fees paid for 2017.

3. As the Company listed in April 2014, part of the 2014 remuneration relates to when Just Eat was a privately owned group.

#### Percentage change in remuneration of the Director undertaking the role of Chief Executive Officer (unaudited)

The table below presents the year-on-year percentage change in remuneration received by the Chief Executive Officer, compared with the change in average remuneration received by all UK employees. This was chosen as a suitable comparator group as it includes UK contact centre employees but excludes senior management and international employees, who are on different pay structures.

Percentage increase in remuneration between 2018 and 2019	Chief Executive Officer	All UK employees
Salary <sup>1</sup>	(28%)	8%
Short-term incentives	(60%)	23%
All taxable benefits	(38%)	(25%)

1. The data for the Chief Executive Officer is shown on the basis of a comparison between data for Peter Plumb in 2018 and a blended position for 2019, reflecting the amounts paid to each of Peter Plumb and Peter Duffy for the part of the year in which each held the role of Chief Executive Officer (or Interim Chief Executive Officer).

#### Relative importance of spend on pay (unaudited)

The table below details the change in total employee pay between 2018 and 2019, as detailed in Note 6 of the financial statements. In line with our strategic plans, earnings have been retained for growth and development of the business and therefore no dividends and share buybacks have been paid since our IPO in April 2014. uEBITDA and revenue have been used as comparative measures as these KPIs are used by the Directors to measure performance.

These measures have been calculated in line with those in the audited financial statements.

	% change	2019 £m	2018 £m
Total gross employee pay	35.7%	183.7	135.4
Revenue	27.7%	997.3	781.2
uEBITDA	6.4%	201.9	189.7

#### CEO to employee pay ratio

The table below shows how the CEO's single figure remuneration (as taken from the single figure remuneration table on page 31) compares to equivalent single figure remuneration for full-time equivalent UK employees, ranked at the 25th, 50th and 75th percentiles.

Year	Method	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2019	Option B	32:1	18:1	12:1

Notes to the CEO to employee pay ratio:

- Option B (based on the gender pay gap reporting disclosures) was preferred as this data was already prepared on a Group basis.
- In line with the gender pay gap reporting regulations, pay for the 25th percentile, median and 75th percentile employees was calculated with reference to 5 April for each financial year.
- The ratios shown are representative of the FTE 25th percentile, median and 75th percentile pay for employees within the Group at the gender pay gap reference date.
- FTE equivalent pay has been calculated using the gender pay gap reporting methodology.
- The Committee believes the median pay ratio for 2019 to be consistent with the pay, reward and progression policies for the Company's UK employees taken as a whole as at the reference date.

The total pay and benefits and the salary component of total pay and benefits for the employee at each of the 25th percentile, the median and the 75th percentile are shown below:

Year	Salary			Total pay and benefits		
	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile
2019	£27,254.8	£47,473.1	£73,644.3	£29,156.0	£53,441.1	£81,531.9



## Consideration by the Directors of matters relating to Directors' remuneration (unaudited)

The following Non-executive Directors were members of the Remuneration Committee during the year:

- Gwyn Burr, Chair;
- Alistair Cox;
- Roisin Donnelly; and
- Mike Evans.

The Committee does not currently consult with employees specifically on the effectiveness and appropriateness of the executive remuneration policy and framework. However, the Company seeks to promote and maintain good relationships with employees as part of its employee engagement strategy. Details of the consideration given to employee pay by the Committee in the year is set out in the Company's Directors' remuneration policy (see section "Statement of consideration of employment conditions elsewhere in the Group").

During the year, the Committee considered its obligations under the UK Corporate Governance Code and concluded that:

- the Directors' remuneration policy supports the Company's strategy (including in the performance measures chosen); and
- remuneration for our Directors remains appropriate.

In addition, the Committee has ensured that the Directors' remuneration policy and practices are consistent with the six factors set out in Provision 40 of the Corporate Governance Code:

**Clarity** – Our Directors' remuneration policy is well understood by our senior Executive Team and has been clearly articulated to our shareholders and representative bodies (both on an ongoing basis and during consultation when changes are being made).

**Simplicity** – The Committee is mindful of the need to avoid overly complex remuneration structures which can be misunderstood and deliver unintended outcomes. Therefore, a key objective of the Committee is to ensure that our Directors' remuneration policy and practices are straightforward to communicate and operate.

**Risk** – Our Directors' remuneration policy has been designed to ensure that inappropriate risk taking is discouraged and will not be rewarded via (i) the balanced use of both annual incentives and long-term incentives which employ a blend of financial, non-financial and shareholder return targets, (ii) the significant role played by shares in our incentive plans (together with bonus deferral and in employment shareholding guidelines) and (iii) malus/clawback provisions within all our incentive plans.

**Predictability** – Our incentive plans are subject to individual caps, with our share plans also subject to market standard dilution limits. The weighting towards use of shares within our incentive plans means that actual pay outcomes are highly aligned to the experience of our shareholders.

**Proportionality** – There is a clear link between individual awards, delivery of strategy and our long-term performance. In addition, the significant role played by incentive/"at-risk" pay, together with the structure of the Executive Directors' service contracts, ensures that poor performance is not rewarded.

**Alignment to culture** – Our executive pay policies are fully aligned to Just Eat's culture through the use of metrics in both the annual bonus and PSP that measure how we perform against key aspects of our strategy.

FIT Remuneration Consultants LLP ("FIT") was selected by the Committee in 2014 as its remuneration adviser, after a tender and presentation process involving four leading firms. FIT exclusively advises the Committee and does not provide any other advice to the Group, nor does it advise management. This has, the Committee believes, ensured its objectivity and independence. FIT is a member of the Remuneration Consultants Group and complies with its voluntary code of conduct in relation to executive remuneration consulting in the UK. FIT's professional fees for 2019 were £106,885.62 plus VAT and were charged on the basis of the firm's standard terms of business for advice provided.

The Remuneration Committee also consulted with the Chief Financial Officer, the Chief People Officer and the Company Secretary who attended, by invitation, various Remuneration Committee meetings during the year, although no Executive is permitted to participate in discussions or decisions regarding his or her own remuneration.

## Statement of voting at the Annual General Meeting (unaudited)

On 1 May 2019, the shareholders approved the 2019 Directors' Remuneration Report as detailed in the table below.

	Votes for (% of votes cast)	Votes against (% of votes cast)	Votes withheld
2018 Directors' Remuneration Report	594,598,035 (98.82%)	7,120,413 (1.18%)	1,472,081

The Directors' remuneration policy was last approved at the 2018 AGM held on 26 April 2018.

	Votes for (% of votes cast)	Votes against (% of votes cast)	Votes withheld
Directors' remuneration policy	519,302,220 (98.59%)	7,445,365 (1.41%)	242,541

This section is provided for information only. The full policy can be found in our Annual Report and Accounts for 2017.

# Independent auditor's report

To the members of Just Eat Limited

## Report on the audit of the financial statements

### Opinion

In our opinion:

- the financial statements of Just Eat Limited (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 2019 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and IFRSs as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; 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;
- the consolidated statement of comprehensive income;
- the consolidated and parent company balance sheets;
- the consolidated and parent company statements of changes in equity;
- the consolidated and parent company cash flow statements; and
- the related notes 1 to 34.

The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

### 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of matter – Danish tax assessment

We draw attention to Note 2, which describes an ongoing tax dispute. In January 2018 the Danish Tax Authority raised a tax assessment on the group's Danish subsidiary, Just Eat Host A/S for DKK 0.78 billion (£93.3 million) before interest and surcharges in relation to intellectual property transferred by the Danish subsidiary to Just Eat Holding Limited, one of the group's UK companies. The group disagrees with the assessment and this international dispute entered the Mutual Agreement Procedure in April 2018 between the tax authorities of the Kingdom of Denmark and the United Kingdom. The Mutual Agreement Procedure normally runs for an initial period of two years, after which, if there no resolution, the taxpayer has the right to exit the process. As both the UK and Denmark have signed up to the European Arbitration Convention, should the Competent Authorities be unable to reach an agreement that resolves the double taxation within the minimum two year time period available under the Mutual Agreement Procedure, taxpayers have the right to access an independent advisory commission. The advisory commission will deliver its opinion on the elimination of double taxation and the UK and Danish Competent Authorities must then find a solution that eliminates the double taxation, either based on this opinion or on another agreed approach. Whilst this initial two year period has now expired, management intend to remain within the Mutual Agreement Procedure for the foreseeable future as the tax authorities have indicated a willingness to reach a settlement. Based on tax advice from the Group's independent tax advisers, the directors have modelled various potential scenarios, estimating amounts that may eventually be agreed to be payable to the Danish Tax Authority and estimating amounts that may be recoverable in the UK. The ultimate outcome of the matter cannot presently be determined and the eventual settlement might differ significantly from the amount currently provided.

Our opinion is not modified with respect to this matter.

### Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 respect of these matters.

#### **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.

#### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **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 has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and of 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.

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made or the part of the Directors' Remuneration Report to be audited is not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

**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.

A handwritten signature in black ink, appearing to read 'William Touche', with a horizontal line above the name.

**William Touche (Senior Statutory Auditor)**

For and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
21 August 2020

# Consolidated income statement

Year ended 31 December 2019

	Notes	2019 £m	2018 (restated <sup>1</sup> ) £m
<b>Continuing operations</b>			
Revenue	3	997.3	781.2
Cost of sales		(376.7)	(214.7)
<b>Gross profit</b>		<b>620.6</b>	<b>566.5</b>
Impairment of goodwill		(92.3)	-
Other operating costs		(541.7)	(445.8)
Total operating costs	5	(634.0)	(445.8)
<b>Operating (loss)/profit</b>		<b>(13.4)</b>	<b>120.7</b>
Share of results of associates and joint ventures	16	(99.2)	(13.7)
Other gains and losses	9	(11.5)	0.8
Investment revenue	10	0.6	0.4
Finance costs	10	(9.3)	(3.1)
<b>(Loss)/profit before tax</b>		<b>(132.8)</b>	<b>105.1</b>
Taxation	11	(26.4)	(21.8)
<b>(Loss)/profit for the year</b>		<b>(159.2)</b>	<b>83.3</b>
<i>Attributable to:</i>			
Equity shareholders		(159.6)	82.7
Non-controlling interests		0.4	0.6
		(159.2)	83.3
<b>Earnings per ordinary share (pence)</b>			
Basic	12	(23.4)	12.1
Diluted	12	(23.4)	12.1

1. Restated to deconsolidate Mexico, see Note 2.

# Consolidated statement of other comprehensive income

Year ended 31 December 2019

	2019 £m	2018 (restated <sup>1</sup> ) £m
<b>(Loss)/profit for the year</b>	<b>(159.2)</b>	<b>83.3</b>
<i>Items that may be reclassified subsequently to the income statement:</i>		
Exchange differences on translation of foreign operations	(20.8)	(17.2)
<b>Other comprehensive loss for the year</b>	<b>(20.8)</b>	<b>(17.2)</b>
<b>Total comprehensive (loss)/income for the year</b>	<b>(180.0)</b>	<b>66.1</b>
<i>Attributable to:</i>		
Equity shareholders	(180.4)	65.5
Non-controlling interests	0.4	0.6
<b>Total comprehensive (loss)/income for the year</b>	<b>(180.0)</b>	<b>66.1</b>

1. Restated to deconsolidate Mexico, see Note 2.

# Consolidated balance sheet

As at 31 December 2019

	Notes	31 December 2019 £m	31 December 2018 (restated <sup>1</sup> ) £m	1 January 2018 (restated <sup>1</sup> ) £m
<b>Non-current assets</b>				
Goodwill	13	659.6	749.9	525.3
Other intangible assets	14	152.7	133.4	93.2
Property, plant and equipment	15	28.5	25.5	18.9
Right-of-use lease asset	22	31.9	-	-
Investments in associates and joint ventures	16	83.0	78.9	61.2
Other investments		1.3	1.0	4.2
Deferred tax assets	11	27.9	28.9	18.1
		<b>984.9</b>	<b>1,017.6</b>	<b>720.9</b>
<b>Current assets</b>				
Cash and cash equivalents		116.2	145.8	225.2
Inventories		7.1	5.5	2.8
Trade and other receivables	17	73.2	58.1	62.6
Derivative financial instruments		-	-	0.1
Current tax assets	11	14.3	0.1	0.4
		<b>210.8</b>	<b>209.5</b>	<b>291.1</b>
<b>Total assets</b>		<b>1,195.7</b>	<b>1,227.1</b>	<b>1,012.0</b>
<b>Current liabilities</b>				
Trade and other payables	18	(189.7)	(237.7)	(184.9)
Derivative financial instruments		(1.0)	(0.3)	(0.6)
Current tax liabilities	11	(15.3)	(28.8)	(36.4)
Deferred revenue		(6.7)	(3.1)	(3.3)
Provisions for liabilities	19	(27.7)	(11.5)	(22.5)
Lease liabilities	22	(7.5)	-	-
Borrowings	22	(0.1)	(0.3)	(0.4)
		<b>(248.0)</b>	<b>(281.7)</b>	<b>(248.1)</b>
<b>Net current liabilities</b>		<b>(37.2)</b>	<b>(72.2)</b>	<b>43.0</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	11	(21.6)	(20.6)	(18.2)
Deferred revenue		(2.7)	(3.9)	(0.8)
Provisions for liabilities	19	(4.6)	(20.8)	(20.2)
Lease liabilities	22	(25.2)	-	-
Borrowings	22	(259.9)	(102.4)	(0.3)
		<b>(314.0)</b>	<b>(147.7)</b>	<b>(39.5)</b>
<b>Total liabilities</b>		<b>(562.0)</b>	<b>(429.4)</b>	<b>(287.6)</b>
<b>Net assets</b>		<b>633.7</b>	<b>797.7</b>	<b>724.4</b>
<b>Equity</b>				
Share capital	23	6.8	6.8	6.8
Share premium	23	564.7	563.4	562.7
Retained earnings	23	17.5	163.5	73.5
Translation reserve	23	47.4	68.2	85.4
Other reserves	23	(4.9)	(6.0)	(5.2)
<b>Equity attributable to shareholders of the Company</b>		<b>631.5</b>	<b>795.9</b>	<b>723.2</b>
Non-controlling interests	24	2.2	1.8	1.2
<b>Total equity</b>		<b>633.7</b>	<b>797.7</b>	<b>724.4</b>

1. Restated to deconsolidate Mexico. In addition, our accounting policy for amounts held by Payment Service Providers was changed in the year, resulting in a reclassification from cash and cash equivalents to trade and other receivables in the prior year. Both items are described in Note 2.

The consolidated financial statements on pages 36 to 40 were authorised for issue by the Board of Directors and signed on its behalf by:



**Mary Basterfield**  
**Director**

21 August 2020 Company registration number: 06947854

# Consolidated statement of changes in equity

Year ended 31 December 2019

	Share capital £m	Share premium account £m	Retained earnings £m	Translation reserve £m	Other reserves £m	Equity attributable to shareholders of the Company £m	Non-controlling interest ("NCI") £m	Total equity £m
As at 1 January 2018 (restated <sup>1</sup> )	6.8	562.7	73.5	85.4	(5.2)	723.2	1.2	724.4
Profit for the year	-	-	82.7	-	-	82.7	0.6	83.3
Other comprehensive loss	-	-	-	(17.2)	-	(17.2)	-	(17.2)
Total comprehensive income for the year	-	-	82.7	(17.2)	-	65.5	0.6	66.1
Share based payment charge	-	-	7.3	-	-	7.3	-	7.3
Exercise of share awards	-	0.7	0.6	-	(0.8)	0.5	-	0.5
Tax on share awards	-	-	(0.6)	-	-	(0.6)	-	(0.6)
<b>As at 31 December 2018 (restated<sup>1</sup>)</b>	<b>6.8</b>	<b>563.4</b>	<b>163.5</b>	<b>68.2</b>	<b>(6.0)</b>	<b>795.9</b>	<b>1.8</b>	<b>797.7</b>
Impact of adoption of IFRS16	-	-	4.8	-	-	4.8	-	4.8
Tax impact of adoption of IFRS16	-	-	(0.8)	-	-	(0.8)	-	(0.8)
As at 1 January 2019, adjusted	6.8	563.4	167.5	68.2	(6.0)	799.9	1.8	801.7
Loss for the year	-	-	(159.6)	-	-	(159.6)	0.4	(159.2)
Other comprehensive loss	-	-	-	(20.8)	-	(20.8)	-	(20.8)
Total comprehensive loss for the year	-	-	(159.6)	(20.8)	-	(180.4)	0.4	(180.0)
Share based payment charge	-	-	8.0	-	-	8.0	-	8.0
Exercise of share awards	-	1.3	-	-	1.1	2.4	-	2.4
Tax on share awards	-	-	1.6	-	-	1.6	-	1.6
<b>As at 31 December 2019</b>	<b>6.8</b>	<b>564.7</b>	<b>17.5</b>	<b>47.4</b>	<b>(4.9)</b>	<b>631.5</b>	<b>2.2</b>	<b>633.7</b>

1. Restated to deconsolidate Mexico, see Note 2.

# Consolidated cash flow statement

Year ended 31 December 2019

	2019 £m	2018 (restated <sup>1</sup> ) £m
<b>Operating (loss)/profit</b>	<b>(13.4)</b>	<b>120.7</b>
<i>Adjustments for:</i>		
Impairment of goodwill	92.3	-
Impairment of property, plant & equipment	2.0	-
Amortisation of intangible assets	54.1	36.8
Depreciation of property, plant and equipment	17.1	11.9
Depreciation of right-of-use lease asset	8.6	-
Loss on disposal of property, plant and equipment and intangible assets	1.1	1.9
Decrease in provisions	-	(0.8)
Non-cash share based payment charges, including social security costs	9.8	8.0
	<b>171.6</b>	<b>178.5</b>
Increase in inventories	(1.7)	(2.8)
Increase in receivables	(15.7)	(3.7)
Increase in payables	5.3	36.5
Increase in deferred revenue	2.4	2.7
<b>Net cash generated by operations</b>	<b>161.9</b>	<b>211.2</b>
Interest paid	(5.1)	(1.5)
Facility fees paid	(0.4)	(1.3)
Income taxes paid	(55.6)	(37.5)
<b>Net cash from operating activities</b>	<b>100.8</b>	<b>170.9</b>
<b>Investing activities</b>		
Acquisition of subsidiary businesses	(101.2)	(252.5)
Acquisition of interests in associates	-	(12.4)
Funding provided to associates and joint ventures	(103.7)	(41.8)
Purchase of intangible assets	(52.3)	(30.8)
Purchase of property, plant and equipment	(23.2)	(19.9)
Cash received on exit of US business	2.8	-
Cash received on disposal of investments	1.8	-
Cash paid for investments	(1.3)	-
Interest received	0.6	0.4
<b>Net cash used in investing activities</b>	<b>(276.5)</b>	<b>(357.0)</b>
<b>Financing activities</b>		
Draw down of borrowings	228.1	185.0
Repayment of borrowings	(71.0)	(80.0)
Capital payments on IFRS16 leases	(5.9)	-
Proceeds from exercise of options and awards	-	1.1
<b>Net cash generated from financing activities</b>	<b>151.2</b>	<b>106.1</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(24.5)</b>	<b>(80.0)</b>
Cash and cash equivalents at beginning of the year	145.8	225.2
Effect of changes in foreign exchange rates	(5.1)	0.6
<b>Cash and cash equivalents at end of the year</b>	<b>116.2</b>	<b>145.8</b>

1. Restated to deconsolidate Mexico. In addition, our accounting policy for amounts held by Payment Service Providers was changed in the year, resulting in a reclassification from cash and cash equivalents to trade and other receivables in the prior year. Both items are described in Note 2.



# Notes to the consolidated financial statements

Year ended 31 December 2019

## 1. General information

Just Eat Limited (the "Company") and subsidiaries controlled by the Company (together, the "Group" or "Just Eat") operate a leading global marketplace for online food delivery. Just Eat Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act and is registered in England and Wales. Our registered address is Fleet Place House, 2 Fleet Place, London EC4M 7RF, United Kingdom. The Company registration number is 06947854.

## 2. Basis of preparation

**This section describes how these financial statements have been prepared, as well as the critical accounting judgements and key sources of estimation uncertainty that could potentially have a material impact on the consolidated financial statements within the next financial year. This note also sets out the significant accounting policies that relate to the financial statements as a whole and the impact of new accounting standards. Where an accounting policy is applicable to a specific note to the financial statements, the policy is described within that note. In accordance with accounting standards, where balances are considered to be immaterial to these financial statements, no further disclosures are provided. These include investments, inventories and the detailed information on trade receivables.**

We have prepared the financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and Article 4 of the International Accounting Standard ("IAS") Regulations.

### **Going concern basis**

Based on the Group's cash flow projections, including consideration of the impact of COVID-19, the Just Eat Limited Board is satisfied that the Company and the Group will be able to operate within the existing financing arrangements in place with our new parent company for the foreseeable future. For this reason, the Directors continue to adopt the going concern basis in preparing these financial statements.

As described elsewhere in this Annual Report, the Company was acquired on 31 January 2020 and is now a subsidiary of Just Eat Takeaway.com N.V., which is itself listed in both Amsterdam and London. Although the acquisition took place on 31 January 2020, it was only cleared by the UK Competition and Markets Authority ("CMA") on 15 April 2020.

Since the granting of formal approval by the CMA, the following changes have taken place in the Group's financing arrangements:

- In April 2020, Just Eat Takeaway.com N.V. announced that it had raised €400 million by way of a placing of ordinary shares and €300 million in the form of a convertible bond; and
- In May 2020, Just Eat Takeaway.com N.V. injected €350 million by way of a capital contribution into Just Eat Limited.
- Future funding of the Group is expected to come from Just Eat Takeaway.com N.V., rather than the Group's Revolving Credit Facility ("RCF"), which will be extended to include the whole of the wider Just Eat Takeaway.com Group in the coming months.

Since Just Eat Limited now forms part of the Just Eat Takeaway.com N.V. Group we have made enquiries about the financing requirements of the wider Just Eat Takeaway.com N.V., and based on these enquiries are satisfied that we will be able to operate within the Just Eat Takeaway.com N.V. financing arrangements.

Taking into account the recent capital contribution and continued access to funding from our parent company, the Directors believe that Just Eat Limited and its subsidiaries will have access to sufficient liquidity for their operations for the foreseeable future, and that the Group is well placed to manage its financing and other significant risks satisfactorily. For these reasons, the Board considers it appropriate for the Group to adopt the going concern basis in preparing its financial statements.

### **Critical judgements in the application of accounting policies**

Critical judgements can be made when applying accounting policies that could have a significant impact on the amounts recognised in the consolidated financial statements. Only one such judgement was made in the current year.

#### **Adoption of equity method of accounting for Mexico**

The Group consolidates an entity when it has control. Control is achieved when the Group has power over the entity, is exposed to, or has rights to, variable returns from its involvement with the investee, and has the ability to use its power to affect its returns.

The Group has a 51% direct interest in El Cocinero a Cuerda SL ("ECAC" or "Mexico"), a Mexican online food marketplace business. The Group's majority shareholdings in ECAC result in the Group having a majority in the composition of the ECAC board of directors, which has the power to direct some, but not all, of the relevant activities.

The Group also holds a 16% indirect interest in ECAC. The Group has a 33% direct interest in IF-JE Holdings B.V. ("IF-NL"). IF-NL holds the remaining 49% interest in ECAC. The Group's minority shareholdings in IF-NL result in the Group having a minority in the composition of the IF-NL board of directors.

The shareholders' agreement between us and IF-NL requires decisions of the board to be approved by the majority of votes of the appointed directors except for certain reserved matters which require unanimous consent. Reserved matters include the approval or amendment of the business plan and budget and certain decisions regarding ECAC's information technology platform. The directors of Just Eat Limited have concluded that as the matters requiring an affirmative vote of IF-NL appointed board members relate to changes to operating and financing policies that significantly affect ECAC's return, they are substantive rights that provide IF-NL the ability to jointly control ECAC along with the Group. This is a matter of judgment and previously the directors of Just Eat had concluded these rights were protective in nature. As such, the Group has accounted for its investment in ECAC as a joint venture under the equity accounting method. Details of the restatement of the 2018 financial statements are set out below.

### **Key sources of estimation uncertainty**

At the balance sheet date, key assumptions regarding the future and other key sources of estimation uncertainty are made. A significant risk may exist where changes to these assumptions could cause a material adjustment to the carrying value of assets and liabilities within the next 12 months. The potential impairment of goodwill and uncertain tax positions are the only key sources of estimation uncertainty which could realise this risk.

#### ***Impairment of goodwill***

Determining whether goodwill allocated to individual cash-generating units ("CGUs") is impaired requires an estimation of the recoverable amount of the asset. Calculating the recoverable amount requires an estimate of the future cash flows expected to arise from the CGU. Due to the potential goodwill impairment of certain CGUs under reasonably possible scenarios, the assessment of goodwill impairment is considered to be a key source of estimation uncertainty.

The key sources of estimation uncertainty in the assessment of goodwill impairment are the assumptions around order growth rates and the reduction in driver costs per order (the primary direct cost per order). Should the actual performance be worse than assumptions made relating to order growth and cost reductions, or if future outlook changes over time, there is a significant risk of a material adjustment to goodwill within the next 12 months. Changes in the competitive or regulatory environment or changes in technology could result in significant changes to order growth and costs per order. For example, a new competitor may enter a market, or labour regulations may change. Such risks are actively monitored and factored into future cash flow estimates when known or anticipated.

Total goodwill as at 31 December 2019 was £659.6 million (2018: £749.9 million), with the total amount recognised in relation to CGUs which could be impaired under reasonably possible scenarios being £255.8 million (2018: £361.8 million), including £157.1 million in respect of the Australia & New Zealand CGU, which was partially impaired in the year. Further details in relation to the goodwill impairment assessment can be seen in Note 13, including the key assumptions applied in the current and prior year and the sensitivity of the carrying value of goodwill to these assumptions.

Subsequent to the year end, the world has experienced the COVID-19 pandemic (see Note 27). The expected impact of the outbreak was considered to be a non-adjusting post balance sheet event at 31 December 2019.

The exit of the United Kingdom from the European Union is not expected to have any impact on the carrying value of goodwill.

#### ***Uncertain tax positions***

As a result of the geographical spread of our operations and the varied, increasingly complex nature of local and global tax law, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. Resolving tax issues can take several years and is not always within our control.

Liabilities in respect of uncertain tax positions are measured based on interpretation of country-specific tax law and assigning probabilities to the possible likely outcomes and range of taxes payable in order to ascertain a weighted average probable liability. In-house tax experts, external tax experts and previous experience are used to help assess the tax risks when determining and recognising such liabilities.

In 2012, our transfer pricing arrangements were updated, in line with the OECD Transfer Pricing Guidelines, to reflect the commercial and economic reality of our headquarters being established in the UK, whereas previously the Group was headquartered in Denmark. An Advanced Pricing Agreement ("APA") was submitted to the Danish and UK Competent Authorities to obtain certainty over the position taken. Subsequently, the Danish Tax Authority opened a local transfer pricing audit into the periods covered by the APA and in January 2018 issued a formal notice of assessment from their findings, making a claim that the taxable income for financial year 2013 should be increased in relation to intellectual property income, equalling an additional tax payment of £126 million, including penalties and interest (which have continued to accrue since then). We strongly disagree with the claim made by the Danish Tax Authority and have appealed the assessment through the Mutual Agreement Process ("MAP") between the UK HMRC and the Danish Tax Authority. During the MAP, the two tax authorities enter into discussions with the intention of resolving the transfer pricing dispute. Our case was formally accepted into the MAP in April 2018. Under the MAP, the tax authorities have two years to reach a resolution. As a resolution has not been reached, we are able to refer the case to an independent arbitration panel which will consider the facts and reach its own conclusion. We expect the outcome to be a full elimination of the potential double taxation. Such an outcome may result in a reallocation of income between the UK and Denmark with different tax rates applying over a different period, with net interest charges.

The tax provision held in relation to the Danish matter is calculated based on probability weighting of a range of possible outcomes, the most extreme of which is the full claim made by the Danish Tax Authority. The key assumptions which are factored into our estimate of the likely outcome are: whether the basis for the claim made by the Danish Tax Authority is valid; the valuation applied to the relevant assets; and the length of time over which

royalty relief may be applied, ranging from five years to 25 years. We have not changed our assumptions regarding this matter in the current year. Due to the size of the full claim, it is possible that a change in our estimate could result in a material adjustment within the next year, should arbitration be concluded and result in an unexpected outcome. Sensitivity analysis shows that changing the probability likelihood of the most probable scenarios by 10–15% increases the provision by £0.8 million. Where the final amounts payable are different to the liabilities recognised in previous years, the required adjustments in respect of prior years will be recorded in the current year income statement.

We have made significant payments on account to the Danish Tax Authority, which in no way reflect our position or the expected outcome, but as a means of mitigating against interest charges applied on the final agreed tax payment. As at 31 December 2019 the balance sheet includes both an asset and a liability in respect of uncertain tax positions, representing our best estimate of the expected outcome of the MAP between the UK Tax Authority and the Danish Tax Authority, as well as other uncertain tax positions. The aggregate of the assets and liabilities held in respect of uncertain tax positions held at 31 December 2019, excluding payments on account, totalled £21.3 million (2018: £19.9 million).

#### **Significant accounting policies that relate to the financial statements as a whole**

##### ***a) Accounting convention and prior year restatements***

These consolidated financial statements have been prepared on the historical cost basis, except for assets and liabilities acquired as part of a business combination, deferred contingent consideration, provisions, investments, and derivative financial instruments, which have been measured at fair value. The policies have been consistently applied to all years presented with the exception of the adoption of IFRS16 Leases ("IFRS16") on 1 January 2019, the treatment of amounts held by Payment Service Providers and the deconsolidation of Mexico.

##### ***Adoption of IFRS16***

The impact of IFRS16 has been disclosed in Note 22.

##### ***Prior year restatement: Reclassification of amounts held by Payment Service Providers***

Historically, amounts held by Payment Service Providers have been included within cash and cash equivalents. During the year, this policy has been changed to reflect these amounts as receivables, in order to align with the policies of Takeaway.com N.V..

The impact of this restatement is included in the tables below.

##### ***Prior year restatement: Deconsolidation of Mexico***

As noted in the critical judgement section above, the Group holds a material interest in a Mexican business.

Subsequent to the issuance of the Group's 2018 financial statements, and as part of our review of our significant accounting judgement in relation to the consolidation of ECAC consequent to the acquisition of the Group by Takeaway.com N.V., the directors have determined that the previous judgement relating to our rights in relation to our ability to direct the relevant activities of the Mexican business in which we hold an interest of IF-NL being protective in nature, rather than substantive in nature, was not appropriate. The Group has reassessed: (i) the relevant activities that significantly affect the returns of ECAC; (ii) the impact of the decisions of the board of directors requiring an affirmative vote of the IF-NL on those activities; and (iii) the factors considered in determining whether those rights were substantive.

As a result, the consolidated income statement, statement of comprehensive income, balance sheet, statement of changes in equity and cash flow statement and related notes have been restated from the amounts previously reported to reflect the Group's investment in ECAC as a joint venture instead of a controlled entity.

The impact of this restatement is included in the tables below.

*Impact of prior year restatements*

Impact on income statement:

	2018 as reported £m	Deconsolidation of Mexico £m	2018 as restated £m
<b>Continuing operations</b>			
Revenue	779.5	1.7	781.2
Cost of sales	(216.9)	2.2	(214.7)
<b>Gross profit</b>	<b>562.6</b>	<b>3.9</b>	<b>566.5</b>
Operating costs	(452.3)	6.5	(445.8)
<b>Operating profit</b>	<b>110.3</b>	<b>10.4</b>	<b>120.7</b>
Share of results of associates and joint ventures	(6.7)	(7.0)	(13.7)
Other gains and losses	0.8	-	0.8
Investment revenue	0.4	-	0.4
Finance costs	(3.1)	-	(3.1)
<b>Profit before tax</b>	<b>101.7</b>	<b>3.4</b>	<b>105.1</b>
Taxation	(21.8)	-	(21.8)
<b>Profit for the year</b>	<b>79.9</b>	<b>3.4</b>	<b>83.3</b>
<i>Attributable to:</i>			
Equity shareholders	82.7	-	82.7
Non-controlling interests	(2.8)	3.4	0.6
	79.9	3.4	83.3
<b>Earnings per ordinary share (pence)</b>			
Basic	12.1	-	12.1
Diluted	12.1	-	12.1

Impact on balance sheets:

	31 December 2018 as reported £m	Deconsolidation of Mexico £m	Reclassification of amounts held by Payment Service Providers £m	31 December 2018 as restated £m
<b>Non-current assets</b>				
Goodwill	770.7	(20.8)	-	749.9
Other intangible assets	136.9	(3.5)	-	133.4
Property, plant and equipment	25.9	(0.4)	-	25.5
Investments in associates and joint ventures	54.6	24.3	-	78.9
Other investments	1.0	-	-	1.0
Deferred tax assets	28.9	-	-	28.9
	1,018.0	(0.4)	-	1,017.6
<b>Current assets</b>				
Cash and cash equivalents	185.9	(3.0)	(37.1)	145.8
Inventories	5.5	-	-	5.5
Trade and other receivables	24.2	(3.2)	37.1	58.1
Current tax assets	0.1	-	-	0.1
	215.7	(6.2)	-	209.5
<b>Total assets</b>	1,233.7	(6.6)	-	1,227.1
<b>Current liabilities</b>				
Trade and other payables	(240.1)	2.4	-	(237.7)
Derivative financial instruments	(0.3)	-	-	(0.3)
Current tax liabilities	(28.8)	-	-	(28.8)
Deferred revenue	(3.1)	-	-	(3.1)
Provisions for liabilities	(11.5)	-	-	(11.5)
Borrowings	(0.3)	-	-	(0.3)
	(284.1)	2.4	-	(281.7)
<b>Net current liabilities</b>	(68.4)	(3.8)	-	(72.2)
<b>Non-current liabilities</b>				
Deferred tax liabilities	(20.6)	-	-	(20.6)
Deferred revenue	(3.9)	-	-	(3.9)
Provisions for liabilities	(20.8)	-	-	(20.8)
Borrowings	(102.4)	-	-	(102.4)
	(147.7)	-	-	(147.7)
<b>Total liabilities</b>	(431.8)	2.4	-	(429.4)
<b>Net assets</b>	801.9	(4.2)	-	797.7
<b>Equity</b>				
Share capital	6.8	-	-	6.8
Share premium	563.4	-	-	563.4
Retained earnings	155.9	7.6	-	163.5
Translation reserve	70.8	(2.6)	-	68.2
Other reserves	(6.0)	-	-	(6.0)
<b>Equity attributable to shareholders of the Company</b>	790.9	5.0	-	795.9
Non-controlling interests	11.0	(9.2)	-	1.8
<b>Total equity</b>	801.9	(4.2)	-	797.7

A breakdown of the trade and other receivables and trade and other payables line items are provided below.

	1 January 2018 as reported £m	Deconsolidation of Mexico £m	Reclassification of amounts held by Payment Service Providers £m	1 January 2018 as restated £m
<b>Non-current assets</b>				
Goodwill	544.9	(19.6)	-	525.3
Other intangible assets	94.5	(1.3)	-	93.2
Property, plant and equipment	19.0	(0.1)	-	18.9
Investments in associates and joint ventures	41.4	19.8	-	61.2
Other investments	4.2	-	-	4.2
Deferred tax assets	18.1	-	-	18.1
	722.1	(1.2)	-	720.9
<b>Current assets</b>				
Cash and cash equivalents	265.1	(0.9)	(39.0)	225.2
Inventories	2.8	-	-	2.8
Trade and other receivables	24.2	(0.6)	39.0	62.6
Derivative financial instruments	0.1	-	-	0.1
Current tax assets	0.4	-	-	0.4
	292.6	(1.5)	-	291.1
<b>Total assets</b>	1,014.7	(2.7)	-	1,012.0
<b>Current liabilities</b>				
Trade and other payables	(185.2)	0.3	-	(184.9)
Derivative financial instruments	(0.6)	-	-	(0.6)
Current tax liabilities	(36.4)	-	-	(36.4)
Deferred revenue	(3.3)	-	-	(3.3)
Provisions for liabilities	(22.6)	0.1	-	(22.5)
Borrowings	(0.4)	-	-	(0.4)
	(248.5)	0.4	-	(248.1)
<b>Net current liabilities</b>	44.1	(1.1)	-	43.0
<b>Non-current liabilities</b>				
Deferred tax liabilities	(18.2)	-	-	(18.2)
Deferred revenue	(0.8)	-	-	(0.8)
Provisions for liabilities	(20.2)	-	-	(20.2)
Borrowings	(0.3)	-	-	(0.3)
	(39.5)	-	-	(39.5)
<b>Total liabilities</b>	(288.0)	0.4	-	(287.6)
<b>Net assets</b>	726.7	(2.3)	-	724.4
<b>Equity</b>				
Share capital	6.8	-	-	6.8
Share premium	562.7	-	-	562.7
Retained earnings	65.9	7.6	-	73.5
Translation reserve	88.3	(2.9)	-	85.4
Other reserves	(5.2)	-	-	(5.2)
<b>Equity attributable to shareholders of the Company</b>	718.5	4.7	-	723.2
Non-controlling interests	8.2	(7.0)	-	1.2
<b>Total equity</b>	726.7	(2.3)	-	724.4

A breakdown of the trade and other receivables and trade and other payables line items are provided below.

Impact on cash flow statement:

	2018 as reported £m	Deconsolidation of Mexico £m	Reclassification of amounts held by Payment Service Providers £m	2018 as restated £m
<b>Operating profit</b>	110.3	10.4	-	120.7
<i>Adjustments for:</i>				
Amortisation of intangible assets	37.2	(0.4)	-	36.8
Depreciation of property, plant and equipment	12.0	(0.1)	-	11.9
Loss on disposal of property, plant and equipment and intangible assets	1.9	-	-	1.9
Decrease in provisions	(0.8)	-	-	(0.8)
Non-cash share based payment charges, including social security costs	8.0	-	-	8.0
	168.6	9.9	-	178.5
Increase in inventories	(2.8)	-	-	(2.8)
Increase in receivables	(8.3)	2.7	1.9	(3.7)
Increase in payables	37.4	(0.9)	-	36.5
Increase in deferred revenue	2.7	-	-	2.7
<b>Net cash generated by operations</b>	197.6	11.7	1.9	211.2
Interest paid	(1.5)	-	-	(1.5)
Facility fees paid	(1.3)	-	-	(1.3)
Income taxes paid	(37.5)	-	-	(37.5)
<b>Net cash from operating activities</b>	157.3	11.7	1.9	170.9
<b>Investing activities</b>				
Acquisition of subsidiary businesses	(252.5)	-	-	(252.5)
Acquisition of interests in associates	(12.4)	-	-	(12.4)
Funding provided to associates	(30.6)	(11.2)	-	(41.8)
Purchase of intangible assets	(33.3)	2.5	-	(30.8)
Purchase of property, plant and equipment	(20.3)	0.4	-	(19.9)
Interest received	0.4	-	-	0.4
<b>Net cash used in investing activities</b>	(348.7)	(8.3)	-	(357.0)
<b>Financing activities</b>				
Draw down of borrowings	185.0	-	-	185.0
Repayment of borrowings	(80.0)	-	-	(80.0)
Funding received from NCI	5.4	(5.4)	-	-
Proceeds from exercise of options and awards	1.1	-	-	1.1
<b>Net cash generated from financing activities</b>	111.5	(5.4)	-	106.1
<b>Net decrease in cash and cash equivalents</b>	(79.9)	(2.0)	1.9	(80.0)
Cash and cash equivalents at beginning of the year	265.1	(0.9)	(39.0)	225.2
Effect of changes in foreign exchange rates	0.7	(0.1)	-	0.6
<b>Cash and cash equivalents at end of the year</b>	185.9	(3.0)	(37.1)	145.8

Impact on notes containing financial statement line items:

	31 December 2018 as reported £m	Deconsolidation of Mexico £m	Reclassification of amounts held by Payment Service Providers £m	31 December 2018 as restated £m
Trade receivables	4.1	(0.1)	-	4.0
Amounts held by Payment Service Providers	-	-	37.1	37.1
Other receivables	6.4	(2.8)	-	3.6
Prepayments	13.5	(0.3)	-	13.2
Accrued revenue	0.2	-	-	0.2
<b>Current trade and other receivables</b>	<b>24.2</b>	<b>(3.2)</b>	<b>37.1</b>	<b>58.1</b>

	31 December 2018 as reported £m	Deconsolidation of Mexico £m		31 December 2018 as restated £m
Trade payables	17.1	(0.1)		17.0
Amounts due to Restaurant Partners	79.7	(0.9)		78.8
Deferred consideration	28.0	-		28.0
Other payables and accruals	102.1	(4.5)		97.6
Other taxes and social security	13.2	3.1		16.3
<b>Total trade and other payables</b>	<b>240.1</b>	<b>(2.4)</b>		<b>237.7</b>

	1 January 2018 as reported £m	Deconsolidation of Mexico £m	Reclassification of amounts held by Payment Service Providers £m	1 January 2018 as restated £m
Trade receivables	2.1	(0.1)	-	2.0
Amounts held by Payment Service Providers	4.4	-	39.0	43.4
Other receivables	6.0	(0.3)	-	5.7
Prepayments	11.7	(0.2)	-	11.5
Accrued revenue	-	-	-	-
<b>Current trade and other receivables</b>	<b>24.2</b>	<b>(0.6)</b>	<b>39.0</b>	<b>62.6</b>

	1 January 2018 as reported £m	Deconsolidation of Mexico £m		1 January 2018 as restated £m
Trade payables	12.6	(0.2)		12.4
Amounts due to Restaurant Partners	51.5	(0.4)		51.1
Deferred consideration	24.6	-		24.6
Other payables and accruals	80.8	(1.3)		79.5
Other taxes and social security	15.7	1.6		17.3
<b>Total trade and other payables</b>	<b>185.2</b>	<b>(0.3)</b>		<b>184.9</b>

#### b) Basis of consolidation

These consolidated financial statements incorporate the financial statements of the Company and its subsidiaries.

Subsidiaries are consolidated from the date on which control is obtained and continue to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of an investee, to be exposed to a variable return in that investee and to have the ability to use power to affect the amount of those returns. Where necessary, adjustments are made to the financial statements of subsidiaries to align with our Group accounting policies. All intercompany transactions and balances within the Group, including unrealised profits arising from them, are eliminated upon consolidation.

Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the Company and are presented separately within equity in the Consolidated Balance Sheet, separately from equity attributable to shareholders of the Company. Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

#### c) Operating profit

Operating profit is not a measure defined by IFRS, but is considered to include the profits and losses from operations before our share of the results of associates, other gains and losses, investment revenue, finance costs and taxes.



#### *d) Foreign currencies*

The individual financial statements of each subsidiary are presented in the currency of the primary economic environment in which it operates ("functional currency"). For the purpose of the consolidated financial statements, the results and financial position of each subsidiary are expressed in pound sterling, which is the functional currency of the Company, and also the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies:

- Transactions in currencies other than that entity's functional currency ("foreign currencies") are recognised at the rates of exchange prevailing on the dates of the transactions.
- At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date.
- Foreign currency-denominated non-monetary items carried at fair value are translated at the rates prevailing at the date when the fair value was determined.
- Foreign currency-denominated non-monetary items measured in terms of historical cost are translated at the rates prevailing at the date the historical cost was measured. Non-monetary items are not retranslated.
- Exchange differences are recognised in the income statement in the year in which they arise, except for exchange differences on monetary items receivable or payable to a foreign operation where settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified to profit or loss on disposal of the net investment.

For the purpose of presenting consolidated financial statements, the monetary assets and liabilities of our foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising are recognised in other comprehensive income and accumulated in equity (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of our entire interest in a foreign operation), all of the accumulated exchange differences in respect of that operation are reclassified to profit or loss.

Goodwill and intangible assets arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

#### *e) Asset impairment*

The carrying amounts of tangible and intangible assets (including goodwill) are reviewed for each reporting year, together with any other assets under the scope of IAS36 Impairment of Assets ("IAS36"), IAS28 Investments in Associates and Joint Ventures ("IAS28"), or IFRS9 Financial Instruments ("IFRS9"), in order to assess whether there is any indication that those assets have suffered an impairment loss.

If any indication of impairment exists, the recoverable amount of the asset is estimated in order to determine if there is any impairment loss. Goodwill is assessed for impairment annually in the first quarter of the year, irrespective of whether there are any indicators of impairment. Where an asset does not generate cash flows that are independent from other assets, the asset is assigned to a CGU.

Recoverable amount is defined as the higher of fair value less costs of disposal ("FVLCD") and value in use ("VIU"). Estimated future cash flows are discounted to their present value. Our calculation of discount rates is based on a risk-free rate of interest appropriate to the geographic location of the cash flows related to the asset being tested, which is subsequently adjusted to factor in local market risks and risks specific to us and the asset itself, unless those risks have already been factored into the expected future cash flows. Discount rates used for internal purposes are post-tax rates; however, for the purpose of impairment testing in accordance with IAS36 a pre-tax rate is calculated based on post-tax analysis.

If the recoverable amount is estimated to be less than the carrying amount of the asset, the carrying amount is impaired to its recoverable amount. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amount of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior years are assessed at each reporting date for indications that the loss has decreased or no longer exists. Where an impairment loss subsequently reverses, the carrying amount is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior years.

Impairment losses and reversals are recognised immediately in the income statement within operating costs.

Impairment assessments for the year ended 31 December 2019 are based on the plans in place for the business at that date and do not reflect any decisions made by management of the new parent company following the acquisition of the Just Eat Group.

#### ***New and amended standards adopted***

IFRS16, IFRIC 23 Uncertainty Over Income Tax Treatments, and various amendments to existing standards were adopted on 1 January 2019. Only IFRS16 has had a material impact on our financial position or performance. Further details of the impact of IFRS16 are provided in Note 22.

### ***New standards and interpretations not yet adopted***

Certain new accounting standards and interpretations have been published that are not mandatory for the year ended 31 December 2019 and have not been early adopted.

None of the accounting standards issued but not yet effective are expected to have a significant impact on our annual financial statements.

### **3. Revenue**

**Revenue is earned through the contracts held with Restaurant Partners and through the arrangements entered into with consumers as the end customers via the Group's ordering platforms.**

#### ***Accounting policy***

##### ***General revenue recognition***

Our revenue is derived principally from commission fees paid by our Restaurant Partners for use of our platform in connecting our Restaurant Partners to diners. Our primary performance obligation is to connect our Restaurant Partners with diners to facilitate the ordering and delivery between the restaurant and the diner. The contract for supply and purchase of orders is between the diner and the Restaurant Partner, with us acting as the commercial agent for the Restaurant Partner. Restaurant Partners either deliver the order themselves or the terms of the contract with the Restaurant Partner require us to provide delivery services for which we are entitled to charge a delivery fee to the diner. Delivery services are either performed by us or through third party couriers. Our arrangement with the diner requires us to transmit diner orders placed through the use of our order channels (our website, related mobile applications and ordering platforms) and provide customer care to the diners for which we charge the diner an administration fee. To a lesser extent, we also earn revenue on Top Placement fees for promotional placement of Restaurant Partners on our marketplace platform and upfront sign up fees from Restaurant Partners for joining the marketplace.

Judgement is required in evaluating the presentation of revenue on a gross or net basis based on whether we control the service provided to the diner and are the principal in the transaction or we arrange for other parties to provide the service to the diner and are the agent in the transaction. We have concluded that we are the agent as we arrange for our restaurant partners to provide the service to the diner. Fulfilment of the food order always remains the responsibility of, and therefore remains within the control of, the Restaurant Partner, as we do not pre-purchase or otherwise obtain control of the Restaurant Partner's goods or service prior to transfer to the diner. For delivery revenue, we have concluded that we control the delivery service when (i) we have the responsibility for identifying and directing the drivers to perform the delivery services thereby controlling the service before it is transferred to the diner and (ii) we are primarily responsible to the Restaurant Partners for delivering the food to the end consumers. As part of our evaluation, we also considered that our terms with the Restaurant Partners provide us with ultimate discretion in setting the transaction price for the delivery services and the sole ability to decline services for delivery.

The majority of our revenue is recognised at the point in time when the transaction is complete i.e. when the order is delivered to the customer and it is probable that we will collect the related consideration, being delivery of food to a customer. We typically receive the fees within a short period of time following completion of the transaction. We process the entire transaction amount with the diner using third party payment service providers, and remit the proceeds collected to the Restaurant Partner after deduction commissions, delivery and administration fees. Although we process and collect the entire amount of the transaction with the diner, commission revenue is recorded on a net basis as we have concluded we are acting as an agent. Fees for delivery services charged to the customer are recognised in revenue with cost incurred in providing the delivery services and processing transactions included in cost of sales.

Revenue is measured net of discounts, VAT and other sales-related taxes.

We have no significant financing components in our contracts.

##### ***Commission revenue***

Commission revenue generated from Restaurant Partners is earned and recognised when a customer's order is delivered, being the point at which no remaining transactional obligations remain. As we have determined we are an agent, gross order value placed by customers is not recognised as revenue, only the commission to which we are entitled is recorded as revenue.

##### ***Delivery revenue***

Delivery revenue is earned when we are responsible for providing the food delivery. Where we provide delivery, all delivery fees are recognised as revenue at the point of order fulfilment to the diner. This is irrespective of whether the individual making the delivery is our employee, a contractor, or an employee of a third-party service company, as we maintain primary responsibility for delivery under any of these arrangements. Delivery fees charged to the diner are recognised as revenue with the cost incurred in providing the delivery services included within cost of sales.

##### ***Administration fees***

Revenue from administration fees are recognised at the point of order fulfilment.

##### ***Discounts***

Discount vouchers are offered to a limited number of diners to acquire, re-engage, or generally increase diners use of our order channels. Discount vouchers are recognised as a reduction to revenue when the voucher is redeemed by the diner. As the discount does not establish a contract with the diner and is in respect of future orders, a liability is not recorded at the point the discount vouchers are issued. Discount vouchers have an expiry date.

Customer care vouchers are given where there is an unsatisfactory diner experience. These are recognised as a reduction to revenue when the voucher is awarded as they relate to past orders and therefore a liability is recognised on issuance of the voucher. The liability recognised at the end of each reporting year reflects amounts for customer care vouchers not yet redeemed or credited to a customer's account, excluding any which have expired.

#### *Top Placement fees*

Top Placement fees represent income for placing prioritisation on our platform. These arrangements cover a specified period of time and the associated revenues are recognised rateably over the priority placement period.

#### *Sign-up fees and other revenue*

Restaurants pay one-off fees to join our platform, which covers the cost of an order confirmation terminal used for communicating orders between customers and Restaurant Partners via our ordering infrastructure, plus the ongoing costs of supporting the Restaurant Partners.

Sign-up fees are deferred to the balance sheet and recognised evenly over the expected life of Restaurant Partner relationship. Where a Restaurant partner has ended its relationship with us and it is no longer included on the Group's platforms, any remaining deferred income balances are recognised in revenue at the point there is evidence supporting the end of the relationship.

Restaurant Partners in some countries pay an annual subscription fee. Revenue in respect of subscription fees is recognised rateably over the subscription period, being the period over which the performance obligation is delivered.

Other revenue includes the sale of branded merchandise to Restaurant Partners. Merchandise revenue is recognised when the goods are delivered and control has transferred to the Restaurant Partner. Such revenues are not significant to our results.

#### **Revenue by source**

	2019		2018 (restated <sup>1</sup> )	
	£m	%	£m	%
Commission revenue	761.7	77	601.2	77
Delivery revenue	143.0	14	75.3	10
Administration fees	87.8	9	81.8	10
Discounts	(44.9)	(5)	(27.3)	(3)
<b>Order-driven revenue</b>	<b>947.6</b>	<b>95</b>	<b>731.0</b>	<b>94</b>
Top-placement fees	48.0	5	42.3	5
Sign-up fees and other revenue	1.7	-	7.9	1
<b>Ancillary revenue</b>	<b>49.7</b>	<b>5</b>	<b>50.2</b>	<b>6</b>
<b>Total revenue</b>	<b>997.3</b>	<b>100</b>	<b>781.2</b>	<b>100</b>

1. Restated to deconsolidate Mexico, see Note 2.

#### **4. Operating segments**

**Our business is managed with a geographical focus, with management of the UK, Canada and Australia & New Zealand businesses reporting directly to the Chief Executive Officer and the other international operations reporting as a combined business. This note presents selected financial data as reported to the Chief Executive Officer.**

#### **Accounting policy**

The operating segments set out below are presented on the same basis used internally for the review of performance and allocation of resources by our Chief Operating Decision Maker ("CODM"). Our CODM is the Chief Executive Officer.

Our operations are organised and report internally in four segments, split geographically. The main measure of profitability used by the CODM to assess the performance of the business is Underlying EBITDA ("uEBITDA"). This represents the segment measure of profit. uEBITDA is defined as earnings before finance income and costs, taxation, depreciation and amortisation ("EBITDA"), less impairment charges, the results of associates and joint ventures, share based payment expenses, acquisition transaction and integration costs, significant restructuring programmes, foreign exchange and other gains and losses.

The CODM uses uEBITDA to assess internal performance, as it excludes items that do not reflect the day-to-day commercial performance of the business. As a result, uEBITDA provides a measure of the underlying performance of the business and is considered to enhance the comparability of profit or loss across segments. Accordingly, Executive Team incentives are based partly on uEBITDA results and, therefore, it is considered to be both useful and necessary to disclose this measure. Further details relating to the non-IFRS financial performance measures are provided at the end of these financial statements.

As a result of the restatement of the results of Mexico as described in Note 2, the former International segment has now been renamed as Europe. Our reporting segments for internal and external reporting purposes are: United Kingdom; Canada; Australia & New Zealand ("ANZ"); and Europe. The comparative segmental disclosures below have been restated to reflect this change. Previously, the segments were: United Kingdom; Canada; ANZ; and International. The Europe segment consists of Denmark, France, Ireland, Italy, Norway, Spain and Switzerland. Each

of the operations in the European segment have similar business models and are expected to have similar long-term uEBITDA margins and display similar economic characteristics.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Central administration costs are allocated to the individual segments on a consistent basis. The CODM does not regularly review segment assets and liabilities and therefore no such details are provided below. Inter-segment revenue represents recharging of costs incurred with no profit applied.

2019	United Kingdom £m	Canada £m	ANZ £m	Europe £m	Head office £m	Total £m
Gross revenue	445.5	290.7	62.8	205.8	17.9	1,022.7
Inter-segment revenue	-	(7.5)	-	-	(17.9)	(25.4)
<b>External revenue</b>	<b>445.5</b>	<b>283.2</b>	<b>62.8</b>	<b>205.8</b>	<b>-</b>	<b>997.3</b>
<b>uEBITDA</b>	<b>183.0</b>	<b>19.2</b>	<b>(7.0)</b>	<b>41.8</b>	<b>(35.1)</b>	<b>201.9</b>
Share based payment charges, including social security costs						(12.4)
Acquisition transaction and integration costs						(24.2)
Target operating model restructuring						(1.2)
Net foreign exchange losses						(3.4)
Depreciation						(25.7)
Impairment of goodwill						(92.3)
Impairment of property, plant & equipment						(2.0)
Amortisation – acquired intangible assets						(31.4)
Amortisation – other intangible assets						(22.7)
<b>Operating loss</b>						<b>(13.4)</b>
Share of results of associates and joint ventures						(99.2)
Other gains and losses						(11.5)
Investment revenue						0.6
Finance costs						(9.3)
<b>Loss before tax</b>						<b>(132.8)</b>

2018 (restated <sup>1</sup> )	United Kingdom £m	Canada £m	ANZ £m	Europe £m	Head office £m	Total £m
Gross revenue	385.6	179.2	46.7	171.0	11.2	793.7
Inter-segment revenue	-	(1.3)	-	-	(11.2)	(12.5)
<b>External revenue</b>	<b>385.6</b>	<b>177.9</b>	<b>46.7</b>	<b>171.0</b>	<b>-</b>	<b>781.2</b>
<b>uEBITDA</b>	<b>189.5</b>	<b>(11.5)</b>	<b>6.5</b>	<b>24.3</b>	<b>(19.1)</b>	<b>189.7</b>
Share based payment charges, including social security costs						(8.0)
Acquisition transaction and integration costs						(14.8)
Net foreign exchange gains						2.5
Depreciation						(11.9)
Amortisation – acquired intangible assets						(23.4)
Amortisation – other intangible assets						(13.4)
<b>Operating profit</b>						<b>120.7</b>
Share of results of associates and joint ventures						(13.7)
Other gains and losses						0.8
Investment revenue						0.4
Finance costs						(3.1)
<b>Profit before tax</b>						<b>105.1</b>

1. Restated to deconsolidate Mexico, see Note 2.

## 5. Operating costs

Cost of sales relate primarily to delivery costs and direct costs of placing customer orders. Operating costs are all other costs which relate to operating activities.

	2019 £m	2018 (restated <sup>1</sup> ) £m
Staff remuneration	183.7	133.5
Other staff costs	36.4	29.6
<b>Total staff costs</b>	<b>220.1</b>	<b>163.1</b>
Marketing	151.5	143.7
Acquisition related impairment charges	92.3	-
Acquisition related intangible asset amortisation	31.4	23.4
Amortisation of other intangible assets, excluding acquisition related assets	22.7	13.4
Depreciation of property, plant & equipment	17.1	11.9
Impairment of property, plant & equipment	2.0	-
Depreciation of right-of-use lease asset	8.6	-
Loss on disposal of property, plant and equipment and intangible assets	1.1	1.9
M&A transaction costs	23.5	3.0
Acquisition integration costs	0.7	11.8
Target operating model restructuring	1.2	-
Net foreign exchange losses/(gains)	3.4	(2.5)
Other costs	58.4	76.1
<b>Total operating costs</b>	<b>634.0</b>	<b>445.8</b>

1. Restated to deconsolidate Mexico, see Note 2.

The Group does not perform pure or applied research. Development costs charged to the Income Statement for the year ended 31 December 2019 were £25.8 million (2018: £20.0 million) and are predominantly staff costs. Capitalised development costs in the year totalled £42.8 million (2018: £27.3 million) and the amortisation charge in respect of capitalised development costs was £55.0 million (2018: £37.2 million).

Staff remuneration includes amounts recognised as an expense for defined contribution plans of £8.3 million (2018: £5.4 million).

## 6. Auditor's remuneration

Deloitte LLP was the Company's statutory auditor in the current and prior year. Deloitte LLP was reappointed as external auditor in 2018, following a formal tender process, having been originally appointed in 2009.

During the year, we obtained the following services from our external auditor:

	2019 £m	2018 £m
Parent Company	0.3	0.2
Subsidiary undertakings	0.7	0.5
<b>Total Deloitte LLP and its associates' audit fees</b>	<b>1.0</b>	<b>0.7</b>
Audit-related assurance services – half year audit pursuant to merger activities	0.6	-
Audit-related assurance services – half year review pursuant to UK Listing Rules	0.1	0.1
<b>Total Deloitte LLP and its associates' non-audit fees</b>	<b>0.7</b>	<b>0.1</b>
<b>Total Deloitte LLP and its associates' fees</b>	<b>1.7</b>	<b>0.8</b>

## 7. Employee information

Information is provided in this note on our employees, including long-term incentive costs. A significant number of our employees work in our operations centre in Canada, which has the highest level of delivery orders in the Group.

### Accounting policy

Employees are considered to be individuals employed under contracts of service, plus any Non-executive Directors. Contracts of service include all employees, other than occasional casual workers, but exclude any individuals employed by non-consolidated entities who are contracted to work for us on a full-time basis. Where external couriers are used, we never consider them to be employees.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### Average number of employees

	2019	2018 (restated <sup>1</sup> )
Operations	1,715	1,691
Technology and product	863	618
Sales	523	402
Marketing	197	182
Management and administration	283	261
<b>Average number of full-time equivalent members of staff</b>	<b>3,581</b>	<b>3,154</b>

1. Restated to deconsolidate Mexico, see Note 2.

	2019	2018 (restated <sup>1</sup> )
United Kingdom	444	450
Canada	1,801	1,470
ANZ	129	117
Europe	542	575
Head office	665	542
<b>Average number of full-time equivalent members of staff</b>	<b>3,581</b>	<b>3,154</b>

1. Restated to deconsolidate Mexico, see Note 2.

### Staff remuneration

	2019 £m	2018 (restated <sup>1</sup> ) £m
Wages and salaries	145.2	107.8
Social security costs	17.8	12.3
Pension costs	8.3	5.4
Share based payment charges	12.4	8.0
<b>Total staff remuneration</b>	<b>183.7</b>	<b>133.5</b>

1. Restated to deconsolidate Mexico, see Note 2.

Details of the Directors' remuneration are included in the Annual report on remuneration section of this Annual Report and Accounts.

## 8. Share based payments

Historically, a number of share based compensation plans have been used. Following a change in control of the Group in 2020, all schemes ended, with eligible employees joining the new parent company's schemes and any unvested options transferring to the new schemes in full (see Note 27).

### Accounting policy

Equity-settled share based payments to employees are measured at the fair value of the equity instruments at the grant date. The fair value includes the effect of market based vesting conditions.

The fair value determined at the grant date of the equity-settled share based payments is expensed evenly over the vesting period, based on our estimate of equity instruments that will eventually vest. At each balance sheet date, the estimate of the number of equity instruments expected to vest is revised as a result of the effect of non-market based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

### Summary position

The total expense recorded in relation to the share based, long-term employee incentives was:

	2019 £m	2018 £m
Share based incentive charge, as recognised in the Consolidated Statement of Changes in Equity	8.0	7.3
Cash settled share based payment charge	2.6	-
Employer's social security costs on the exercise of options	1.8	0.7
<b>Total share based payment charges, including social security costs</b>	<b>12.4</b>	<b>8.0</b>

The share awards outstanding can be summarised as follows:

	2019 Number of share awards	2018 Number of share awards
Performance Share Plan	4,830,936	4,729,800
Sharesave Plan	664,793	1,027,070
Share Incentive Plan	52,734	90,150
Enterprise Management Incentive Scheme and Company Share Option Plan	482,454	1,277,227
Joint Share Ownership Plan <sup>1</sup>	534,480	737,238
	<b>6,565,397</b>	<b>7,861,485</b>

1. No share options arise; awards are restricted interests in Ordinary shares.

### Just Eat plc Performance Share Plan ("PSP")

PSP awards were granted to eligible employees meeting criteria determined by the Board to help incentivise sustained performance over the long term and to promote alignment with the shareholders' interests. Awards under the PSP were granted as nil-cost options that vested to the extent performance conditions were satisfied, predominantly over a timespan of three years.

The vesting of interests granted to employees was subject to the option holder continuing to be an employee. For members of the Executive Team, 50% of the awards granted had Total Shareholder Return ("TSR") performance criteria (being a market condition) and 50% were based on EPS targets (being a non-market condition). The fair value of interests awarded under the PSP was determined using the Black-Scholes option pricing model, with the TSR performance criteria being calculated using the stochastic simulation model.

Only employed in Canada received cash settlements for their awards under this scheme.

### Sharesave Plan

Employees that were determined to be eligible by the Board were offered the option to buy shares in the Company after a timespan of three years, based on a discounted share price set at the start of the award year. Employees taking part in the scheme contributed to a savings pool from their salaries on a monthly basis, the full amount of which was repaid if the options lapse.

This scheme was not cash settled.

### Just Eat Share Incentive Plan ("SIP")

Under the terms of the SIP, the Board awarded Ordinary shares in the Company at no cost to employees whom they deemed were eligible.

The SIP was an equity-settled share option scheme approved by Her Majesty's Revenue & Customs ("HMRC").

The shares vested after three years from grant. Shares were granted under this scheme on the date of the IPO with a fair value of 260.0 pence and all awards outstanding vested on 8 April 2017.

Due to the insignificance of the scheme, no movement details or supplementary information are provided below.

**This scheme was no cash settled. Just Eat Enterprise Management Incentive Scheme ("EMI Scheme")**

Under the terms of the EMI Scheme, the Board granted options to employees whom they deemed eligible to purchase shares in the Company.

Options were exercisable at a price equal to the estimated fair value of the Company's shares on the date of grant. Options vested in stages over a three-year timespan, commencing on a specified date which was typically one year after the date of grant. Options were forfeited if an employee left before the options vested and expired if they remained unexercised ten years after the date of grant.

This scheme was not cash settled.

**Just Eat Company Share Option Plan ("CSOP")**

Under the terms of the CSOP, the Board granted options to purchase Ordinary shares in the Company to eligible employees. The eligible employees to whom options are granted and the terms of such options were determined by the Board. All employees were eligible to participate in the CSOP, including employees of the Company's subsidiaries, but not all grants were approved by HMRC. The exercise price of options could not be less than the market value of the Company's shares on the date of grant in order for the scheme to qualify as an approved HMRC scheme.

Options were exercisable at a price equal to the estimated fair value of the Company's shares on the date of grant. Options vested in stages over a three-year timespan commencing on a specified date which was typically one year after the date of grant. Options were forfeited if an employee left before the options vested and expired if they remained unexercised ten years after the date of grant. Vested options in the CSOP became exercisable on the Company's IPO in April 2014. Options were not transferable.

This scheme was not cash settled.

**Just Eat Joint Share Ownership Plan ("JSOP")**

The JSOP was a share ownership scheme under which the employee and Estera Trust (Jersey) Limited, the EBT Trustee, held a joint interest in Ordinary shares.

Interests under the JSOP took the form of restricted interests in Ordinary shares in the Company. An interest permitted a participant to benefit from the increase (if any) in the value of a number of Ordinary shares in the Company over specified threshold amounts. In order to acquire an interest, a participant must have entered into a joint share ownership agreement with the EBT Trustee, under which the participant and the EBT Trustee jointly acquired the shares and agreed that when the shares are sold, the participant has a right to receive the proportion of the sale proceeds that exceed the threshold amount.

The vesting of interests granted to employees was subject to the option holder continuing to be an employee. Interests vest in stages over a three-year timespan commencing on a specified date, typically one year after the date of grant. The fair value of interests awarded under the JSOP was determined using the Black-Scholes option pricing model.

This scheme was not cash settled.

**Movement in share options in significant schemes**

	Performance Share Plan		Sharesave Plan		Enterprise Management Incentive Scheme and Company Share Option Plan		Joint Share Option Plan	
	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)	Number of share options	Weighted average exercise price (pence)
<b>Outstanding</b>								
As at 1 January 2018	4,010,765	-	1,046,597	413	1,664,125	37	1,418,013	50
Granted	2,189,868	-	293,960	156	-	-	-	-
Forfeited	(951,041)	-	(128,816)	-	(663)	-	-	-
Exercised	(519,792)	-	(184,671)	309	(386,235)	44	(680,775)	-
<b>As at 31 December 2018</b>	<b>4,729,800</b>	<b>-</b>	<b>1,027,070</b>	<b>413</b>	<b>1,277,227</b>	<b>35</b>	<b>737,238</b>	<b>30</b>
Granted	2,337,096	-	-	-	-	-	-	-
Forfeited	(1,278,943)	-	(77,322)	438	-	-	-	-
Exercised	(957,017)	-	(284,955)	299	(794,773)	35	(202,758)	40
<b>As at 31 December 2019</b>	<b>4,830,936</b>	<b>-</b>	<b>664,793</b>	<b>526</b>	<b>482,454</b>	<b>36</b>	<b>534,480</b>	<b>25</b>



## Supplementary information

	Performance Share Plan		Sharesave Plan		Enterprise Management Incentive Scheme and Company Share Option Plan		Joint Share Option Plan	
	Years	Pence	Years	Pence	Years	Pence	Years	Pence
<b>Weighted average remaining life</b>								
As at 31 December 2018	8.5		1.4		5.7		5.0	
<b>As at 31 December 2019</b>	<b>8.0</b>		<b>1.4</b>		<b>3.8</b>		<b>4.0</b>	
<b>Fair value of options granted</b>								
Year ended 31 December 2018		572		N/A		N/A		N/A
<b>Year ended 31 December 2019</b>		<b>676</b>		<b>N/A</b>		<b>N/A</b>		<b>N/A</b>
<b>Exercise date weighted average share price</b>								
Year ended 31 December 2018		753		749		749		799
<b>Year ended 31 December 2019</b>		<b>738</b>		<b>735</b>		<b>722</b>		<b>766</b>

## Assumptions

The following inputs were applied to the open schemes when using the Black-Scholes option pricing model to determine the fair value of options granted:

	2019 £m	2018 £m
	PSP awards	PSP awards
Share price	741p	775p
Exercise price	-	-
Expected volatility	42.4%	41.1%
Expected life (months)	36 months	36 months
Risk-free rate	5.0%	0.1%
Expected dividend yields	£nil	£nil

The stochastic model applied to the TSR performance criteria element of the PSP scheme was simulated with 100,000 trials.

## 9. Other gains and losses

Other gains and losses are shown below operating profit as they arise from matters not directly related to day-to-day trading. The Flyt business exceeded expectations in the year and as a result, the consideration paid to the former owners increased by £15.5 million. During the year we entered into an agreement to sell certain assets to Grubhub Holdings Inc., which effectively ended all trading in the US.

### Accounting policy

Other gains and losses comprise profits or losses arising on the disposal or deemed disposal of operations, gains and losses on financial assets classified as fair value through profit or loss, gains and losses on derivative financial instruments, and movements in provisions for contingent consideration or obligations to acquire minority interests. They have been disclosed separately in order to improve a reader's understanding of the financial statements and are not disclosed within operating profit as they are non-trading in nature.

	2019 £m	2018 £m
Fair value movement in deferred consideration	(15.5)	(0.4)
Profit on exit of US business	2.9	-
Profit on disposal of unconsolidated investment	1.2	-
Foreign exchange movements in provisions	0.5	1.4
Loss on derivative financial instruments	(0.6)	(0.2)
<b>Total other gains and losses</b>	<b>(11.5)</b>	<b>0.8</b>

## 10. Investment revenue and finance costs

Investment revenue comprises interest received from bank deposits. Finance costs predominantly arise from interest charges on our revolving credit facility and the unwinding of discounted deferred consideration on historical acquisitions. Net finance costs for the year were £8.7 million (2018: £2.7 million).

	2019 £m	2018 £m
Interest received	0.6	0.4
<b>Total investment revenue</b>	<b>0.6</b>	<b>0.4</b>
Bank interest and facility fees	(4.6)	(3.1)
Unwinding of interest on deferred consideration	(2.8)	-
Lease interest	(1.9)	-
<b>Total finance costs</b>	<b>(9.3)</b>	<b>(3.1)</b>

## 11. Taxation

Uncertain tax positions is a key source of estimation uncertainty (see Note 2) and, in particular, a Danish transfer pricing matter.

### Accounting policy

The income tax expense comprises both current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in other comprehensive income, in which case the income tax is recognised in other comprehensive income.

#### Current tax

Current tax is the expected tax payable on the taxable profit for the year, using tax rates prevailing in each respective jurisdiction and any adjustment to tax payable in respect of previous years.

#### Deferred tax

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax recognised is based on the expected manner of realisation or settlement of the carrying amounts of assets and liabilities, using tax rates that are expected to apply when the temporary differences reverse, based on rates enacted or substantively enacted at the balance sheet date.

Deferred tax is not recognised for temporary differences arising from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and joint ventures, except where we are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the assets can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related deferred tax benefit will be realised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority.

#### Tax deductions on the exercise of share awards

To the extent that the tax deduction available on the exercise of share awards is equal to, or is less than, the cumulative share based payment charge calculated, current and deferred tax is recognised through the income statement. However, when the tax deduction is greater than the cumulative expense, the incremental current tax deduction and deferred tax recognition are recognised in equity.

### Income tax expense

	2019 £m	2018 £m
<b>Current tax charge</b>		
Current year	27.8	31.4
Adjustments in respect of prior periods	0.6	(0.2)
	<b>28.4</b>	<b>31.2</b>
<b>Deferred taxation</b>		
Temporary timing differences	(1.4)	(9.3)
Adjustments in respect of prior periods	(0.6)	(0.1)
	<b>(2.0)</b>	<b>(9.4)</b>
<b>Total tax charge for the year</b>	<b>26.4</b>	<b>21.8</b>

1. Restated to deconsolidate Mexico, see Note 2.

UK corporation tax was calculated at 19% (2018: 19%) of the taxable profit for the year. The UK government announced, in the summer 2015 budget, a reduction in the standard rate of corporation tax from 20% to 19% effective from 1 April 2017. The Finance Bill 2016 subsequently reduced the main rate of corporation tax to 17%, effective from 1 April 2020, which was subsequently reversed and therefore at the time of signing these financial statements, the substantively enacted tax rate continues to be 19%.

Taxation for territories outside the UK was calculated at the rates prevailing in the respective jurisdictions.

Taxation on items taken directly to equity was a net credit of £0.8 million (2018: charge of £0.6 million), which comprises a credit of £1.6 million relating to current tax and a debit of £0.8 million relating to deferred tax. The tax items taken directly to equity relate to share options and IFRS16 transitional adjustments.

**Factors affecting the tax expense for the year**

	2019 £m	2018 (restated <sup>1</sup> ) £m
<b>(Loss)/profit before tax</b>	<b>(132.8)</b>	<b>105.1</b>
UK rate of 19% (2018: 19%)	<b>(25.2)</b>	<b>20.0</b>
<i>Adjusted for the effects of:</i>		
Non-deductible expenditure	<b>8.5</b>	<b>2.7</b>
Non-taxable income	<b>(0.3)</b>	<b>(1.0)</b>
Share based payments	<b>0.9</b>	<b>0.8</b>
Impairment of goodwill	<b>21.3</b>	<b>-</b>
Profit on sale of investments	<b>(0.1)</b>	<b>-</b>
Adjustments in respect of prior periods	<b>-</b>	<b>(0.3)</b>
Unrecognised deferred tax asset changes	<b>8.7</b>	<b>(1.5)</b>
Overseas tax rates	<b>1.4</b>	<b>(2.1)</b>
Other overseas taxes (including movement in provisions)	<b>1.9</b>	<b>2.7</b>
Research and development	<b>(0.2)</b>	<b>-</b>
Associates results	<b>9.5</b>	<b>0.5</b>
<b>Total tax charge for the year</b>	<b>26.4</b>	<b>21.8</b>
<b>Effective tax rate</b>	<b>(19.9%)</b>	<b>20.7%</b>

1. Restated to deconsolidate Mexico, see Note 2.

The effective tax rate ("ETR") is -18.0% (2018: 20.7%). The underlying ETR is provided at the end of these financial statements in the section on APMs. The negative ETR is largely due to the fact that our share of the losses of associates (which are significantly higher than in prior years) cannot be relieved against profits in other jurisdictions, coupled with significant non-tax-deductible transaction costs incurred in the period.

As we operate in multiple countries, our ETR will be impacted by the tax rates applicable in those countries. Our future tax charge and ETR are expected to be driven by various factors including: the timing of the recognition of tax losses; changes in the mix of business profits; local or international tax reform (for example any arising from the implementation of the OECD's BEPS actions and European Union state aid investigations); new challenges by the tax authorities or the resolution of ongoing enquiries raised by tax authorities; and the impact of any acquisitions, disposals or restructurings.

The total tax charge of £26.4 million (2018: £21.8 million) is made up of: a current tax charge of £28.4 million (2018: £31.2 million), primarily consisting of corporate tax arising in the UK, Denmark, France, Ireland, Italy and Switzerland; and a deferred tax credit of £2.0 million (2018: £9.4 million) largely resulting from the net impact of the unwind of deferred tax liabilities arising on acquired intangibles, the derecognition of a proportion of losses in Australia and the utilisation of tax losses in Canada.

As a result of the geographical spread of our operations and the varied, increasingly complex nature of local and global tax law, there are some transactions for which the ultimate tax determination is uncertain during the ordinary course of business. Resolving tax issues can take several years and is not always within our control. This is considered to be a key source of estimation uncertainty, with further details provided in Note 2. The provision held in relation to all uncertain tax items totalled £21.3 million at 31 December 2019 (2018: £19.9 million), excluding payments on account.

## Deferred tax

	Losses (assets) £m	Share based payment (assets) £m	Short-term temporary differences (assets) £m	Short-term temporary differences (liabilities) £m	Acquired intangibles (assets) £m	Acquired intangibles (liabilities) £m	Total £m
As at 1 January 2018	12.5	4.1	1.4	(0.3)	0.1	(17.9)	(0.1)
Debit to the income statement	2.8	0.2	0.6	-	-	5.7	9.3
Credit to equity	-	(1.2)	-	-	-	-	(1.2)
Adjustment in respect of prior periods	(0.1)	-	0.3	(0.1)	-	-	0.1
Arising on acquisition	8.3	-	-	-	-	(8.5)	(0.2)
Foreign exchange movements	(0.1)	-	-	-	-	0.5	0.4
<b>As at 31 December 2018</b>	<b>23.4</b>	<b>3.1</b>	<b>2.3</b>	<b>(0.4)</b>	<b>0.1</b>	<b>(20.2)</b>	<b>8.3</b>
Reclassification	-	-	0.1	(0.1)	-	-	-
(Credit)/debit to the income statement	(6.6)	0.7	3.4	(3.1)	-	7.0	1.4
Debit/(credit) to equity	-	0.2	-	(0.8)	-	-	(0.6)
Adjustment in respect of prior periods	0.9	-	(0.1)	(0.2)	-	-	0.6
Arising on acquisition	0.8	-	-	-	-	(4.2)	(3.4)
Foreign exchange movements	(0.3)	-	(0.1)	0.1	-	0.3	-
<b>As at 31 December 2019</b>	<b>18.2</b>	<b>4.0</b>	<b>5.6</b>	<b>(4.5)</b>	<b>0.1</b>	<b>(17.1)</b>	<b>6.3</b>

Analysed as:

	2019 £m	2018 £m
Deferred tax liabilities	(21.6)	(20.6)
Deferred tax assets	27.9	28.9
<b>Net deferred tax asset recognised</b>	<b>6.3</b>	<b>8.3</b>

## Deferred tax assets not recognised

Deferred tax assets arising from temporary differences have not been recognised in tax jurisdictions where there is insufficient evidence that the asset will be recovered. The asset would be recognised if sufficient suitable taxable profits were made in the future and the recovery of the asset became probable. The amount of the asset not recognised was:

	2019 £m	2018 £m
Accelerated capital allowances	0.5	1.3
Short-term timing differences	2.8	0.4
Unrelieved tax losses	28.2	16.6
<b>Total</b>	<b>31.5</b>	<b>18.3</b>

The majority of our tax losses for which no deferred tax has been recognised do not expire. A total of £0.5 million of gross losses (unrecognised deferred tax asset of £0.1 million) expire in less than five years' time, £36.4 million of gross losses (unrecognised deferred tax asset of £10.9 million) expire in five to ten years' time and £0.7 million of gross losses (unrecognised deferred tax asset of £0.1 million) expire in more than ten years' time.

## 12. Earnings per share

One of the principal metrics used to determine management performance is adjusted earnings per share.

### Accounting policy

Basic earnings per share is calculated by dividing the result for the year attributable to equity shareholders by the weighted average number of shares outstanding during the year, excluding unvested share awards.

Diluted earnings per share is calculated by adjusting the weighted average number of shares outstanding to assume conversion of all potentially dilutive shares. Ordinary shares are only treated as dilutive when their conversion would decrease earnings per Ordinary share or increase loss per Ordinary share from continuing operations.

### Basic and diluted earnings per share

	2019 Number of shares (‘000)	2018 Number of shares (‘000)
<b>Weighted average number of Ordinary shares for basic earnings per share</b>	<b>680,970</b>	678,021
<i>Effect of dilution:</i>		
Share options and awards	5,492	4,389
<b>Weighted average number of Ordinary shares adjusted for the effect of dilution</b>	<b>686,462</b>	682,410

	2019 Pence	2018 (restated <sup>1</sup> ) Pence
<b>Earnings per ordinary share</b>		
Basic	(23.4)	12.1
Diluted	(23.4)	12.1
<b>Adjusted earnings per ordinary share</b>		
Basic	16.3	18.9
Diluted	16.2	18.8

1. Adjusted EPS has been restated to exclude the results of associates and joint ventures, increasing by 1.9 pence for 2018.

### Adjusted earnings per share

Adjusted earnings per share is calculated using an underlying profit measure attributable to the equity shareholders and is used in discussions within the investment analyst community. This APM is also used as a vesting condition in certain share based incentive schemes. It is defined as profit attributable to the equity shareholders, before share based payment charges (including the related social security costs), asset impairment charges, acquisition transaction and integration costs, other gains and losses, foreign exchange gains and losses, and amortisation in respect of acquired intangible assets. Similar to uEBITDA, adjusted earnings per share excludes the results of the LATAM businesses included in our statutory measures, as the Executive Team’s performance assessment metrics exclude these results.

	2019 £m	2019 Pence per share, basic	2018 (restated <sup>1</sup> ) £m	2018 Pence per share, basic (restated <sup>1</sup> )
(Loss)/profit for the year attributable to equity shareholders	(159.6)	(23.4)	82.7	12.1
Share based payment charges, including social security costs	12.4	1.8	8.0	1.2
Acquisition related intangible asset amortisation and impairment charges	123.7	18.2	23.4	3.5
Acquisition transaction and integration costs	24.2	3.6	14.8	2.2
Target operating model restructuring	1.2	0.2	-	-
Net foreign exchange losses/(gains)	3.4	0.5	(2.5)	(0.4)
Share of associates’ losses	99.2	14.4	13.7	2.0
Other gains and losses	11.5	1.7	(0.8)	(0.1)
Unwinding of interest on deferred consideration	2.8	0.4	-	-
Taxation on adjusting items	(7.8)	(1.1)	(10.9)	(1.6)
<b>Adjusted earnings</b>	<b>111.0</b>	<b>16.3</b>	<b>128.4</b>	<b>18.9</b>

1. Adjusted EPS has been restated to exclude the results of associates and joint ventures, increasing by 1.9 pence for 2018.

### 13. Goodwill

The Consolidated Balance Sheet contains significant amounts of goodwill. Goodwill arises when a business is acquired for an amount higher than the fair value of its net assets, representing primarily the synergies and growth potential expected to materialise, or the value of the assembled workforce. Goodwill is not amortised but is subject to annual impairment reviews. Potential impairment of goodwill is a key source of estimation uncertainty, with further details provided in Note 2. During the year, we impaired £92 million associated with the ANZ CGU (2018: £nil).

#### *Accounting policies*

Goodwill is measured as the excess of the fair value of purchase consideration over the fair value of the net assets acquired and is recognised as an intangible asset when control is achieved. Fair value measurements are based on provisional estimates and may be subject to amendment within one year of the acquisition. The fair values associated with material business combinations are valued by external advisers and any amount of consideration which is contingent in nature is evaluated at the end of each reporting period, based on internal forecasts, with any changes in the contingent consideration liability being recognised in profit or loss.

Goodwill itself does not generate independent cash flows and, therefore, in order to perform required tests for impairment, it is allocated at inception to the specific CGUs or groups of CGUs which are expected to benefit from the acquisition. Goodwill is not amortised but is reviewed for impairment annually, or more frequently when there is an indication that the CGU may be impaired. When an indication of impairment exists, we review the carrying amount and recoverable amount. The recoverable amount is the higher of FVLCD and VIU. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. An impairment loss recognised for goodwill is not reversed subsequently.

CGUs are considered to be individual country markets, as the resources and cash flows for each country market are generated independently. CGUs are not aggregated for the purpose of impairment testing. The next smallest potential CGUs would be individual Restaurant Partners or a possible split between delivery orders and marketplace orders. However, country market assets are not managed nor are they identifiable at either of these levels.

Projections of cash inflows are based on the number of orders, multiplied by the average order value ("AOV") and our commission rate. AOV and commission rates are projected to remain consistent, with order growth rates being determined by analysis based on internal information gathered across all our various markets, which have different stages of maturity. Cash outflow projections comprise fixed overheads, marketing spend and direct costs per order. The key assumptions used in the VIU calculations are order growth rates and the reduction in driver costs per order (the primary direct cost per order). The underlying assumptions used in the FVLCD should be similar to the VIU. However, the FVLCD assumptions are based on a likely market participant's perspective, rather than our internal view. In our industry, individual CGUs are sold between different global market participants with relative frequency as the sector consolidates. Valuations on these transactions are commonly based on multiples of current or expected revenue, taking into consideration local market factors. All our assumptions are based on the Group's past experience, taking into account the different stages of maturity of each market, as well as recent results and future expectations relevant to each country, taking into account strategic planning. For example, we have considerable experience in Denmark, the UK and Canada. We have dedicated market specialists who analyse the historical trends seen in our data. External sources of information are of limited value in our relatively new, fast-moving markets, but our prior experience and internal analytics of recent performance provide a strong and reliable source of insight. Discount rates are used which reflect current market assessments of the time value of money and the risks specific to the particular CGU. Our projections are challenged, reviewed and approved in the final impairment review by our Board of Directors.

The main drivers for future order growth are marketing spend, which helps drive brand awareness and drive customer traffic to our platforms, and the investment in technology, which ensures the platforms are stable, secure, efficient and scalable. This investment will assist in increasing both the relevant overall market as well as the CGU's market share over the medium to long term. Winning large chains of quick service restaurants is also a key driver for future growth, due to the impact on order volumes and the effect of encouraging new users to our platform.

We prepare short-term cash flow projections based on the most recent profit projections approved by the Board. The projections presented to the Board cover a period of three years for all CGUs except for ANZ, which covers a timespan of five years. ANZ is a market of focus in recent years and as a result, a longer time frame is considered by the Board. Following the short-term period, the delivery part of our business in all our country markets are expected to enjoy growth in excess of the anticipated long-term average growth rates for their respective country, with the long-term growth rate from the terminal year being the long-term CPI inflation rate. The marketplace part of our business is not expected to exceed long-term growth rates for any CGU other than ANZ. Delivery and marketplace in ANZ is currently lacking penetration, therefore marketing spend and discounting are expected to create a level of growth greater than local market inflation. Following the short-term period, we have applied the above average growth rates for five years, with the rate based on previous experience of growth rates (including historical growth rates of all CGUs). After this, a long-term growth rate is applied. In the prior year, we applied the above average growth rates for two years following the three year detailed projections to all CGUs except for ANZ and IT. However, given the fact we expect strong growth as markets grow to maturity and now apply five years of above average growth rates to all markets following our short-term cash flow projections. We believe that the five year projections of above average growth rates will be more accurate and reliable, given our experience and knowledge of our markets.

## Carrying value of goodwill

	2019 £m	2018 (restated <sup>1</sup> ) £m
As at beginning of the year	749.9	525.3
Impairment	(92.3)	-
Arising on acquisition	20.9	236.6
Fair value adjustments	(1.6)	-
Foreign exchange movements	(17.3)	(12.0)
<b>As at end of the year</b>	<b>659.6</b>	<b>749.9</b>

1. Restated to deconsolidate Mexico, see Note 2.

Goodwill is attributable to the future growth of the acquired businesses, through expansion of the networks of Restaurant Partners and the number of orders per Restaurant Partner, anticipated future operating synergies, and the ability to leverage intellectual property in new markets around the world.

Details of the impairment charge are provided below.

City Pantry Ltd, Simbambili Ltd (trading as Practi) and Canary Flash S.L. were acquired in the year, resulting in the provisional recognition of goodwill of £14.1 million (added to the UK CGU), £6.0 million (added to the UK CGU) and £0.8 million (added to the Spain CGU) respectively. Further details of acquisitions are provided in Note 25.

Accounting for the 2018 Flyt Limited acquisition was finalised in the second half of 2019, with an adjustment to fair value of £1.6 million recognised. Further details of which are provided in Note 25.

### Goodwill allocated by CGU

Goodwill acquired in a business combination is allocated on acquisition to the CGUs that are expected to benefit from that business combination.

The carrying amount of goodwill has been allocated as follows:

	As at 31 December 2018 (restated <sup>2</sup> ) £m	Impairment £m	Arising on acquisition £m	Fair value adjustments £m	Foreign exchange £m	As at 31 December 2019 £m
CGU						
ANZ	259.7	(92.3)	-	-	(10.3)	157.1
UK	240.9	-	20.1	(1.6)	-	259.4
Canada ("CA")	95.6	-	-	-	1.1	96.7
Spain ("ES")	59.0	-	0.8	-	(3.2)	56.6
Italy ("IT")	43.1	-	-	-	(2.3)	40.8
France ("FR")	44.5	-	-	-	(2.4)	42.1
Other CGUs <sup>1</sup>	7.1	-	-	-	(0.2)	6.9
<b>Total goodwill</b>	<b>749.9</b>	<b>(92.3)</b>	<b>20.9</b>	<b>(1.6)</b>	<b>(17.3)</b>	<b>659.6</b>

1. Other CGUs include Denmark, Ireland and Switzerland. The individual amount of goodwill assigned to these CGUs is not considered significant in comparison with the carrying value of goodwill.

2. Restated to deconsolidate Mexico, see Note 2.

### Impairment review

Each CGU has specific commercial risks and opportunities, with different expected growth rates in the short and medium-term and a different mix of revenue between marketplace and delivery. However, each CGU operates a similar business model and therefore the variables used in the key assumptions on which we have based our cash flow projections are the same in nature for all CGUs. For the year ended 31 December 2019, the recoverable amount was determined by measuring the VIU for all CGUs except for ANZ, which was based on FVLCD as this was higher than the VIU. In 2018, the recoverable amount for all CGUs was calculated based on FVLCD. The key assumptions to which the recoverable amount of each CGU are most sensitive are order growth rates and, for delivery orders, the reduction in driver costs per order. In accordance with IFRS13 Fair Value Measurement, when assessing FVLCD, we consider multiple valuation methodologies. We weight the indications of value from an Income Approach which factors in the expected future cash flows of the business (consistent with VIU) and from a Market Approach based on revenue multiples indicated by recent industry transactions. The expected future cash flows represent Level 3 (unobservable) inputs, while Market Approach is based on Level 2 (observable) inputs as this data is publicly available. We believe that the costs of disposal associated with selling these CGUs reflect a low proportion of the deal value due to our in-house expertise and experience of selling non-strategic businesses.

Impairment testing was based on the position as at 31 December 2019 but was actually performed in April 2020 and finalised in May 2020. This is later than would normally occur, due to the impact of the proposed merger and potential hostile takeover which took place in 2019. Normally, impairment testing takes place in Q1, based on our expected future performance as at the year end. For the current impairment review, the projections used were approved by the Board in June 2020. While the FY20 budget and projections beyond 2020 were formally approved by the Board in 2020, these forecasts were based on work undertaken and decisions made by the Board before 31 December 2019.

and therefore reflect in all material respects the facts and circumstances in place at that date in respect of the CGUs for which impairment was recorded.

In the current year, an impairment charge of £92.3 million was recognised in respect of the ANZ CGU.

The impairment of our ANZ CGU was driven by a reduction in our view on the long-term profitability of the business in light of the entry of new competitors into the market. The performance of the ANZ business in 2019 was in line with our expectations and we remain optimistic about the long-term prospects of the business, but our view on the level of growth in long-term profitability is reflected in the current year impairment charge. The level of competition increased at the end of 2019 with a new market participant and the ending of exclusivity on a large restaurant chain.

Projected order growth and the reduction in driver costs per order are based on past experience, adjusted for expected market trends, and reflect our plans for each individual country. Order growth projection is built on a cohort basis for the larger markets, using customer retention rate patterns from previous cohorts and extrapolating the order frequency of these. Cohorts are groupings of customers, usually determined by the point in time at which they became a customer, for example, all new user accounts which joined our platform in Q1 2017. For the Group's smaller markets, order growth projection is based on historical patterns of new customer versus existing customer cohort behaviour. Delivery costs per order are modelled based on historical rates, with assumptions overlaid relating to driver efficiencies and delivery frequency changes based on expected order growth patterns.

Order growth rates are driven by a number of different factors, the most significant of which are consumer patterns such as order frequency and customer retention. Driver costs vary based on the scale and density of delivery zones and local labour costs. Fundamental to the cash flow projections for each CGU are the assumptions that, as observed in mature delivery zones, increasing density and scale drive improvements in profitability.

The key assumptions are:

	ANZ	UK	CA	ES	IT	FR
<b>Order compound annual order growth rate to terminal year</b>						
2018	14.70%	10.90%	25.90%	20.60%	25.40%	23.60%
2019	10.00%	11.30%	12.40%	11.80%	4.80%	8.30%
<b>Driver cost compound annual cost reduction to terminal year</b>						
2018	-15.60%	-14.50%	-4.70%	-6.10%	-6.40%	-3.40%
2019	-2.80%	-6.90%	-1.00%	-3.20%	-6.20%	-3.40%

The movement on the prior year comparative includes the impact of moving the projections along one year (with order growth and cost reduction in 2019 being higher than in the terminal year), and extending the period to the terminal year (with growth rates expected to reduce over the period to the terminal year).

An additional key assumption specific to the FVLCD calculations applied to the ANZ CGU was in relation to the premium based on revenue multiples. A premium of 13% was applied to the ANZ CGU.

Other assumptions:

	ANZ	UK	CA	ES	IT	FR
<b>Post-tax discount rate<sup>1</sup></b>						
2018	9.6%	9.2%	9.1%	9.5%	10.1%	8.7%
2019	10.0%	10.0%	10.0%	9.9%	11.0%	9.4%
<b>Pre-tax discount rate<sup>1</sup></b>						
2018	10.7%	10.9%	11.3%	11.1%	11.3%	11.8%
2019	10.9%	11.6%	12.5%	11.3%	13.6%	11.2%
<b>Terminal growth rate<sup>2</sup></b>						
2018	2.5%	2.0%	2.0%	1.8%	1.6%	1.9%
2019	2.5%	2.0%	2.0%	1.8%	1.5%	1.7%
<b>Number of years forecasted before terminal growth rate applied</b>						
2018	8	5	5	5	8	5
2019	10	8	8	8	8	8

1. Post-tax and pre-tax discount rates have been calculated using the Capital Asset Pricing Model, the inputs of which include a country risk-free rate, equity risk premium, Group size premium and a risk adjustment (beta).

2. Terminal growth rate is based on long-term inflation rates in the country of operation, taken from the International Monetary Fund website.



### Sensitivity analysis

We conducted sensitivity analysis on each CGU's future cash flows by either reducing future order growth rates or decreasing the reduction in delivery costs.

The sensitivity assumptions applied to the calculations are set out in the table below, and we have used these to determine the further disclosures provided below. These are considered to be reasonably possible, but not likely.

	ANZ	UK	CA	ES	IT	FR
<b>Decrease in order compound annual growth rate to terminal year</b>						
2018	(0.7%)	(1.1%)	(1.3%)	(1.2%)	(1.3%)	(1.3%)
2019	(1.2%)	(0.9%)	(1.2%)	(1.5%)	(1.4%)	(1.4%)
<b>Increase in driver cost compound annual cost reduction to terminal year</b>						
2018	0.5%	0.8%	0.9%	0.9%	0.9%	0.9%
2019	1.8%	2.1%	2.3%	2.2%	2.2%	2.2%

As the ANZ CGU was impaired, any reduction in the key assumptions leads to an increase in the impairment charge. The impact of the order growth sensitivity set out above would lead to an additional impairment charge of £27.6 million, while changing the driver cost assumption would result in an additional impairment charge of £131.9 million.

Our sensitivity analysis demonstrates that it is also reasonably possible that an impairment charge could arise in the ES and FR CGUs. The following table sets out the goodwill attributable to each of these CGUs, the excess of the recoverable amount over the carrying value of each CGU under the base case assumptions set out above (the "headroom"), together with the potential headroom (shown as a positive value) or impairment (shown as negative values) under each of the two sensitised scenarios.

	ES £m	FR £m
Goodwill	56.6	42.1
Headroom under base case assumptions	51.1	16.6
Headroom/(impairment) following the impact of the sensitised decrease in order compound annual growth rate to terminal year	32.7	(2.3)
Impairment following the impact of the sensitised increase in driver cost compound annual cost reduction to terminal year	(60.1)	(44.1)

Under the scenario for a sensitised increase in driver costs, the goodwill balance would be fully impaired, followed by an impairment in other intangible assets.

The following table sets out the change in key assumption needed to get to the point where recoverable amount equals the carrying value:

	ES	FR
Breakeven decrease in order compound annual growth rate to terminal year	(4.4%)	(1.2%)
Breakeven increase in driver cost compound annual cost reduction to terminal year	1.2%	0.5%

The majority of our CGUs operate either in country markets which are in the early stages of online food ordering (unlike our UK, Danish and Canadian country markets which are more mature), or where we are implementing our new delivery services. We have seen success in our more mature markets, with significant levels of growth over historical years, and our SkipTheDishes acquisition in Canada has experienced significant growth in its delivery services since its founding in 2012. When operating in the early stages of a market or introducing new delivery services, losses are made until sufficient scale and density are achieved. This is why we have seen significant growth in revenue, profits and cash flows in our business, and we expect to see similar outcomes in the ES and FR CGUs.

#### **14. Other intangible assets**

**Other intangible assets predominantly arise on acquisition of subsidiaries or internally developed software. Other intangible assets are amortised as well as being tested at least annually for impairment.**

##### ***Accounting policy***

Intangible assets are recorded at cost, net of amortisation and any provision for impairment. Amortisation is spread evenly over the assets' useful economic lives. The cost of intangible assets arising from a business combination or associate is determined at their fair value on the date of initial recognition.

We have four classes of intangible assets: patents, licences and intellectual property ("IP"), Restaurant Partner contracts, brands, and development costs. Due to the absence of both a contractual arrangement and the absence of any practice of establishing such contracts with customers, acquired customer/user lists are not classified as a separate intangible asset.

Detail of the policy on asset impairment is provided in Note 2.

##### ***Patents, licences and IP***

Patents, licences and IP are generally acquired as part of a business combination, and predominantly relate to acquired operating platforms such as websites and apps. Software licences are also included in this category.

The useful economic life is typically between three and five years, depending on the timespan over which benefits are expected to be realised from the asset.

The initial fair values are established as the estimated costs to replace the acquired platforms.

The weighted average remaining amortisation timespan for this category is 4.1 years.

##### ***Restaurant contracts***

Restaurant contracts are generally the primary revenue-generating contractual assets of a business combination and relate to the acquired contractual agreements between the business and the Restaurant Partners.

The useful economic life is determined as the timespan over which the acquired Restaurant Partner contracts are reasonably expected to transfer economic benefits, which is usually between three and ten years.

The initial fair values are established with reference to the present value of their post-tax cash flows projected over their remaining useful lives. The cash flows and discount rates used in the valuations are risk adjusted to the extent deemed necessary to accurately reflect local risks and uncertainties associated with the asset.

The weighted average remaining amortisation timespan for Restaurant Partner contracts is 2.1 years.

##### ***Brands***

Brands are acquired as part of a business combination.

The useful economic life is determined as the timespan over which the acquired brand is reasonably expected to generate economic benefits, which is usually between three and ten years.

The initial fair values are established using the relief from royalty valuation method. The cash flows and discount rates used in the relief from royalty valuation model are risk adjusted to the extent deemed necessary to accurately reflect local risks and uncertainties associated with the asset.

The weighted average remaining amortisation timespan for brands is 4.7 years.

##### ***Development costs***

Internally developed ordering platform websites, apps and other software are capitalised to the extent that incremental costs can be separately identified, the product component is technically feasible, expenditure can be measured reliably, and sufficient resources are available to complete the project. Where these conditions are not met the amounts are expensed as incurred.

The useful economic life is typically three years from the date the developed asset is available for use.

The weighted average remaining amortisation timespan for development costs (excluding work in progress) is 2.2 years.

# **Carrying value of other intangible assets**

	Patents, licences and IP £m	Restaurant contracts £m	Brands £m	Development costs £m	Total £m
<b>Cost</b>					
As at 1 January 2018 (restated <sup>1</sup> )	22.8	79.1	22.7	26.9	151.5
Additions	4.8	-	-	25.2	30.0
Arising on acquisition	-	39.4	-	10.8	50.2
Transfers	5.6	-	-	(5.6)	-
Disposals	(0.6)	-	-	(1.3)	(1.9)
Foreign exchange movements	(0.2)	(2.4)	(0.7)	-	(3.3)
<b>As at 31 December 2018 (restated<sup>1</sup>)</b>	<b>32.4</b>	<b>116.1</b>	<b>22.0</b>	<b>56.0</b>	<b>226.5</b>
Additions	11.4	-	-	40.5	51.9
Arising on acquisition	13.0	7.1	1.1	-	21.2
Fair value adjustment to acquisition accounting	2.1	-	-	-	2.1
Transfers	10.8	-	-	(10.8)	-
Disposals	-	-	-	(1.9)	(1.9)
Foreign exchange movements	0.7	(2.5)	(0.8)	(0.2)	(2.8)
<b>As at 31 December 2019</b>	<b>70.4</b>	<b>120.7</b>	<b>22.3</b>	<b>83.6</b>	<b>297.0</b>
<b>Amortisation</b>					
As at 1 January 2018 (restated <sup>1</sup> )	12.0	30.0	12.9	3.6	58.5
Charge for the year	6.0	20.9	2.0	7.9	36.8
Disposals	(0.5)	-	-	(0.5)	(1.0)
Foreign exchange movements	(0.2)	(0.7)	(0.3)	-	(1.2)
<b>As at 31 December 2018 (restated<sup>1</sup>)</b>	<b>17.3</b>	<b>50.2</b>	<b>14.6</b>	<b>11.0</b>	<b>93.1</b>
Charge for the year	14.6	21.4	2.1	16.0	54.1
Disposals	-	-	-	(1.2)	(1.2)
Foreign exchange movements	0.5	(1.5)	(0.6)	(0.1)	(1.7)
<b>As at 31 December 2019</b>	<b>32.4</b>	<b>70.1</b>	<b>16.1</b>	<b>25.7</b>	<b>144.3</b>
<b>Carrying amount</b>					
<b>As at 31 December 2019</b>	<b>38.0</b>	<b>50.6</b>	<b>6.2</b>	<b>57.9</b>	<b>152.7</b>
As at 31 December 2018 (restated <sup>1</sup> )	15.1	65.9	7.4	45.0	133.4

1. Restated to deconsolidate Mexico, see Note 2.

The transfer in the year relates to acquired intangibles incorrectly classified as development costs.

As at 31 December 2019, we have not entered into any material contractual commitments for the acquisition of intangible assets (2018: none).

## 15. Property, plant and equipment

Fixtures and fittings, equipment and leasehold improvements are purchased and depreciated over their useful economic lives.

### Accounting policy

Property, plant and equipment are stated at cost, net of depreciation and any provision for impairment. Depreciation is charged on all property, plant and equipment at rates calculated to recognise the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings 33% per annum

Equipment 33% to 50% per annum

Leasehold improvements 20% per annum, or the period of the lease if shorter

Detail of the policy on asset impairment is provided in Note 2.

### Carrying value of property, plant and equipment

	Fixtures and fittings £m	Equipment £m	Leasehold improvements £m	Total £m
<b>Cost</b>				
As at 1 January 2018 (restated <sup>1</sup> )	6.2	20.2	9.8	36.2
Additions	1.2	17.0	1.7	19.9
Disposals	(0.2)	(4.7)	(0.2)	(5.1)
Foreign exchange movements	0.1	-	-	0.1
<b>As at 31 December 2018 (restated<sup>1</sup>)</b>	<b>7.3</b>	<b>32.5</b>	<b>11.3</b>	<b>51.1</b>
Additions	0.5	20.4	2.3	23.2
Disposals	(1.2)	(4.1)	(1.1)	(6.4)
Foreign exchange movements	(0.2)	(1.0)	-	(1.2)
<b>As at 31 December 2019</b>	<b>6.4</b>	<b>47.8</b>	<b>12.5</b>	<b>66.7</b>
<b>Accumulated depreciation</b>				
As at 1 January 2018 (restated <sup>1</sup> )	4.3	10.0	3.0	17.3
Charge for the year	1.2	8.6	2.1	11.9
Disposals	(0.1)	(3.6)	(0.2)	(3.9)
Foreign exchange movements	0.1	-	0.2	0.3
<b>As at 31 December 2018 (restated<sup>1</sup>)</b>	<b>5.5</b>	<b>15.0</b>	<b>5.1</b>	<b>25.6</b>
Charge for the year	1.1	13.4	2.6	17.1
Disposals	(1.2)	(3.6)	(1.2)	(6.0)
Impairment	-	2.0	-	2.0
Foreign exchange movements	(0.1)	(0.4)	-	(0.5)
<b>As at 31 December 2019</b>	<b>5.3</b>	<b>26.4</b>	<b>6.5</b>	<b>38.2</b>
<b>Carrying amount</b>				
<b>As at 31 December 2019</b>	<b>1.1</b>	<b>21.4</b>	<b>6.0</b>	<b>28.5</b>
As at 31 December 2018 (restated <sup>1</sup> )	1.8	17.5	6.2	25.5

1. Restated to deconsolidate Mexico, see Note 2.

Equipment includes Order Pads located on Restaurant Partner premises with a net book value of £19.5 million (2018: £14.0 million). During the year an impairment charge of £2.0 million was booked in respect of faulty Order Pads. A warranty claim was ongoing at the year end.

As at 31 December 2019, we have not entered into any material contractual commitments for the acquisition of property, plant and equipment (2018: none).

## 16. Investments in associates and joint ventures

An interest is held in certain companies where the ability to exert significant influence exists. The biggest of these is iFood Holdings B.V. ("iFood"). An interest is also held in a material joint venture, El Cocinero a Cuerda SL ("ECAC" or "Mexico").

### Accounting policy

An associate is an entity over which we have significant influence. Significant influence is where we have the power to participate in the financial and operating policy decisions of the investee, but do not control or have joint control over those decisions. The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries.

The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting. The investment in an associate is initially recognised at cost. At the acquisition date, any excess of the cost of acquisition over our share of the net fair value of the identifiable assets and liabilities of the associate is recognised as goodwill. Goodwill is included within the carrying amount of the investment. Under the equity method, the carrying amount of the investment is adjusted to recognise changes in our share of net assets subsequent to acquisition.

The consolidated income statement reflects our share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of consolidated other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, our share of any changes is recognised, when applicable, in the consolidated statement of changes in equity. Profits and losses resulting from transactions between us and our associates are eliminated to the extent of our interest in the associate.

A joint venture is an entity where we share control with another party. Accounting for joint ventures is consistent with that of associates as set out above.

Detail of the policy on asset impairment is provided in Note 2.

We have investments in two associates, iFood Holdings B.V. ("iFood") and IF-JE Holdings B.V. ("IF-NL"). Both associates are 33% owned, with the remaining 67% owned by Movile Internet Movel S.A. ("Movile"), or parties connected to Movile. Both entities are accounted for using the equity method in these financial statements as we are considered to have significant influence through representation on the companies' Board of directors and through the voting rights given by share ownership. Only iFood is considered to be material. No dividends have been received from associates.

iFood operates a marketplace for online food delivery. iFood is incorporated in the Netherlands and has its principal place of business in Brazil, an area of significant growth potential and complementary to our strategic objectives.

IF-NL is a holding company with its principal place of residence in the Netherlands. The primary investment of IF-NL is El Cocinero a Cuerda SL ("ECAC"), a Mexican online food marketplace business. IF-NL owns 49% of ECAC and the remaining 51% is owned directly by us.

Joint control of ECAC is held by us and Movile and ECAC is our only joint venture.

	2019				2018 (restated <sup>3</sup> )			
	iFood £m	IF-NL £m	ECAC £m	Total £m	iFood £m	IF-NL £m	ECAC £m	Total £m
<b>100% of the results of the business</b>								
Revenue	200.6	-	(3.8)	196.8	123.8	-	(1.7)	122.1
uEBITDA	(158.3)	-	(10.5)	(168.8)	(17.2)	-	(2.2)	(19.4)
Loss after tax	(174.7)	(7.8)	(33.5)	(216.0)	(19.5)	(0.1)	(10.1)	(29.7)
<b>Our share of the results of the business</b>								
uEBITDA	(52.8)	-	(7.1)	(59.9)	(5.7)	-	(1.5)	(7.2)
Losses after tax <sup>1,2</sup>	(58.2)	(2.6)	(22.6)	(83.4)	(6.7)	-	(7.0)	(13.7)
Total comprehensive loss <sup>1,2</sup>	(58.2)	(2.6)	(22.6)	(83.4)	(6.7)	-	(7.0)	(13.7)
Impairment of investment in associates and joint ventures	-	-	(15.8)	(15.8)	-	-	-	-
Share of results of associates and joint ventures	(58.2)	(2.6)	(38.4)	(99.2)	(6.7)	-	(7.0)	(13.7)

1. Our share of losses after tax and total comprehensive loss includes amortisation of acquired intangibles recognised by us, but not by iFood.

2. The loss after tax and total comprehensive loss were entirely derived from continuing activities.

3. Restated to include Mexico. See Note 2.

	2019				2018 (restated <sup>3</sup> )			
	IFood £m	IF-NL £m	ECAC £m	Total £m	IFood £m	IF-NL £m	ECAC £m	Total £m
<b>100% of the net assets of the business</b>								
Non-current assets	39.9	4.9	5.4	50.2	32.1	12.5	3.0	47.6
Current assets	183.6	-	5.2	188.8	83.9	-	6.2	90.1
Non-current liabilities	(9.4)	-	(0.3)	(9.7)	(1.6)	-	-	(1.6)
Current liabilities	(125.4)	(1.8)	(5.5)	(132.7)	(82.7)	(2.0)	(2.4)	(87.1)
<b>Net assets and total equity</b>	<b>88.7</b>	<b>3.1</b>	<b>4.8</b>	<b>96.6</b>	<b>31.7</b>	<b>10.5</b>	<b>6.8</b>	<b>49.0</b>
Group share of interest in associated undertaking's net assets	29.6	1.0	3.2	33.8	10.6	3.5	4.6	18.7
Goodwill on acquisition of interest in associate or joint venture	45.6	-	3.6	49.2	40.5	-	19.7	60.2
<b>Carrying value of interest in associated undertaking</b>	<b>75.2</b>	<b>1.0</b>	<b>6.8</b>	<b>83.0</b>	<b>51.1</b>	<b>3.5</b>	<b>24.3</b>	<b>78.9</b>

Supplementary information regarding material associated undertakings is provided below:

	IFood		ECAC	
	2019 £m	2018 £m	2019 £m	2018 £m
Cash and cash equivalents	47.4	15.2	4.5	2.9
Other current financial assets	136.2	68.7	0.7	3.3
Current financial liabilities	(125.4)	(82.7)	(5.5)	(2.4)
Non-current financial liabilities	(9.4)	(1.6)	(0.3)	-
Depreciation and amortisation	(9.4)	(2.4)	(1.2)	(0.2)
Income tax expense	(2.6)	(0.8)	-	-

#### 17. Trade and other receivables

Trade and other receivables predominantly consist of amounts in course of remittance from Payment Service Providers. Trade receivables are shown net of an allowance for bad or doubtful debts of £0.6 million (2018: £1.5 million). No provision for doubtful debts was deemed necessary for any other receivables in the current or prior year. The average age of amounts held by Payment Service Providers is three days (2018: three days).

#### Accounting policy

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

During the year, trade and other receivables was restated to include amounts held by Payment Service Providers; further details are provided in Note 2.

Detail of the policy on asset impairment is provided in Note 2.

	2019 £m	2018 (restated <sup>1</sup> ) £m
Trade receivables	9.1	4.0
Amounts held by Payment Service Providers	41.8	37.1
Other receivables	4.6	3.6
Prepayments	16.9	13.2
Accrued revenue	0.8	0.2
<b>Current trade and other receivables</b>	<b>73.2</b>	<b>58.1</b>

1. Restated to include Mexico. See Note 2.

## 18. Trade and other payables

Trade and other payables predominantly consist of amounts owed to Restaurant Partners or amounts owed to suppliers that have been invoiced or accrued. They also include payroll taxes, social security and, historically, deferred consideration payable to the vendors of SkipTheDishes and iFood.

### Accounting policy

Trade and other payables are initially measured at fair value, net of transaction cost, and subsequently measured at amortised cost using the effective interest method.

We have financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The Directors consider that the carrying amount of trade payables approximates to their fair value. For most suppliers, no interest is charged on the trade payables for at least the first 30 days from the date of the invoice. Amounts owed to Restaurant Partners are typically settled on a weekly basis.

	2019 £m	2018 (restated <sup>1</sup> ) £m
Trade payables	14.0	17.0
Amounts due to Restaurant Partners	56.7	78.8
Deferred consideration	-	28.0
Other payables and accruals	95.5	97.6
Other taxes and social security	23.5	16.3
<b>Total trade and other payables</b>	<b>189.7</b>	<b>237.7</b>

Deferred consideration as at 31 December 2018 consisted of £20.1 million due to the vendors of SkipTheDishes and £7.9 million due to the vendor of the increased stake in iFood. Amounts due to vendors which are contingent on future performance are included in provisions.

The average period for which amounts were due to Restaurant Partners was two days (2018: seven days).

## 19. Provisions for liabilities

The principal provisions held are in relation to contingent consideration on acquisition of subsidiaries and associates.

### Accounting policy

Provisions are recognised when we have an obligation to make a cash outflow as a result of a past event. They are distinct from liabilities recorded within trade and other payables in that either the value or timing of the outflow is uncertain. Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date when settlement is considered to be probable. Where a provision is measured using the cash flows estimated to settle the obligation, the carrying amount is the present value of those cash flows. The unwinding of any discount is recognised in the income statement within other gains and losses, together with any charges or credits made to acquisition-related provisions subsequent to the acquisition accounting.

	Contingent consideration £m	Other provisions £m	Total £m
At 1 January 2018 (restated <sup>1</sup> )	29.9	12.8	42.7
Arising on acquisition	20.8	0.2	21.0
Charged to the income statement	-	0.3	0.3
Released to the income statement	(0.6)	(1.4)	(2.0)
Utilised in the year	-	(0.5)	(0.5)
Transferred to trade and other payables	(28.0)	-	(28.0)
Unwinding of discount	0.2	-	0.2
Foreign exchange movements	(1.6)	0.2	(1.4)
<b>As at 31 December 2018 (restated<sup>1</sup>)</b>	<b>20.7</b>	<b>11.6</b>	<b>32.3</b>
Arising on acquisition	14.8	-	14.8
Charged to the income statement	15.5	0.9	16.4
Released to the income statement	-	(0.1)	(0.1)
Utilised in the year	(35.2)	-	(35.2)
Transferred from trade and other payables	-	1.8	1.8
Unwinding of discount	2.8	-	2.8
Foreign exchange movements	-	(0.5)	(0.5)
<b>As at 31 December 2019</b>	<b>18.6</b>	<b>13.7</b>	<b>32.3</b>

1. Restated to include Mexico. See Note 2.

	2019 £m	2018 (restated <sup>1</sup> ) £m
Current	27.7	11.5
Non-current	4.6	20.8
<b>Total provisions for liabilities</b>	<b>32.3</b>	<b>32.3</b>

The provision for contingent consideration as at 31 December 2018 related to the acquisition of Flyt in 2018, which was expected to be utilised in December 2021, but since all the performance targets were met it was paid out in December 2019. Contingent consideration as at 31 December 2019 relates to Practi and City Pantry, which was expected to be utilised through to April 2022. Of the total amount held as non-current as at 31 December 2019, £4.5 million relates to contingent consideration due to be paid in subsequent to 31 December 2020. However as a result of the change in control of the Group subsequent to the year end, these amounts will be settled in 2020.

As at 31 December 2019, other provisions included £9.3 million (2018: £9.8 million) in respect of our commitment to buy out the minority shareholder of FBA Invest SaS and associated legal costs. The amount payable is dependent on the results of the French businesses for 2016 and 2017. As the requirement to pay the obligation has passed, the amount is treated as current. The timing of when the matter will be settled is uncertain and is dependent on agreement between all parties of the amount to be paid, but is unlikely to be paid within three years of the balance sheet date. The remaining provisions included within other provisions are insignificant in size and nature.

## 20. Contingent liabilities

### **Possible gig economy class action**

In July 2018, a courier on the SkipTheDishes network filed a statement of claim in Manitoba alleging that all couriers providing services on the SkipTheDishes network in Canada are employees and not independent contractors. The relevant court has not yet determined if the claim will be accepted as a class action and, if so, which couriers would be included in any such class.

An arbitration clause exists within our courier agreement which, if enforceable, could exclude the majority of the class in favour of arbitration, thereby significantly reducing the size of any class action and the related risks.

Whilst it is difficult to assess the merits or potential quantum with certainty, our current assessment based on advice from external legal counsel is that a successful claim against us is not probable, therefore we have not provided for the midpoint from the estimated range. Were the claim to be successful, the range of outcomes is wide, estimated to be between £nil and £80 million. The upper end of the range is considered to be highly unlikely.

### **EU state aid**

In October 2017, the European Commission announced it was conducting a state aid investigation into the Group Financing Exemption contained within the UK's Controlled Foreign Company ("CFC") legislation. The Group Financing Exemption (contained within Chapter 9 of Part 9A TIOPA 2010) was introduced in 2013 when the UK CFC rules were revised. On 20 August 2019, the EC published its final decision following the conclusion of its investigation in the Official Journal. The final decision confirmed the EC believed the Financing Exemption did constitute illegal state aid if certain criteria were met (specifically to the extent the financing income was derived from UK activities). We believe the European Commission came to the wrong conclusion following its investigation and have applied to the Court of Justice of the European Union ("CJEU") to annul the decision. The UK government, along with a number of other affected companies, has submitted similar annulment applications.

Similar to other UK based international companies, we may be impacted by the final outcome of this investigation. We are continuing to work with our advisers to assess the EC's decision on our position as guidance is released from HMRC and other sources. Whilst there is considerable uncertainty with regards to both the annulment process and any corresponding liability assessed by HMRC, the maximum potential cash exposure has been calculated to be £15.7 million, plus £0.9 million interest, should the European Commission's decision be upheld.

On 17 December 2019, we received a discovery assessment from HMRC in relation to state aid, covering the period to 31 December 2015, for £2.1 million. The assessment assumed full attribution of finance profits to the UK for a specific financing structure. We have appealed this assessment on a number of grounds and will be engaging with HMRC in due course. On the basis that we believe that it is more likely than not that the EC's decision will be annulled by the CJEU, nothing has been recognised on the balance sheet in relation to this assessment.



## 21. Financial instruments

Financial instruments comprise financial assets and financial liabilities. The fair values and carrying values held at amortised cost are set out in the table below. Unless otherwise stated, the valuation basis is level 2, comprising financial instruments where fair value is determined from inputs other than observable quoted prices for the asset or liability, either directly or indirectly. There were no transfers between fair value measurement categories in the current or prior year. The only derivative financial instruments entered into are forward foreign exchange contracts.

### *Accounting policies*

#### *Recognition and de-recognition of financial assets and liabilities*

Financial assets and financial liabilities are recognised when we become a party to the contractual provisions of the instrument.

A financial asset or liability is only derecognised when the contractual right that gives rise to it is settled, sold, cancelled or expires.

#### *Fair value measurement*

Certain financial instruments are measured at fair value at each balance sheet date.

The carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised at fair value on a recurring basis, it is determined whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

For the purpose of fair value disclosures, we have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

#### *Cash and cash equivalents*

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits, excluding amounts being processed by Payment Service Providers and including cash received from customers through our platform which will be subsequently remitted to Restaurant Partners (which are not restricted in their use).

#### *Derivative financial instruments*

Derivative financial instruments are held at fair value, with revaluation gains or losses taken to the income statement within "other gains and losses".

#### *Hedge accounting*

No hedge accounting has been applied in the current year.

## Carrying value of financial instruments

	2019 £m	2018 (restated <sup>5</sup> ) £m
<b>Financial assets</b>		
<i>Current portion</i>		
Cash and cash equivalents <sup>1</sup>	116.2	145.8
Trade and other receivables (excluding prepayments)	55.5	44.7
<i>Non-current portion</i>		
Equity instruments carried at fair value through other comprehensive income <sup>3</sup>	1.3	1.0
	<b>173.0</b>	<b>191.5</b>
<b>Financial liabilities</b>		
<i>Current portion</i>		
Trade and other payables (excluding other taxes and social security)	(166.2)	(221.4)
Provisions for liabilities (excluding social security) <sup>4</sup>	(26.0)	(10.5)
Borrowings	(0.1)	(0.3)
Derivative financial instruments <sup>2</sup>	(1.0)	(0.3)
<i>Non-current portion</i>		
Provisions for liabilities (excluding social security) <sup>4</sup>	(4.6)	(20.8)
Borrowings	(259.9)	(102.4)
	<b>(457.8)</b>	<b>(355.7)</b>

1. Cash and cash equivalents are held on a short-term basis, with all having a maturity of three months or less.
2. These represent foreign exchange forward contracts which are measured using quoted forward exchange rates that match the maturity of the contracts.
3. Equity instruments carried at fair value through other comprehensive income are financial assets which are measured at fair value using level 3 measurements.
4. Provisions for liabilities include contingent consideration of £18.6 million (2018: £20.8 million). Fair value of the consideration is valued using level 3 measurement techniques, which are the present value of the expected cash outflows of the obligation using the discounted cash flow method. A weighted average discount rate of 6.0% (range of 5.4-6.2%) was determined using a Capital Asset Pricing Model for the current year acquisitions. If the discount rate was 1% higher/lower while all other variables were held constant, the carrying amount would decrease/increase by £0.1 million. It has been assumed that these businesses will perform in-line with current business plans. See Note 19 for more detail on contingent consideration provisions. Changes in fair value are recognised through other gains and losses in the income statement. Provisions for liabilities include amounts relating to social security of £1.7 million (2018: £1.0 million), with a charge of £0.7 million arising in the year.
5. Restated to deconsolidate Mexico. In addition, our accounting policy for amounts held by Payment Service Providers was changed in the year, resulting in a reclassification from cash and cash equivalents to trade and other receivables in the prior year. Both items are described in Note 2.

## Capital risk management

Our objectives when managing capital are to ensure that entities in the Group will be able to continue as a going concern, optimising liquidity and operating flexibility, while seeking to minimise our cost of capital. Our capital structure consists of cash and cash equivalents, a revolving credit facility ("RCF"), lease arrangements and equity attributable to shareholders of the Company, comprising issued capital, reserves and retained earnings as disclosed in Note 23. No changes to our objectives or practices have taken place in the year as these objectives were met through the use of our RCF. Further details of the RCF are provided in Note 22.

We are not subject to any externally imposed capital requirements.

## Financial risk management

The main financial risks faced are market risk (which includes currency risk and interest rate risk), credit risk and liquidity risk. Our treasury function, which operates under the Treasury Policy approved by the Board of Directors, uses certain financial instruments to mitigate potentially adverse effects on financial performance from these risks. These financial instruments consist of bank loans and deposits, spot and forward foreign exchange contracts and foreign exchange swaps. Policy prohibits the use of financial derivatives for speculative purposes.

### a) Market risk management

Our activities primarily create exposure to the financial risks of changes in foreign currency exchange rates and interest rates.

### Foreign currency risk management

Transactions denominated in foreign currencies are undertaken and consequently exposures to exchange rate fluctuations arise.

The carrying amounts of our foreign currency-denominated monetary assets and monetary liabilities were as follows:

	Assets		Liabilities		Net position	
	2019 £m	2018 £m	2019 £m	2018 £m	2019 £m	2018 £m
Australian dollars	147.2	155.8	(162.6)	(153.9)	(15.4)	1.9
Canadian dollars	12.7	23.9	(37.7)	(50.2)	(25.0)	(26.3)
Danish kroner	67.6	107.9	(59.3)	(86.5)	8.3	21.4
Euros	89.8	108.9	(69.9)	(80.3)	19.9	28.6
Swiss francs	21.2	13.8	(11.0)	(9.0)	10.2	4.8
US dollars	8.8	4.9	(3.8)	(5.4)	5.0	(0.5)

#### Foreign currency sensitivity analysis

We are primarily exposed to the US dollar, Australian dollar, Danish krone, euro, Swiss franc and Canadian dollar.

The US dollar exposure arises on the purchase of restaurant order pads and payment of invoices to US dollar-denominated suppliers, given the Group does not have US dollar revenues. The rest of the exposures relate to surplus cash generated in overseas operations, financing of overseas investments and deferred consideration of overseas acquisitions. Spot and forward foreign exchange contracts with maturities up to one year are used to manage these exposures.

The translation risk on converting overseas currency profits or losses is not hedged and such profits or losses are converted into sterling at average exchange rates throughout the year. Our principal translation currency exposures are the euro and the Canadian dollar.

Our Treasury Policy is for all currency exposures to first be naturally hedged, then any further transaction exposure hedged up to one year forward, using approved hedging instruments. More complex hedging strategies must be approved by the Group CFO in advance and in line with the policy. The policy stipulates that translation exposure should not be hedged with financial instruments.

The following table details the sensitivity to a 10% depreciation and 10% appreciation in pound sterling against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to senior management and represents an assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as internal loans to foreign operations.

	Appreciation in pound sterling				Depreciation in pound sterling			
	Income statement 2019 £m	Equity 2019 £m	Income statement 2018 £m	Equity 2018 £m	Income statement 2019 £m	Equity 2019 £m	Income statement 2018 £m	Equity 2018 £m
Australian dollar	0.7	0.7	0.7	(0.9)	(0.8)	(0.9)	(0.9)	1.1
Danish krone	(1.4)	0.6	(0.1)	(1.0)	1.7	(0.8)	1.2	1.2
Euro	(0.1)	(1.7)	(2.1)	(1.4)	0.1	2.1	2.6	1.7
Canadian dollar	0.7	1.5	0.6	3.6	(0.9)	(1.9)	(0.7)	(4.4)
Swiss franc	-	(0.9)	-	(0.4)	-	1.1	-	0.5
US dollar	(0.1)	(0.3)	-	0.1	0.2	0.4	-	(0.1)

Our sensitivity to fluctuations in foreign currencies is the result of increased activity in the foreign-owned subsidiaries which has led to a significant increase in foreign currency-denominated payables, receivables and intercompany transactions.

#### Interest rate sensitivity analysis

Our interest rate risk arises primarily on cash and loans, all of which are at floating rates of interest and which therefore create exposure to cash flow interest rate risk. These floating rates are linked to LIBOR and other interest rate bases as appropriate to the instrument and currency. Future cash flows arising from these financial instruments depend on the interest periods agreed at the time of rollover. Our policy permits the use of interest rate derivatives to manage the risks associated with movements in interest rates but no interest rate hedges were transacted during the year.

The sensitivity analysis has been determined based on the exposure to interest rates at the balance sheet date. For floating rate assets and liabilities, the analysis is prepared assuming the amount of asset/liability outstanding at the balance sheet date was outstanding for the whole year. A 1% increase or decrease in the interest rate is used when reporting interest rate risk internally to senior management and represents an assessment of the reasonably possible change in interest rates.

If interest rates had been 1% higher/lower and all other variables were held constant, there would be no significant impact on the profit before taxation or equity in the current or prior year.

*b) Credit risk management*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss. Our exposure and the credit ratings of major counterparties is continuously monitored.

Trade receivables consist of amounts receivable from a large number of Restaurant Partners, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and credit guarantee insurance cover is purchased where appropriate. Credit risk is not considered to be a significant risk.

*c) Liquidity risk management*

Ultimate responsibility for liquidity risk management rests with the Board, which has established an appropriate liquidity risk framework for the management of our short, medium and long-term funding and liquidity management requirements. Liquidity risk is managed by maintaining adequate cash reserves, by continuously monitoring projected and actual cash flows, and by ensuring adequate borrowing facilities are available.

The following table details our remaining contractual maturity profile for financial liabilities and has been prepared based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are a floating rate, the undiscounted amount is derived from interest rate curves at the balance sheet date. The contractual maturity is based on the earliest date on which we may be required to pay.

Expected maturity - financial liabilities	Weighted average effective interest rate %	Less than 1 year £m	1-2 years £m	2-5 years £m	5+ years £m	Total £m
<b>As at 31 December 2019</b>						
Non-interest bearing	-	(193.2)	-	(4.6)	-	(197.8)
Variable interest rate instruments	1.5	(0.1)	-	(259.9)	-	(260.0)
		(193.3)	-	(264.5)	-	(457.8)
<b>As at 31 December 2018</b>						
Non-interest bearing	-	(232.5)	-	(20.8)	-	(253.3)
Variable interest rate instruments	1.4	-	-	(102.4)	-	(102.4)
		(232.5)	-	(123.2)	-	(355.7)

The following table details our remaining contractual maturity profile for its financial assets and has been prepared based on the undiscounted contractual maturities of the financial assets, including interest that will be earned on those assets.

Expected maturity - financial assets	Weighted average effective interest rate %	Less than 1 month £m	1 month to 3 months to 3 months £m	1 year £m	1-5 years £m	5+ years £m	Total £m
<b>As at 31 December 2019</b>							
Non-interest bearing	-	132.8	-	-	-	-	132.8
Fixed interest rate instruments	0.5	40.2	-	-	-	-	40.2
		173.0	-	-	-	-	173.0
<b>As at 31 December 2018</b>							
Non-interest bearing	-	95.9	-	-	-	-	95.9
Fixed interest rate instruments	0.8	95.6	-	-	-	-	95.6
		191.5	-	-	-	-	191.5

Our obligations are expected to be met from operating cash flows.

**Derivative financial instruments and hedging**

During the year, we entered into forward contracts totalling \$65.8 million (2018: \$61.2 million), to hedge highly probable forecasted US dollar-denominated operating costs. The mark-to-market value of these derivatives at 31 December 2019 was a liability of £1.0 million (2018: £0.3 million). No hedge accounting was applied in the current or prior year.

## 22. Financing arrangements and right-of-use lease assets

Our primary financing arrangement was a £350 million RCF. In addition, property and other assets are leased through standard arrangements which are now recognised in the balance sheet following the adoption of IFRS16. This note provides further details in relation to these arrangements.

### Accounting policy

IFRS16 was adopted on 1 January 2019 by applying the modified retrospective approach and therefore the comparative information has not been restated and is therefore presented in accordance with IAS17 Leases ("IAS17").

Under IAS17, rentals payable under operating leases were charged to profit or loss evenly over the term of the relevant lease except where another more systematic basis was more representative of the time pattern in which economic benefits from the lease asset were consumed. Contingent rentals arising under operating leases were recognised as an expense in the period in which they are incurred.

An arrangement is accounted for as a lease where a contract gives the right to control an asset for longer than 12 months, in exchange for consideration, where substantially all of the economic benefits are obtained from the asset.

Under IFRS16, a lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted at the incremental borrowing rate. For all of the lease arrangements entered into, it was impracticable to calculate the interest rate implicit in the lease.

The right-of-use asset under IFRS16 is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or restore the underlying asset, less any lease incentives received.

Further details surrounding the implementation of IFRS16 are provided below.

### Liabilities arising from financing activities

The table below details changes in liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Consolidated Cash Flow Statement as cash flows from financing activities.

	As at 31 December (restated <sup>1</sup> ) 2018 £m	Cash flows £m	Arising on acquisition £m	Adoption of IFRS16 £m	Foreign exchange movements £m	Other non- cash movements £m	As at 31 December 2019 £m
<b>Non-current</b>							
Revolving credit facility	(102.4)	(157.5)	-	-	-	-	(259.9)
<b>Current</b>							
Other borrowings	(0.3)	0.4	(0.4)	-	-	0.2	(0.1)
<b>Liabilities arising from financing activities</b>	<b>(102.7)</b>	<b>(157.1)</b>	<b>(0.4)</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>(260.0)</b>
Add operating cash <sup>2</sup>	94.7	2.5	0.2	-	(5.1)	-	92.3
<b>Net debt excluding IFRS16 leases</b>	<b>(8.0)</b>	<b>(154.6)</b>	<b>(0.2)</b>	<b>-</b>	<b>(5.1)</b>	<b>0.2</b>	<b>(167.7)</b>

1. Restated to deconsolidate Mexico. In addition, our accounting policy for amounts held by Payment Service Providers was changed in the year, resulting in a reclassification from cash and cash equivalents to trade and other receivables in the prior year. Both items are described in Note 2.

2. Operating cash represents cash and cash equivalents, less the proportion of those amounts which are owed to Restaurant Partners of £23.9 million (2018: £51.1 million).

	As at 31 December 2017 (restated <sup>1</sup> ) £m	Cash flows £m	Transferred from trade and other receivables £m	Transferred to trade and other payables £m	Foreign exchange movements £m	Other non- cash movements £m	As at 31 December (restated <sup>1</sup> ) 2018 £m
<b>Non-current</b>							
Revolving credit facility	-	(105.0)	2.5	-	-	0.1	(102.4)
Other borrowings	(0.3)	-	-	0.3	-	-	-
<b>Non-current borrowings</b>	<b>(0.3)</b>	<b>(105.0)</b>	<b>2.5</b>	<b>0.3</b>	<b>-</b>	<b>0.1</b>	<b>(102.4)</b>
<b>Current</b>							
Other borrowings	(0.4)	-	-	-	0.1	-	(0.3)
<b>Liabilities arising from financing activities</b>	<b>(0.7)</b>	<b>(105.0)</b>	<b>2.5</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>(102.7)</b>
Add operating cash <sup>2</sup>	204.5	(110.5)	-	-	0.7	-	94.7
<b>Net cash/(debt)</b>	<b>203.8</b>	<b>(215.5)</b>	<b>2.5</b>	<b>0.3</b>	<b>0.8</b>	<b>0.1</b>	<b>(8.0)</b>

1. Restated to deconsolidate Mexico. In addition, our accounting policy for amounts held by Payment Service Providers was changed in the year, resulting in a reclassification from cash and cash equivalents to trade and other receivables in the prior year. Both items are described in Note 2.

2. Operating cash represents cash and cash equivalents, less the proportion of those amounts which are owed to Restaurant Partners as at 31 December 2018 of £51.1 million (1 January 2018: £21.5 million).

### **Revolving credit facility**

At the year end we had access to a committed £350 million RCF, expiring in November 2023. However, on 9 March 2020, the facility was amended and extended. The facility level was increased to £535 million, denominated in two tranches, £267.5 million and £267.5 million, and the term extended to 9 March 2025. The facility also includes an option to increase the facility by a further £200 million, (subject to bank credit committee approval) and an option to extend the facility by two further years (subject to bank credit committee approval). The facility is unsecured and contains common financial covenants, including: the ratio of total net debt to uEBITDA must not exceed 3.0 and an interest cover ratio of uEBITDA to net finance charges must not be less than 4.0. The financial covenants are tested on 30 June and 31 December each year and to date have been complied with at all measurement points.

Following the merger with Takeaway.com N.V. there is a mechanism to add obligors from the wider Just Eat Takeaway.com N.V. Group to the facility. All approvals from the banks were given at the time of the amendments, subject to KYC and the acceding companies meeting the conditions of the RCF, with only internal Board and Works Council approvals required to finalise.

Subsequent to the year end, we received a capital injection of €350 million from our parent company, enabling the Facility to be substantially paid down.

### **Lease arrangements**

#### **Implementation of IFRS16**

We have applied the modified retrospective basis when adopting the standard, choosing the option to measure initial right-of-use assets as equal to the respective lease liabilities for all leases entered into before 1 January 2019.

Practical expedients taken were as follows:

- The Group has a limited number of equipment leases, such as office photocopiers. The leases in this category are highly insignificant, with total annual charges of less than £0.1 million; hence no right-of-use lease asset or lease liability is recognised.
- Initial direct costs have been excluded from the measurement of the right-of-use asset at the date of initial application.

The weighted average incremental borrowing rate applied to lease liabilities recognised on implementation was 5.4%.

A reconciliation between the operating lease commitments previously disclosed at 31 December 2018, discounted using the incremental borrowing rate at the date of initial application, and the liability recognised on initial adoption as at 1 January 2019 is set out below.

	Property £m	Motor vehicles £m	Total £m
Operating lease total commitments under IAS17 as at 31 December 2018 (restated <sup>1</sup> )	32.4	1.6	34.0
Impact of discounting lease commitment at the relevant incremental borrowing rate	(6.0)	(0.1)	(6.1)
	26.4	1.5	27.9
Difference between initial lease end dates and expected lease term end	10.0	0.5	10.5
<b>Lease liability at implementation of IFRS16</b>	<b>36.4</b>	<b>2.0</b>	<b>38.4</b>

1. Restated to deconsolidate Mexico.

The impact of the change for the current year is provided below.

#### **Income statement**

Operating costs are broadly consistent, as a result of the lease expense of £9.3 million being replaced by depreciation of £8.6 million and finance costs on leased assets of £1.9 million in 2019.

#### **Balance sheet**

The adoption of IFRS16 had the impact of increasing net assets by £4.8 million at the commencement date, as a result of the release of deferred rent-free period credits. This has been taken directly to reserves, as can be seen in the Consolidated Statement of Changes in Equity.

As at 1 January 2019, a right-of-use asset of £38.8 million was recognised as a non-current asset, along with a lease liability of the same amount, £0.4 million of which is held in trade and other payables, reflecting the provision for property dilapidations.

#### **Cash flow statement**

Lease payments of £7.4 million have been reclassified from operating activities to financing activities. During the year, £1.5 million was received from landlords in respect of historical rent-free periods.

*Carrying value of right-of-use assets*

	Property £m	Motor vehicles £m	Total £m
<b>Cost</b>			
As at 31 December 2018	-	-	-
Adoption of IFRS16	36.8	2.0	38.8
Additions	-	1.0	1.0
Arising on acquisition	0.9	0.2	1.1
Disposals	(0.1)	(0.1)	(0.2)
Foreign exchange movements	(0.4)	(0.1)	(0.5)
<b>As at 31 December 2019</b>	<b>37.2</b>	<b>3.0</b>	<b>40.2</b>
<b>Accumulated depreciation</b>			
As at 31 December 2018	-	-	-
Charge for the year	7.5	1.1	8.6
Disposals	(0.1)	(0.1)	(0.2)
Foreign exchange movements	(0.1)	-	(0.1)
<b>As at 31 December 2019</b>	<b>7.3</b>	<b>1.0</b>	<b>8.3</b>
<b>Carrying amount</b>			
<b>As at 31 December 2019</b>	<b>29.9</b>	<b>2.0</b>	<b>31.9</b>
As at 31 December 2018	-	-	-

*Carrying value of lease liabilities*

	Property £m	Motor vehicles £m	Total £m
<b>Lease liability</b>			
As at 31 December 2018	-	-	-
Adoption of IFRS16 <sup>1</sup>	36.4	2.0	38.4
Additions	-	1.0	1.0
Arising on acquisition	0.9	0.2	1.1
Disposals	-	(0.2)	(0.2)
Cash payments	(8.2)	(1.1)	(9.3)
Interest charges	1.9	-	1.9
Foreign exchange movements	(0.1)	(0.1)	(0.2)
<b>As at 31 December 2019</b>	<b>30.9</b>	<b>1.8</b>	<b>32.7</b>

1. On adoption of IFRS16, a provision for future property dilapidation charges of £0.4 million was held in trade and other payables.

	Property £m	Motor vehicles £m	Total £m
<b>Undiscounted lease liabilities</b>			
Less than one year	8.1	1.0	9.1
One to five years	22.3	1.0	23.3
More than five years	5.1	-	5.1
<b>As at 31 December 2019</b>	<b>35.5</b>	<b>2.0</b>	<b>37.5</b>

*Off balance sheet lease arrangements*

We may enter into leasing arrangements for assets of low value or where the lease term is less than 12 months. These arrangements are insignificant and no further disclosures are required.

## 23. Capital and reserves

### Share capital

Share capital is the number of shares in issue at their nominal value. In the current year, this increased due to the exercise of employee share awards.

Ordinary shares have a nominal value of £0.01 each, are issued, allotted, called up, fully paid and entitle the holders to receive notice, attend, speak and vote at general meetings. Holders of Ordinary shares are entitled to distributions of available profits pro rata to their respective holdings of shares.

	2019		2018	
	Number of ordinary shares	Total £m	Number of ordinary shares	Total £m
As at beginning of year	681,042,382	6.8	679,954,152	6.8
Arising on the exercise of share awards	2,037,145	-	1,088,230	-
<b>As at end of year</b>	<b>683,079,527</b>	<b>6.8</b>	<b>681,042,382</b>	<b>6.8</b>

### Share premium

Share premium is the amount received by a company for a share issue which exceeds the nominal value. In the current year, this increased due to the exercise of employee share awards.

### Retained earnings

Retained earnings are the net earnings not paid out as dividends, but retained to be reinvested. The Company's retained earnings reserve as at 31 December 2019 was £24.0 million (2018: £35.8 million). The distributable reserves of Just Eat Limited as at 31 December 2019 were a deficit of £1.9 million (2018 restated: £17.2 million distributable). During the year the directors identified unrealised gains of £18.6 million which were included in retained earnings at 31 December 2018. As a result, the distributable reserves balance at 31 December 2018 has been restated from £35.8 million to £17.2 million. The total retained earnings balance is unchanged.

Dividends payable to the holders of the Company's Ordinary shares are recognised when they have been appropriately authorised. No dividend has been paid or recommended by the Directors for the year.

See Note 27 for events subsequent to the year end which impact on retained earnings.

### Translation reserve

Exchange differences relating to the translation of the net assets, income and expenses of foreign operations, from their functional currency into our reporting currency, being pound sterling, are recognised directly in the translation reserve.

### Other reserves

	Revaluation reserve £m	Merger reserve £m	Treasury share reserve £m	Cash flow hedging reserve £m	Total £m
As at 1 January 2018	0.1	1.9	(7.1)	(0.1)	(5.2)
Exercise of share awards	-	-	(0.8)	-	(0.8)
<b>As at 31 December 2018</b>	<b>0.1</b>	<b>1.9</b>	<b>(7.9)</b>	<b>(0.1)</b>	<b>(6.0)</b>
Exercise of share awards	-	-	1.1	-	1.1
Reclassification	(0.1)	-	-	0.1	-
<b>As at 31 December 2019</b>	<b>-</b>	<b>1.9</b>	<b>(6.8)</b>	<b>-</b>	<b>(4.9)</b>

### Merger reserve

In July 2009 a Group reorganisation was undertaken. Under this reorganisation, Ordinary shares were issued and cancelled and Preference A shares were issued. This was treated as a common control transaction under IFRS as the ultimate shareholders and their relative rights were the same before and afterwards. The merger reserve represents the difference between the nominal value of the shares issued and the nominal value of the shares on the Group reorganisation in July 2009.

### Treasury shares reserve

The treasury shares reserve arose when equity share capital was issued under the JSOP and SIP, which are held in Employee Benefit Trusts ("EBTs"). See Note 8 for more information on the JSOP and SIP.



## 24. Non-controlling interest

The NCI is the equity in a subsidiary not attributable, directly or indirectly, to the Group. NCIs are held in our French operations.

### Accounting policy

NCI in the net assets of consolidated subsidiaries is identified separately from the equity therein. NCI consists of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the acquisition date of the combination.

### Carrying value of NCI

	2019 £m	2018 (restated <sup>1</sup> ) £m
As at beginning of year	1.8	1.2
NCI share of loss after tax	0.4	0.6
<b>As at end of year</b>	<b>2.2</b>	<b>1.8</b>

1. Restated to deconsolidate Mexico.

We have one business with a non-controlling interest at 31 December 2019, FBA Invest SaS ("FBAI"). The NCI portion in FBAI was 20% (2018: 20%).

The following table sets out the summary consolidated financial information of FBAI:

	2019 £m	2018 £m
<b>Income statement</b>		
Revenue	42.6	37.1
uEBITDA	3.4	7.9
Profit after tax	2.5	3.0
NCI share of profit after tax	0.4	0.6

	2019 £m	2018 £m
<b>Balance sheet</b>		
Cash	20.8	23.0
Other current assets	2.5	2.4
Total current assets	23.3	25.4
Non-current assets	2.6	0.9
Total assets	25.9	26.3
Current liabilities	(15.2)	(17.1)
Total liabilities	(15.2)	(17.1)
<b>Net assets</b>	<b>10.8</b>	<b>9.2</b>
<b>NCI</b>	<b>2.2</b>	<b>1.8</b>

## 25. Acquisitions

In the year, we completed the acquisitions of City Pantry and Practi, which are held at provisional values. The acquisition of Flyt in December 2018 was finalised in H2 2019.

### Accounting policy

Business combinations are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued in exchange for control of the acquiree. For each business combination, we elect whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets.

Acquisition-related costs are recognised in profit or loss as incurred. Acquisition costs paid on behalf of the vendor are included in the fair value of consideration transferred.

When the consideration for the acquisition includes an asset or liability resulting from a contingent consideration arrangement that is unrelated to future employment, the contingent consideration is measured at its acquisition-date fair value and is included as part of the consideration transferred in the business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Otherwise they are recorded in profit or loss. Where the contingent consideration is dependent on future employment, it is instead recognised as an expense over the relevant timespan in the income statement rather than as part of consideration for the business combination and is recognised within net cash from operating activities in the cash flow statement.

The acquiree's identifiable assets, liabilities and contingent liabilities are generally recognised at their fair value at the acquisition date. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, provisional amounts are reported for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (up to 12 months from the date of acquisition). Additional assets or liabilities are recognised to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

When a business combination is achieved in stages, the previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date control is obtained) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

#### Current year acquisitions

	City Pantry £m	Practi £m	Canary Flash £m	Total £m
Goodwill	14.1	6.0	0.8	20.9
Intangible assets - Restaurant contracts	7.1	-	-	7.1
Intangible assets - Brands	1.1	-	-	1.1
Intangible assets - Intellectual property	5.3	7.7	-	13.0
Right-of-use lease asset	0.2	0.9	-	1.1
Trade and other receivables	1.3	0.2	-	1.5
Current tax assets	0.4	-	-	0.4
Cash	-	-	0.2	0.2
Trade and other payables	(2.2)	(0.5)	-	(2.7)
Lease liabilities	(0.2)	(0.9)	-	(1.1)
Borrowings	-	(0.4)	-	(0.4)
Deferred tax in respect of losses and intangible assets	(1.6)	(1.8)	-	(3.4)
<b>Total consideration</b>	<b>25.5</b>	<b>11.2</b>	<b>1.0</b>	<b>37.7</b>
Initial cash consideration	15.8	6.1	1.0	22.9
Contingent consideration paid	-	1.9	-	1.9
Contingent consideration unpaid	9.7	3.2	-	12.9
<b>Total consideration</b>	<b>25.5</b>	<b>11.2</b>	<b>1.0</b>	<b>37.7</b>
<b>Net cash outflow arising on acquisition</b>				
Cash consideration	(15.8)	(8.0)	(1.0)	(24.8)
Cash acquired	-	-	0.2	0.2
<b>Net cash outflow</b>	<b>(15.8)</b>	<b>(8.0)</b>	<b>(0.8)</b>	<b>(24.6)</b>
<b>Contribution since control obtained</b>				
Revenue	1.7	0.5	0.2	2.4
uEBITDA	(3.2)	(1.1)	-	(4.3)
Loss for the year	(4.9)	(4.5)	-	(9.4)

Had the current year acquisitions been completed on 1 January 2019, revenue for the Group would have been £996.0 million, while the loss for the year would have been £174.4 million.

#### Net cash on acquisition of subsidiary businesses

	£m
Deferred consideration payments made in respect of Flyt	(33.3)
Deferred consideration payments made in respect of hungryhouse	(23.3)
Deferred consideration payments made in respect of SkipTheDishes	(20.0)
Cash payments made in respect of prior year acquisitions	(76.6)
<b>Net cash outflow on current year acquisitions</b>	<b>(24.6)</b>
<b>Net cash on acquisition of subsidiary businesses</b>	<b>(101.2)</b>

#### Acquisition of City Pantry

In July 2019 we acquired 100% of the share capital of City Pantry Ltd for an initial cash payment of £15.8 million, using existing resources. Deferred consideration is payable to the founders and former employee shareholders over the three years following the acquisition, with a provisional estimate of £9.7 million (discounted) included in the calculation of total consideration. This deferred consideration is based on the expected achievement of all targets, which takes the anticipated payments to the maximum required by the purchase agreement of £10.4 million (undiscounted). City Pantry is Europe's leading business-to-business catering marketplace, linking caterers and restaurants with corporate customers providing food for their employees or clients. The business currently helps feed

more than 120,000 people at 1,000 corporate customers every month. It works with hundreds of suppliers, including branded restaurant groups, to provide meals for corporate events or business meetings. This acquisition was added to the UK CGU.

Subsequent to the year end, the share capital of the company was purchased as part of the merger with Takeaway.com N.V., triggering change of control clauses in the purchase agreement which resulted in the payment in full of the deferred consideration in 2020.

#### **Acquisition of Practi**

On 5 April 2019, the Group acquired 100% of the share capital of Simbambili Ltd ("Practi") for an initial cash outlay of £6.1 million. Deferred consideration is payable to the founders over up to three years following the acquisition, with a provisional estimate of £5.1 million (discounted, £7.5 million undiscounted) compared to a maximum payment of £8.0 million (undiscounted). This acquisition was added to the UK CGU.

Practi is a holistic, tablet based software as a service ("SaaS") retail solution for small to medium-sized restaurant chains. This allows the user to control many aspects of running a business through one software package which can be used across multiple devices, allowing for front and back of house (kitchen) connectivity to the system. The SaaS services that Practi provides include: Point of Sale ("POS"); payment handling (including credit card payments); CRM; table management; inventory management; kitchen operations; and employee management. Practi predominantly serves customers in the UK and Israel.

Practi's software will significantly expand the functionality of the technology we offer to our Restaurant Partners. Practi will play a significant part in transforming the role we play within restaurant operations. Through Practi, we can start to bridge restaurants' online and offline operations, replace cash tills with an electronic POS system and provide the software tools for Restaurant Partners to optimise their businesses. It will also be an enabler for Restaurant Partner-driven dynamic pricing and promotions.

As for City Pantry, the merger with Takeaway.com N.V. triggered change of control clauses in the purchase agreement, resulting in the deferred consideration being paid up to the maximum amount and in full in 2020.

#### **Acquisitions in previous years**

On 22 December 2018, we acquired 92% of the share capital of Flyt Limited, taking our holding to 100%. The acquisition accounting applied in the year ended 31 December 2018 was considered provisional, with the final position presented below.

	Provisional accounting £m	Fair value adjustments £m	Final position £m
Goodwill	35.6	(1.6)	34.0
Intangible assets - Development costs	10.8	2.1	12.9
Trade and other receivables	0.9	0.5	1.4
Trade and other payables	(0.4)	(0.6)	(1.0)
Deferred tax liabilities in respect of the intangible assets	(1.8)	(0.4)	(2.2)
Deferred tax asset in respect of losses	1.7	-	1.7
<b>Total consideration</b>	<b>46.8</b>	<b>-</b>	<b>46.8</b>
Cash consideration	21.8	-	21.8
Contingent consideration	20.8	-	20.8
Fair value of shareholding at the point control was obtained	4.2	-	4.2
<b>Total consideration</b>	<b>46.8</b>	<b>-</b>	<b>46.8</b>

#### **26. Related party transactions**

During the year, we entered into transactions in the ordinary course of business with related parties. Further details are provided in this note.

#### **Compensation of key management personnel**

Key management personnel comprises members of the Board and the Executive Team. Key management personnel compensation is shown in the table below:

	2019 £m	2018 £m
Short-term employee benefits	5.8	8.2
Post-employment pension	-	0.1
Termination benefits	0.8	1.0
Share based compensation	3.1	2.7
<b>Total compensation of key management personnel</b>	<b>9.7</b>	<b>12.0</b>

**Key management personnel's interests in the PSP, the JSOP and the EMI scheme**

The outstanding share options and awards held by key management personnel are summarised below:

Year of issue	2019 Number ('000)	2018 Number ('000)	Vesting date	Weighted average threshold/ exercise price (pence)
2013	105	408	Up to July 2016	49.9
2015	90	159	Up to May 2018	-
2016	213	463	Up to December 2019	-
2017	322	647	Up to September 2020	-
2018	434	833	Up to September 2021	-
2019	564	-	Up to September 2022	-
	<b>1,728</b>	<b>2,510</b>		

Refer to Note 8 for further details about the PSP, JSOP and EMI schemes.

**Other transactions with related parties**

Funding to our associates and joint ventures in the year totalled £103.7 million (2018: £41.8 million).

The related party transactions in the year other than the employment of key management personnel. No amounts were owed by and to related parties at the balance sheet date.

**27. Events after the balance sheet date**

On 31 January 2020 the proposed combination of Takeaway.com and Just Eat plc became wholly unconditional, resulting in the purchase of the share capital of Just Eat plc. Subsequently, Just Eat plc delisted from the London Stock Exchange and changed its name to Just Eat Limited. This is considered to be a non-adjusting post balance sheet event and resulted in bankers' fees contingent on the deal completing of £65.6 million. On 15 April 2020, the UK Competition and Markets Authority lifted the hold separate order which had previously been issued and on 23 April 2020 gave its full clearance.

The purchase of the Company's share capital triggered certain matters, including:

- the acceleration of deferred consideration payments in relation to City Pantry and Practi of £12.1 million;
- cessation of the Just Eat Limited share option schemes. Existing options vested in proportion to the vesting period to date, resulting in no additional charge to the income statement in 2020. The unvested portions transferred to the new parent company's schemes; and
- the requirement to obtain waivers from the RCF syndicate banks for the change in control, which were obtained prior to 31 January 2020.

In March 2020 our Group banking facility was amended and extended. The facility level was increased to £535 million, denominated in two tranches, £267.5 million and €307.6 million, and the term extended to 9 March 2025. The facility also includes an accordion option to increase the facility by a further £200 million.

Subsequent to the year end, we received a capital injection of €350 million from our parent company, enabling our revolving credit facility to be substantially paid down.

Impairment assessments for the year ended 31 December 2019 are based on the plans in place for the business at that date and do not reflect any decisions made by management of the new parent company.

The onset of the COVID-19 pandemic during the first quarter of 2020 and the ensuing quarantine introduced by governments across our markets has had an impact on our business. However, the online food delivery sector remained resilient, relative to other sectors. After some initial disruption, overall business performance remains in line with expectations. During this period of disruption and uncertainty Just Eat has committed to supporting its customers, Restaurant Partners, couriers and people as the spread of the virus continued to impact communities across the world. We introduced contact-free delivery for all orders across our network, to ensure customers receive their food deliveries safely, as well as a range of support packages to help our Restaurant Partners during this difficult time. This is considered to be a non-adjusting post balance sheet event as the outbreak was largely confined to China at the year end.

# Company balance sheet

As at 31 December 2019

	Notes	2019 £m	2018 £m
<b>Non-current assets</b>			
Investments	29	<b>597.2</b>	594.2
<b>Current assets</b>			
Cash and cash equivalents		<b>0.2</b>	0.4
Trade and other receivables	30	<b>13.5</b>	11.4
		<b>13.7</b>	11.8
<b>Total assets</b>		<b>610.9</b>	606.0
<b>Current liabilities</b>			
Trade and other payables	31	<b>(15.4)</b>	—
<b>Net current (liabilities)/assets</b>		<b>(1.7)</b>	11.8
<b>Net assets</b>		<b>595.5</b>	606.0
<b>Equity</b>			
Share capital	23	<b>6.8</b>	6.8
Share premium	23	<b>564.7</b>	563.4
Retained earnings	23	<b>24.0</b>	35.8
<b>Total equity</b>		<b>595.5</b>	606.0

The Company's retained earnings reserve as at 31 December 2019 was £24.0 million (2018: £35.8 million). The distributable reserves of Just Eat Limited as at 31 December 2019 were a deficit of £1.9 million (2018 restated: £17.2 million distributable). During the year the directors identified unrealised gains of £18.6 million which were included in retained earnings at 31 December 2018. As a result, the distributable reserves balance at 31 December 2018 has been restated from £35.8 million to £17.2 million. The total retained earnings balance is unchanged.

## Company statement of changes in equity

Year ended 31 December 2019

	Share capital £m	Share premium account £m	Retained earnings £m	Total equity £m
As at 1 January 2018	6.8	562.7	34.0	603.5
Loss for the year	—	—	(5.6)	(5.6)
Total comprehensive loss for the year	—	—	(5.6)	(5.6)
Share based payment charge	—	—	7.3	7.3
Exercise of share awards	—	0.7	—	0.7
Tax on share awards	—	—	0.1	0.1
As at 31 December 2018	6.8	563.4	35.8	606.0
Loss for the year	—	—	(20.4)	(20.4)
Total comprehensive loss for the year	—	—	(20.4)	(20.4)
Share based payment charge	—	—	8.5	8.5
Exercise of share awards	—	1.3	—	1.3
Tax on share awards	—	—	0.1	0.1
<b>As at 31 December 2019</b>	<b>6.8</b>	<b>564.7</b>	<b>24.0</b>	<b>595.5</b>

The Company financial statements on pages 84 to 85 were authorised for issue by the Board of Directors and signed on its behalf by:



**Mary Basterfield**

**Director**

21 August 2020 Company registration number: 06947854

# Company cash flow statement

Year ended 31 December 2019

	2019 £m	2018 £m
<b>Operating loss for the year</b>	<b>(18.9)</b>	<b>(3.9)</b>
Adjustments for:		
Share based payment charges, including social security costs	1.2	0.6
Impairment of investment in subsidiaries	4.3	—
(Increase)/decrease in receivables	(1.9)	4.5
Increase in payables	15.4	—
<b>Net cash generated by operations</b>	<b>0.1</b>	<b>1.2</b>
Interest paid	(0.3)	(0.2)
Facility fees paid	(0.4)	(1.3)
<b>Net cash used in operating activities</b>	<b>(0.6)</b>	<b>(0.3)</b>
<b>Investing activities</b>		
Interest received	0.1	0.1
<b>Net cash from investing activities</b>	<b>0.1</b>	<b>0.1</b>
<b>Financing activities</b>		
Proceeds from exercise of options and awards	0.3	0.5
<b>Net cash generated from financing activities</b>	<b>0.3</b>	<b>0.5</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(0.2)</b>	<b>0.3</b>
Cash and cash equivalents at beginning of the year	0.4	0.1
<b>Cash and cash equivalents at end of the year</b>	<b>0.2</b>	<b>0.4</b>

# Notes to the Company financial statements

Year ended 31 December 2019

## 28. Significant accounting policies

### *Basis of preparation*

These separate Company financial statements have been prepared in accordance with IFRS, and with those parts of the Act applicable to companies reporting under IFRS, and therefore comply with Article 4 of the IAS Regulation and IFRS as issued by the International Accounting Standards Board.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which have been measured at fair value. The financial statements are prepared on a going concern basis, further detail of which is provided in the Principal Risks and Uncertainties section of the Strategic Report of this Annual Report. In accordance with the exemption allowed under section 408(3) of the Act, we have not presented the Company-only income statement and statement of comprehensive income. The same accounting policies have been applied as those applied to the Group. These policies have been consistently applied to all years presented.

The risk management policies relating to market risk, credit risk and liquidity risk are detailed in Note 21.

There are no critical accounting judgements or key sources of estimation uncertainty in the periods presented here.

### *Share based payments*

We operate a number of share based compensation plans settled with the Company's equity. The share based incentive charge is not recharged to the entity the employee is employed by; therefore, any such amounts are treated as capital contributions from the Company to the relevant entity. The capital contribution is treated as an increase in the investment balance in the Company. The total Group share based payment charges, including social security costs and cash settled amounts was £12.4 million (2018: £8.0 million). £8.5 million of the total charge is taken as a credit to the Company's reserves, of which £1.2 million (2018: £0.6 million) relates to the Company's own employees and £7.3 million relates to employees of other Group companies and is treated as a capital reduction and an increase to investments.

## 29. Investments

### *Accounting policies*

The carrying amounts of investments are reviewed for each reporting period, together with any other assets under the scope of IAS 36 Impairment of Assets, in order to assess whether there is any indication that those assets have suffered an impairment loss. The policy applied is consistent with that applied to the consolidated financial statements; see Note 2.

	2019 £m	2018 £m
As at beginning of year	594.2	587.5
Impairment	(4.3)	—
Additions	7.3	6.7
<b>As at end of year</b>	<b>597.2</b>	<b>594.2</b>

The Company's operating subsidiaries, directly owned by the Company, are disclosed on page 88. The Investments are all stated at cost less cumulative impairment charges.

The impairment charge in the year relates to an indirect investment in our Mexican business. The investment balance has been impaired to reflect the FVLCD of the investment in Just Eat Central Holdings Limited, which is based on the FVLCD of the MX CGU as disclosed in Note 13.

## 30. Trade and other receivables

### *Accounting policy*

Trade and other receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

	2019 £m	2018 £m
Amounts owed by subsidiary undertakings	4.7	0.8
Other receivables	8.8	10.6
<b>Total trade and other receivables</b>	<b>13.5</b>	<b>11.4</b>

Amounts owed by subsidiary undertakings are repayable on demand and accrue interest at 0%.

Other receivables include amounts due from the EBT Trustee of £6.7 million (2018: £7.8 million). The carrying amounts of these assets approximate their fair value.

### 31. Trade and other payables

#### Accounting policy

Trade and other payables are initially measured at fair value, net of transaction cost, and subsequently measured at amortised cost using the effective interest method.

	2019 £m	2018 £m
Amounts owed to subsidiary undertakings	14.9	—
Other payables	0.5	—
<b>Total trade and other payables</b>	<b>15.4</b>	<b>—</b>

Amounts owed to subsidiary undertakings are repayable on demand and accrue interest at 0%.

### 32. Related party transactions

#### Compensation of key management personnel of the Company

	2019 £m	2018 £m
Short-term employee benefits	2.5	2.5
Termination benefits	0.8	—
Share based compensation	1.2	0.6
<b>Total compensation of key management personnel</b>	<b>4.5</b>	<b>3.1</b>

Key management personnel are members of the Board. As at 31 December 2019, the two Executive members of the Board were the only employees of the Company (2018: two), neither of whom received contributions to post-employment pension schemes. Further information on the remuneration of the Directors and Directors' interests in Ordinary shares of the Company are disclosed in the Annual Report on Remuneration.

#### Key management personnel's interests in the share schemes

The outstanding share options and awards held by key management personnel are summarised below:

Year of issue	2019 Number (‘000)	2018 Number (‘000)	Vesting date	Weighted average threshold/ exercise price (pence)
2013	—	153	Up to July 2016	34.0
2015	72	72	Up to May 2018	—
2016	190	216	Up to December 2019	—
2017	111	170	Up to September 2020	—
2018	187	293	Up to September 2021	—
2019	199	—	Up to September 2022	—
	<b>759</b>	<b>904</b>		

Refer to Note 8 for further details about our share options and award schemes.

### 33. Events after the balance sheet date

See Note 27.

### 34. Ultimate controlling party

As at 31 December 2019, there was no controlling party of the Company. Following the acquisition of the Company on 31 January 2020 and subsequent approval by the UK Competition and Markets Authority on 15 April 2020, the ultimate parent company is Just Eat Takeaway.com N.V., a company incorporated in the Netherlands. The registered address of Just Eat Takeaway.com N.V. is Oostdoksstraat 80, 1011 DK Amsterdam, the Netherlands. Just Eat Takeaway.com N.V. does not have a majority shareholder.



## Listing of subsidiaries and associated undertakings

A list of the investments in subsidiaries, associates and joint ventures, including the name, registered address, proportion of voting rights held and country of incorporation, is given below.

Company name	Registered address	% holding (if not 100%)	Country of incorporation	UK registered entities taking audit exemption <sup>1</sup>
<b>Directly held subsidiary undertakings</b>				
Just Eat Holding Limited	a		United Kingdom	
Just Eat Central Holdings Limited	a		United Kingdom	X
<b>Indirectly held subsidiary undertakings</b>				
Just Eat (Acquisitions) Holding Limited	a		United Kingdom	X
Just Eat.co.uk Limited	a		United Kingdom	
Just Eat Northern Holdings Limited	a		United Kingdom	X
Flyt Limited	a		United Kingdom	
Practi Technologies Ltd	a		United Kingdom	X
Hungryhouse Holdings Limited	a		United Kingdom	X
Everyday Ventures Limited	a		United Kingdom	X
Orogo Limited	a		United Kingdom	
City Pantry Ltd	b		United Kingdom	
Just Eat (Acquisitions) Pty Limited	c		Australia	
Menulog Group Limited	c		Australia	
Menulog Pty Ltd	c		Australia	
Eat Now Services Pty Ltd	c		Australia	
SkipTheDishes Restaurant Services Inc. ("SkipTheDishes")	d		Canada	
Just Eat Denmark Holding ApS	e		Denmark	
Just Eat.dk ApS	e		Denmark	
Just Eat Host A/S	e		Denmark	
FBA Invest SaS	f	80	France	
Eat On Line SA	f	80	France	
Hungryhouse GmbH	g		Germany	
Just-Eat Ireland Limited	h		Ireland	
Eatcity Limited	h		Ireland	
Simbambili Limited	i		Israel	
Just-Eat Italy S.r.l	j		Italy	
Just-Eat.lu S.à.r.l.	k		Luxembourg	
Menulog Limited	m		New Zealand	
Just Eat.no As	n		Norway	
Just-Eat Spain S.L	o		Spain	
Canary Flash S.L.	p		Spain	
Eat.ch GmbH	q		Switzerland	
SkipTheDishesCorporation	r		USA	
Flyt USA Inc	r		USA	
<b>Joint ventures</b>				
El Cocinero a Cuerda SL ("ECAC")	o	67	Spain	
<b>Subsidiaries of ECAC</b>				
SinDelantal Mexico SA de C.V. ("SinDelantal Mexico")	l	67	Mexico	
Inversions Just Eat S. de R.L. de C.V.	l	67	Mexico	
<b>Associates</b>				
IF-JE Holdings B.V. ("IF-NL")	s	33	Netherlands	
iFood Holdings B.V. ("iFood")	s	33	Netherlands	
<b>Subsidiaries of iFood</b>				
M.I. Payments Holdings B.V.	s	7	Netherlands	
Zoop Meios de Pagamento S.A.	t	2	Brazil	
<b>Subsidiaries of iFood</b>				
Delivery Santa Fe, S.r.L.	u	33	Argentina	
IF-JE Participações S.A.	v	33	Brazil	
iFood.com Agência de Restaurantes Online S.A.	w	33	Brazil	
Rapido Agência de Serviços de Entrega Rápida S.A.	w	33	Brazil	
iFood Benefícios e Serviços Ltda.	w	33	Brazil	
Loop Comércio de Refeições e Serviços Ltda.	w	33	Brazil	
Pedidos Já - Divulgação e Tecnologia Ltda.	w	33	Brazil	
Mulp Informática S.A	w	33	Brazil	
Mobile Serviços em Tecnologia Ltda.	v	33	Brazil	
Hekima Tecnologias de Gestão de Dados na Internet Ltda	x	33	Brazil	
Just Eat Brazil Serviços Online Ltda.	x	33	Brazil	
Central do Delivery Ltda.	x	33	Brazil	
Just Eat Intermediação de Negócios Ltda.	y	33	Brazil	
ComeYa S.A.S.	a <sup>1</sup>	33	Colombia	

1. The highlighted 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 2019. The undertakings are all 100% owned, either directly or indirectly, by Just Eat Limited. The Company will guarantee the debts and liabilities of the UK subsidiaries listed below at the balance sheet date in accordance with section 479C of the Companies Act 2006. The Company has assessed the probability of loss under the guarantee as remote.

- a Fleet Place House, 2 Fleet Place, London EC4M 7RF, United Kingdom.
- b Prince Albert House, 20 King Street, Maidenhead, Berkshire SL6 1DT, United Kingdom.
- c L23, 227 Elizabeth Street, Sydney, NSW 2000.
- d 136 Market Avenue, Winnipeg, Manitoba R3B 0P4.
- e Lyngbyvej 20, 2100 København Ø.
- f 2 ter rue Louis Armand, 75015, Paris.
- g c/o Leopoldstraße Business Centre GmbH, Konrad-Zuse-Platz 8, 81829, München, Germany.
- h Suite 1, 1st Floor Nutley Building, Merrion Road, Dublin 4.
- i 14 HaMelacha St., Netanya, Israel.
- j Via Tiziano n.32, Milano.
- k 20 rue des Peupliers L, 2328 Luxembourg.
- l Jaime Balmes 11, Torre A, Piso 6, Los Morales Polanco, ZIP. 11510, Mexico City.
- m PwC, Level 8, 188 Quay Street, Auckland 1010.
- n Sandakerveien 116, 0484 Oslo.
- o Calle Condesa de Venadito, n°1 Planta 2, 28027 Madrid.
- p Calle Angel Guerra, 18 - BJ Las Palmas De Gran Canaria.
- q Werdstrasse 21, 8004 Zürich.
- r The Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street Wilmington, DE 19801.
- s Taurusavenue 105, 2132 LS Hoofddorp.
- t Av das Américas, 700 - Bloco 6, Sala 317, Barra da Tijuca, Rio de Janeiro, Brazil.
- u San Martin 536 – Planta Baja – Buenos Aires.
- v Avenida Coronel Silva Teles, N. 977 – 5º andar, Edifício Dahruj Tower, Cambui, Campinas, São Paulo, Brazil 13024-001.
- w Avenida dos Autonomistas, 1.496, Vila Yara, Osasco, São Paulo, Brazil 06.020-902.
- x Avenida Álvares Cabral, nº 1315, sala 7, Bairro Lourdes, city of Belo Horizonte, Minas Gerais, Brazil 30170-004.
- y Rua Coronel Boaventura Mendes Pereira, N. 293 – Mezanino B, Centro, Jundiaí, São Paulo, Brazil 13201-801.
- z Avenida Queirós Filho, 1700 - Vila Hamburguesa - São Paulo, Brazil.
- a<sup>1</sup> Calle 77a, N. 57–103, Edificio Green Tower, Oficina 806, Barranquilla.

All entities are incorporated and have the same year-end reporting date, with the exception of our associates, IF-NL and iFood and their subsidiaries, which have a 31 March year end.

For all entities, the proportion of voting rights held equated to the proportion of ownership interests held.

With the exception of FBA Invest SaS and Zoop Meios de Pagamento S.A., City Pantry Ltd and Eat.ch GmbH, the class of shares for all subsidiaries, associates and joint ventures of the Group are Ordinary shares.

# Alternative Performance Measures

## Overview

When assessing and discussing financial performance, certain Alternative Performance Measures ("APMs") of historical or future financial performance, financial position or cash flows are used which are not defined or specified under IFRS. APMs are used to improve the comparability of information between reporting years and operating segments. APMs should be considered in addition to, not as a substitute for, or as superior to, measures reported in accordance with IFRS. APMs are not uniformly defined by all companies. Accordingly, the APMs used may not be comparable with similarly titled measures and disclosures made by other companies.

Our APMs fall into two categories:

- **Financial APMs:** In most cases, these reflect financial measures that can be directly derived from the financial statements, although the tax impact of the adjusting items applied to these APMs are only provided within this section on APMs. However, certain other financial APMs, such as the revenue per order information, cannot be derived from the financial statements as the component elements are not separately disclosed.
- **Non-financial APMs:** These measures incorporate certain non-financial information that we believe is useful when assessing the performance of the business, such as the number of orders.

## Financial APMs

The following tables reconcile internally used profit measures to the statutory results.

	Adjusted results 2019 £m	Adjusting items 2019 £m	Reported results 2019 £m	Adjusted results 2018 (restated <sup>1</sup> ) £m	Adjusting items 2018 (restated <sup>1</sup> ) £m	Reported results 2018 (restated <sup>1</sup> ) £m
<b>Continuing operations</b>						
Revenue	997.3	-	997.3	781.2	-	781.2
Cost of sales	(376.7)	-	(376.7)	(214.7)	-	(214.7)
<b>Gross profit</b>	<b>620.6</b>	<b>-</b>	<b>620.6</b>	<b>566.5</b>	<b>-</b>	<b>566.5</b>
Operating costs	(469.1)	(164.9)	(634.0)	(402.1)	(43.7)	(445.8)
<b>Operating (loss)/profit</b>	<b>151.5</b>	<b>(164.9)</b>	<b>(13.4)</b>	<b>164.4</b>	<b>(43.7)</b>	<b>120.7</b>
Share of results of associates and joint ventures	-	(99.2)	(99.2)	-	(13.7)	(13.7)
Other gains and losses	-	(11.5)	(11.5)	-	0.8	0.8
Investment revenue	0.6	-	0.6	0.4	-	0.4
Finance costs	(6.5)	(2.8)	(9.3)	(3.1)	-	(3.1)
<b>(Loss)/profit before tax</b>	<b>145.6</b>	<b>(278.4)</b>	<b>(132.8)</b>	<b>161.7</b>	<b>(56.6)</b>	<b>105.1</b>
Taxation	(34.2)	7.8	(26.4)	(32.7)	10.9	(21.8)
<b>(Loss)/profit for the year</b>	<b>111.4</b>	<b>(270.6)</b>	<b>(159.2)</b>	<b>129.0</b>	<b>(45.7)</b>	<b>83.3</b>
<b>Attributable to:</b>						
Equity shareholders	111.0	(270.6)	(159.6)	128.4	(45.7)	82.7
Non-controlling interests	0.4	-	0.4	0.6	-	0.6
	<b>111.4</b>	<b>(270.6)</b>	<b>(159.2)</b>	<b>129.0</b>	<b>(45.7)</b>	<b>83.3</b>
<b>Earnings per ordinary share (pence)</b>						
Basic	16.3	(39.7)	(23.4)	18.9	(6.8)	12.1
Diluted	16.2	(39.6)	(23.4)	18.8	(6.7)	12.1

1. Restated to deconsolidate Mexico. In addition, the definition of uEBITDA has been amended to exclude the results of associated undertakings, resulting in the restatement of comparative periods.
2. The adjusting items related to revenue and cost of sales relate to the Mexican business.

	Adjusted results 2019 £m	Adjusting items 2019 £m	Reported results 2019 £m	Adjusted results 2018 (restated <sup>1</sup> ) £m	Adjusting items 2018 (restated <sup>1</sup> ) £m	Reported results 2018 (restated <sup>1</sup> ) £m
<b>Reconciliation of operating result to EBITDA</b>						
Operating (loss)/profit	151.5	(164.9)	(13.4)	164.4	(43.7)	120.7
Include: Other gains and losses	-	(11.5)	(11.5)	-	0.8	0.8
Remove: Depreciation and impairment of property, plant & equipment	27.7	-	27.7	11.9	-	11.9
Remove: Acquisition related intangible asset amortisation	-	31.4	31.4	-	23.4	23.4
Remove: Amortisation of non-acquisition related intangible assets	22.7	-	22.7	13.4	-	13.4
<b>EBITDA (EBITDA on the adjusted basis equals uEBITDA)</b>	<b>201.9</b>	<b>(145.0)</b>	<b>56.9</b>	<b>189.7</b>	<b>(19.5)</b>	<b>170.2</b>

1. Restated to deconsolidate Mexico. In addition, the definition of uEBITDA has been amended to exclude the results of associated undertakings, resulting in the restatement of comparative periods.

### Underlying EBITDA ("uEBITDA")

The main measure of profitability used by the Chief Operating Decision Maker ("CODM") to assess the performance of our businesses is uEBITDA, in conjunction with uEBITDA margin. uEBITDA is defined as earnings before finance income and costs, taxation, depreciation, amortisation and impairment charges ("EBITDA"), less the results of associates, share based payments expenses, acquisition transaction and integration costs, significant restructuring programmes, foreign exchange and other gains and losses.

The CODM uses uEBITDA as it excludes items that are either non-cash, relate to investment, or do not reflect the day-to-day trading performance of the business. As a result, uEBITDA provides a measure of the underlying performance of the business and is considered to enhance the comparability of profit or loss across segments. Accordingly, Executive Team incentives are partially based on uEBITDA results and, therefore, it is considered to be both useful and necessary to disclose this measure. Executive Team performance measures are based on uEBITDA excluding the results of our LATAM interests.

uEBITDA margin is calculated as uEBITDA divided by revenue.

uEBITDA is split out as follows:

	2019 £m	2018 (restated <sup>1</sup> ) £m
United Kingdom	183.0	189.5
Canada	19.2	(11.5)
ANZ	(7.0)	6.5
Europe	41.8	24.3
Head office	(35.1)	(19.1)
<b>uEBITDA</b>	<b>201.9</b>	<b>189.7</b>

1. Restated to deconsolidate Mexico. In addition, the definition of uEBITDA has been amended to exclude the results of associated undertakings, resulting in the restatement of comparative periods.

A reconciliation of uEBITDA to operating profit, together with further details of the component elements of these adjustments, is set out below.

	2019 £m	2018 (restated <sup>1</sup> ) £m
Share based payment charges, including related social security costs	12.4	8.0
Acquisition related intangible asset amortisation and impairment charges	123.7	23.4
Acquisition transaction and integration costs	24.2	14.8
Target operating model restructuring	1.2	-
Net foreign exchange losses/(gains)	3.4	(2.5)
<b>Adjusting items to operating results</b>	<b>164.9</b>	<b>43.7</b>
Depreciation and impairment of property, plant & equipment and amortisation of other intangible assets	50.4	25.3
<b>Total adjustments from operating results to uEBITDA</b>	<b>215.3</b>	<b>69.0</b>
Operating (loss)/profit	(13.4)	120.7
<b>uEBITDA</b>	<b>201.9</b>	<b>189.7</b>

1. Restated to deconsolidate Mexico. In addition, the definition of uEBITDA has been amended to exclude the results of associated undertakings, resulting in the restatement of comparative periods.

### Share based payment charges, including related social security costs

	2019 £m	2018 £m
Share based incentive charge, as recognised in the Consolidated Statement of Changes in Equity	8.0	7.3
Cash settled share based payment charge	2.6	-
Employer's social security costs on the exercise of options	1.8	0.7
<b>Total</b>	<b>12.4</b>	<b>8.0</b>

Share based payments arise as a result of our long-term incentive schemes and only the social security costs associated with these charges give rise to a cash outflow.

As these charges are excluded from our internal performance measures for remuneration purposes, they are also excluded from externally reported uEBITDA.

### Acquisition-related intangible asset amortisation and impairment charges

	2019 £m	2018 (restated <sup>1</sup> ) £m
Acquisition related impairment charges	92.3	-
Acquisition related intangible asset amortisation	31.4	23.4
<b>Total</b>	<b>123.7</b>	<b>23.4</b>

1. Restated to deconsolidate Mexico.

Further details of the acquisition related impairment charges are provided in Note 13 of the consolidated financial statements.

Acquisition-related intangible asset amortisation and impairment charges are non-cash charges and while they are linked to operational factors in the business, they are not reflective of the day-to-day commercial performance of the business. These charges are therefore excluded from our internal performance measures for remuneration purposes. As a result, they are excluded from uEBITDA.

### Acquisition transaction and integration costs

	2019 £m	2018 £m
M&A transaction costs	23.5	3
Acquisition integration costs	0.7	11.8
<b>Total</b>	<b>24.2</b>	<b>14.8</b>

M&A transaction costs relate to legal, due diligence and other costs incurred as a result of acquisitions (see Note 25) and aborted acquisitions, including costs associated with the acquisition of the Company by Just Eat Takeaway.com N.V. in January 2020.

Acquisition integration costs relate to the integration of recently acquired businesses. In the comparative year, £8.1 million related to the integration of Hungryhouse, which included the costs of running two offices and platforms during employee consultation processes, redundancy costs, lease termination costs and related advisers' fees, with a further £1.4 million accrued in respect of SkipTheDishes.

While acquisition-related costs are expected to be incurred in future years, they do not represent ongoing costs of our commercial operations and are therefore excluded for performance management purposes.

### Target operating model ("TOM") restructuring

We are in the process of designing and implementing a new TOM which will improve the effectiveness of our central functions. The programme will require a material upfront investment in order to secure ongoing annual savings.

### Net foreign exchange gains

Movements in foreign exchange rates are outside of our control and as a result these charges or credits are excluded from our internal performance measures for remuneration purposes. They are therefore excluded from uEBITDA.

### Depreciation, amortisation and impairment of property, plant and equipment and non-acquisition-related intangible assets

	2019 £m	2018 (restated <sup>1</sup> ) £m
Depreciation of property, plant & equipment	17.1	11.9
Impairment of property, plant & equipment	2	-
Depreciation of right-of-use lease asset	8.6	-
Amortisation of other intangible assets, excluding acquisition related assets	22.7	13.4
<b>Total</b>	<b>50.4</b>	<b>25.3</b>

1. Restated to deconsolidate Mexico.

Depreciation of tangible and intangible fixed assets are non-cash charges. As these charges are excluded from internal performance measures for remuneration purposes, they are also excluded from uEBITDA as reported in these financial statements.

### Adjusted earnings per share

Adjusted earnings per share is calculated using an underlying profit measure attributable to the equity shareholders and is used in discussions within the investment analyst community. This APM is also used as a vesting condition in certain share based incentive schemes. It is defined as profit attributable to the equity shareholders, before share based payment charges (including the related social security costs), asset impairment charges, acquisition transaction and integration costs, other gains and losses, foreign exchange gains and losses, and amortisation in respect of acquired intangible assets. Similar to uEBITDA, adjusted earnings per share excludes the results of the LATAM businesses included in our statutory measures, as the Executive Team's performance assessment metrics exclude these results.

	2019 £m	2019 Pence per share, basic	2018 (restated <sup>1</sup> ) £m	2018 Pence per share, basic (restated <sup>1</sup> )
(Loss)/profit for the year attributable to equity shareholders	(159.6)	(23.4)	82.7	12.1
Share based payment charges, including social security costs	12.4	1.8	8.0	1.2
Acquisition related intangible asset amortisation and impairment charges	123.7	18.2	23.4	3.5
Acquisition transaction and integration costs	24.2	3.6	14.8	2.2
Target operating model restructuring	1.2	0.2	-	-
Net foreign exchange losses/(gains)	3.4	0.5	(2.5)	(0.4)
Share of associates' losses	99.2	14.4	13.7	2.0
Other gains and losses	11.5	1.7	(0.8)	(0.1)
Unwinding of interest on deferred consideration	2.8	0.4	-	-
Taxation on adjusting items	(7.8)	(1.1)	(10.9)	(1.6)
<b>Adjusted earnings</b>	<b>111.0</b>	<b>16.3</b>	<b>128.4</b>	<b>18.9</b>

1. Adjusted EPS has been restated to exclude the results of associates and joint ventures, increasing by 1.9 pence for 2018.

	2019 Number of shares ('000)	2018 Number of shares ('000)
<b>Weighted average number of Ordinary shares for basic earnings per share</b>	<b>680,970</b>	<b>678,021</b>
<i>Effect of dilution:</i>		
Share options and awards	5,492	4,389
<b>Weighted average number of Ordinary shares adjusted for the effect of dilution</b>	<b>686,462</b>	<b>682,410</b>

	2019 Pence	2018 (restated <sup>1</sup> ) Pence
<b>Earnings per ordinary share</b>		
Basic	(23.4)	12.1
Diluted	(23.4)	12.1
<b>Adjusted earnings per ordinary share</b>		
Basic	16.3	18.9
Diluted	16.2	18.8

1. Adjusted EPS has been restated to exclude the results of associates and joint ventures, increasing by 1.9 pence for 2018.

## Underlying Effective Tax Rate ("Underlying ETR")

	2019			2018 (restated <sup>1</sup> )		
	Adjusted results £m	Adjusting items £m	Reported results £m	Adjusted results (restated) £m	Adjusting items (restated) £m	Reported results £m
<b>(Loss)/profit before tax</b>	<b>145.6</b>	<b>(278.4)</b>	<b>(132.8)</b>	<b>161.7</b>	<b>(56.6)</b>	<b>105.1</b>
UK rate of 19.00% (2018: 19.00%)	27.7	(52.9)	(25.2)	30.8	(10.8)	20.0
<i>Adjusted for the effects of:</i>						
Non-deductible expenditure	-	8.5	8.5	0.7	2.0	2.7
Non-taxable income	(0.3)	-	(0.3)	(0.8)	(0.2)	(1.0)
Impairment of goodwill	-	21.3	21.3	-	-	-
Share based payments	-	0.9	0.9	-	0.8	0.8
Profit on sale of investments	-	(0.1)	(0.1)	-	-	-
Adjustments in respect of prior periods	0.9	(0.9)	-	(0.3)	-	(0.3)
Unrecognised deferred tax asset changes	1.4	7.3	8.7	(1.5)	-	(1.5)
Overseas tax rates	2.8	(1.4)	1.4	1.1	(3.2)	(2.1)
Other overseas taxes (including movement in provisions)	1.9	-	1.9	2.7	-	2.7
Research and development	(0.2)	-	(0.2)	-	-	-
Associates results	-	9.5	9.5	-	0.5	0.5
<b>Total tax charge for the year</b>	<b>34.2</b>	<b>(7.8)</b>	<b>26.4</b>	<b>32.7</b>	<b>(10.9)</b>	<b>21.8</b>
<b>Effective tax rate</b>	<b>23.5%</b>		<b>(19.9%)</b>	<b>20.2%</b>		<b>20.7%</b>

1. Restated to deconsolidate Mexico.

Underlying ETR is the effective tax rate on our adjusted results for the year and is prepared on a consistent basis with uEBITDA and is necessary to calculate adjusted earnings per share. Underlying ETR for the year ended 31 December 2019 was 23.5% (2018: 20.7%). Underlying profit is defined as profit attributable to the equity shareholders before the results of associates, long-term employee incentive costs, acquisition transaction and integration costs, foreign exchange gains and losses, other gains and losses and amortisation of acquired intangible assets.

## Average revenue per order ("ARPO")

ARPO is calculated as the total of order-driven revenue, divided by total orders, and is a key driver of revenue, along with the number of orders processed.

	2019	2018 (restated <sup>1</sup> )
Revenue (£m)	997.3	781.2
Sign-up fees, top placement income and other revenue (£m)	(49.7)	(50.2)
<b>Order driven revenue (£m)</b>	<b>947.6</b>	<b>731.0</b>
Total orders (millions)	254.1	216.3
<b>ARPO (£)</b>	<b>3.7</b>	<b>3.4</b>

1. Restated to deconsolidate Mexico.

## Net debt

Net debt is calculated and monitored for the purpose of ensuring compliance with our banking covenant leverage ratio. Our banking covenants define net debt as total borrowings excluding the lease liabilities which arise as a result of IFRS16, less cash balances excluding amounts owed to Restaurant Partners.

The reconciliation of net debt is provided below:

	As at 31 December (restated <sup>1</sup> ) 2018 £m	Cash flows £m	Arising on acquisition £m	Adoption of IFRS16 £m	Foreign exchange movements £m	Other non- cash movements £m	As at 31 December 2019 £m
<b>Non-current</b>							
Revolving credit facility	(102.4)	(157.5)	-	-	-	-	<b>(259.9)</b>
<b>Current</b>							
Other borrowings	(0.3)	0.4	(0.4)	-	-	0.2	<b>(0.1)</b>
<b>Liabilities arising from financing activities</b>	<b>(102.7)</b>	<b>(157.1)</b>	<b>(0.4)</b>	<b>-</b>	<b>-</b>	<b>0.2</b>	<b>(260.0)</b>
Add operating cash <sup>2</sup>	94.7	2.5	0.2	-	(5.1)	-	<b>92.3</b>
<b>Net debt excluding IFRS16 leases</b>	<b>(8.0)</b>	<b>(154.6)</b>	<b>(0.2)</b>	<b>-</b>	<b>(5.1)</b>	<b>0.2</b>	<b>(167.7)</b>

1. Restated to deconsolidate Mexico. In addition, our accounting policy for amounts held by Payment Service Providers was changed in the year, resulting in a reclassification from cash and cash equivalents to trade and other receivables in the prior year. Both items are described in Note 2.

2. Operating cash represents cash and cash equivalents, less the proportion of those amounts which are owed to Restaurant Partners of £23.9 million (2018: £51.1 million).

	As at 31 December 2017 (restated <sup>1</sup> ) £m	Cash flows £m	Transferred from trade and other receivables £m	Transferred to trade and other payables £m	Foreign exchange movements £m	Other non- cash movements £m	As at 31 December (restated <sup>1</sup> ) 2018 £m
<b>Non-current</b>							
Revolving credit facility	-	(105.0)	2.5	-	-	0.1	(102.4)
Other borrowings	(0.3)	-	-	0.3	-	-	-
<b>Non-current borrowings</b>	<b>(0.3)</b>	<b>(105.0)</b>	<b>2.5</b>	<b>0.3</b>	<b>-</b>	<b>0.1</b>	<b>(102.4)</b>
<b>Current</b>							
Other borrowings	(0.4)	-	-	-	0.1	-	(0.3)
<b>Liabilities arising from financing activities</b>	<b>(0.7)</b>	<b>(105.0)</b>	<b>2.5</b>	<b>0.3</b>	<b>0.1</b>	<b>0.1</b>	<b>(102.7)</b>
Add operating cash <sup>2</sup>	204.5	(110.5)	-	-	0.7	-	94.7
<b>Net cash/(debt)</b>	<b>203.8</b>	<b>(215.5)</b>	<b>2.5</b>	<b>0.3</b>	<b>0.8</b>	<b>0.1</b>	<b>(8.0)</b>

1. Restated to deconsolidate Mexico. In addition, our accounting policy for amounts held by Payment Service Providers was changed in the year, resulting in a reclassification from cash and cash equivalents to trade and other receivables in the prior year. Both items are described in Note 2.
2. Operating cash represents cash and cash equivalents, less the proportion of those amounts which are owed to Restaurant Partners as at 31 December 2018 of £51.1 million (1 January 2018: £21.5 million).

### Non-financial APMs

All non-financial APMs exclude any results in respect of non-consolidated businesses.

APM	Definition and calculation	Purpose
Orders	Number of successful orders placed.	The number of orders processed for our Restaurants Partners, across all food ordering platforms, is a direct measure of performance.
Active customers	Number of customers who have placed at least one order within the last 12 months at the reporting date.	Increasing the number of active customers is one outcome used to measure the successful level of channel shift from offline to digital ordering.
Number of restaurants	The number of Restaurant Partners capable of taking orders across all food ordering platforms at the reporting date.	One element of providing greater choice to customers is to enable access onto our platforms to a growing number of restaurants and cuisine types.



## Company information

**Company number**

06947854

**Registered office**

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United Kingdom

**Website**

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**Auditor**

Deloitte LLP