



deliveroo



deliveroo

Our path to profitability

Annual Report 2022

Our purpose

At Deliveroo our mission is to build the definitive online food company. We want to be the platform that people turn to whenever they think about food.



Strategic Report

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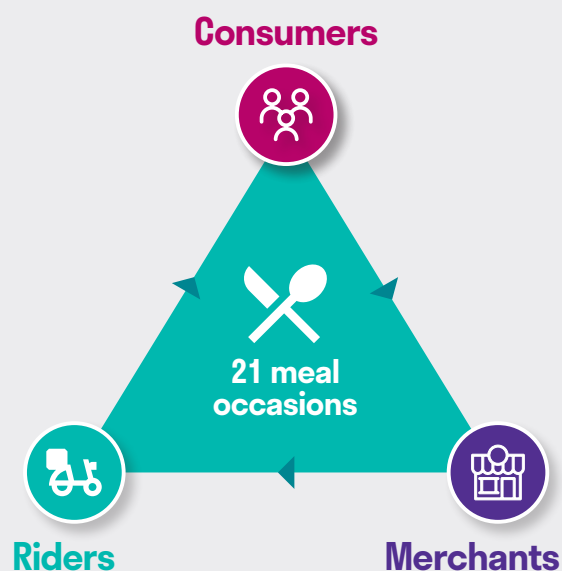
At a glance

Our business is a hyperlocal three-sided online marketplace

What we do

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

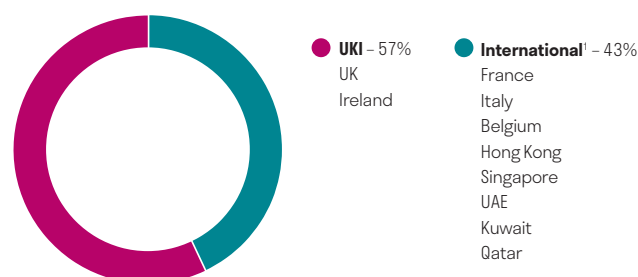
We are a global online platform, yet a very local business. Our consumers, riders and merchants live and operate within their local neighbourhoods. Through our sophisticated logistics technology, we unlock a wealth of hyperlocal choice, at the right price, with fast and reliable delivery.



Where we do it

We manage our business on a geographic basis. Our 10 markets are split into two geographical segments: the UK and Ireland ('UKI') segment and the International segment, comprising our business in Continental Europe, Asia and the Middle East.

Our business split by geography (% of GTV*)



Who we partner with

We work with some of the largest and best known restaurants and grocers in each of our markets. Our restaurant partners span four key segments: global quick service restaurants; national casual dining chains; independent full-service restaurants; and takeaways. On the grocery side, we partner with some of the largest grocery retailers in the world, as well as a large number of small independent grocers. We also work with a small number of merchants in adjacent categories such as health and beauty products.

¹ Exited Australia and the Netherlands on 16 November 2022 and 30 November 2022, respectively. Launched in Qatar in October 2022.

* To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The first instance of each APM is indicated with an asterisk (*); definitions and further details are provided on page 192.

Operational highlights



Delivering on our path to profitability

Reached adjusted EBITDA* profitability in H2 2022

Throughout 2022 we made excellent progress on our path to profitability, reaching adjusted EBITDA profitability in the second half of 2022. This represents a significant milestone that was achieved ahead of our aim to reach adjusted EBITDA breakeven at some point during H2 2023 to H1 2024. We expect adjusted EBITDA to continue to improve in 2023.

0.2%

Adjusted EBITDA margin (as % of GTV)* in H2 2022

* To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The first instance of an APM is indicated in this document with an asterisk (*); definitions and further details are provided on page 192.

Delivered a record number of orders in 2022

During 2022 we delivered 299 million orders to consumers globally. Despite the challenging macroeconomic environment, this represented the highest annual total of orders, with demand remaining robust for our service.

299m

+5% vs 2021

Expanded our restaurant and on-demand grocery selection

We further increased our restaurant selection to around 158,000 restaurant partner sites live on the platform globally (2021: ~130,000), while our fast-growing on-demand grocery service now delivers from around 18,000 grocery partner sites globally (2021: ~11,000). To complement this, we have continued the measured rollout of our Deliveroo Hop and Hop as a Service proposition. Grocery now represents 11% of total Group GTV in H2 2022 (H2 2021: 9%).

~176,000

Merchants

Grew our monthly active consumer base year-on-year

In 2022 we averaged 7.4 million monthly active consumers ('MACs') across our 10 markets. This was up 6% on the 2021 average of 7.0 million. This is despite a significantly more difficult macroeconomic environment impacting consumer behaviour. Encouragingly, average monthly order frequency has also remained broadly stable at 3.4x throughout 2022 (2021: 3.4x).

7.4m

MACs
+6% vs 2021

Further optimised our portfolio of markets

We entered the food delivery market in Qatar, formally launching operations in October 2022. This expansion strengthens Deliveroo's business in the Middle East region, where market dynamics are attractive and where Deliveroo has already established strong positions in the UAE and Kuwait. Alongside this, and consistent with our approach to disciplined capital allocation, we exited Australia and the Netherlands in November 2022.

Entered Qatar

in October 2022



Further enhanced our rider proposition

In the UK, Deliveroo and GMB Union signed a first-of-its-kind Voluntary Partnership Agreement giving the GMB collective bargaining rights on pay and consultation rights on benefits and other issues, including riders' health, safety and wellbeing. The agreement recognises that Deliveroo riders are self-employed, following a series of UK court judgements which have confirmed this status. We have seen strong satisfaction rates globally, underlining the popularity of the work Deliveroo offers.

83%†

Global rider satisfaction in Q4 2022
85% in Q4 2021

† Figure based on Q4 2022 monthly survey results. During the reported period, 32,481 riders completed the survey globally, representing ~22% of riders who delivered an order across the quarter.



Key financial highlights¹ 2022

£6.8bn

Gross transaction value ('GTV')²
+7%³ vs 2021

£(45)m

Adjusted EBITDA²
(0.7)% as % of GTV
2021: £(100)m and (1.6)%

£2.0bn

Revenue²
+14% vs 2021

£(231)m

Loss before income tax²
vs £(282)m in 2021

£643m

Gross profit (as % of GTV)^{*2}
9.4%
2021: £495m and 7.9%

£1.0bn

Net cash^{*}
vs £1.3bn at end of 2021

¹ Full discussion of statutory financials on pages 54 to 58.

² From continuing operations.

³ GTV growth rate shown in constant currency*.

Founder and Chief Executive Officer's letter



Will Shu

Founder and Chief Executive Officer

Opening thoughts

I will start with the obvious: 2022 was a tumultuous, difficult time for many people and businesses across the world. The simultaneous impact of high inflation in many markets, resultant rising interest rates and a continuing war in Europe caused a seismic shift in both consumer and investor behaviour. Also, 2022 was truly the first year where COVID-19 restrictions were lifted in most geographies and people began to resume everyday activities. Deliveroo was not immune to any of these immense macro shocks, and I am not going to spend too much time describing these events – they are more than adequately covered by commentators elsewhere. Instead I will spend time explaining how these macro events have affected the three sides of the marketplace and our employees, and then I also want to spend time outlining our business progress in 2022 and our focus areas for 2023 and beyond.

Overall, despite a difficult environment, we made very strong improvements in profitability, continued to grow and take share in key markets and strengthened the Company and our team. Perhaps most importantly, we (myself and the team) are firm believers in the strategy laid out last year, and our conviction is even stronger after what we experienced over the last 12 months. I am very optimistic about the prospects for Deliveroo: we are early in the journey and still have so many opportunities to do more for consumers, riders and merchants as we become a bigger part of their lives – this is a huge prize and we are going after it.

Reminder of our hyperlocal strategy

Deliveroo's core strategy remains the same: focus first on neighbourhoods with the greatest profit potential and win them, neighbourhood by neighbourhood.

Deliveroo is a complex three-sided marketplace, involving consumers (an e-commerce destination), riders (an on-demand logistics business) and merchants (a demand generation platform). Bringing value to all three sides of the marketplace and balancing their interests – as well as those of our other stakeholders – is critical to Deliveroo's success in the short, medium and long-term. Crucially, this needs to be done hyperlocally. A consumer in Hammersmith in West London does not care about the restaurant selection in Hampstead in North London or Hackney in East London and a typical restaurant or rider in Milan is not interested in demand or earning opportunities in Marseille or Manchester, Dublin or Dubai. And when it comes to profitability, hyperlocal network effects are paramount to drive higher gross profits. In our business, profit pool potential is a function of local population density, affluence, merchant supply and our local market share. Focusing first on the neighbourhoods with the greatest profit pool or potential is critical. That is why looking at our business through a hyperlocal lens remains key to our strategy, both operationally and financially.



I passionately believe that as a company we need to live and breathe our marketplace... to see the world through the eyes of consumers and to share their experiences first hand.

Consumer*

	What the customer tells us	My response
Mathieu Paris (FR)	<p>When Paris was in lockdown, my friends and I ordered Deliveroo the whole time because it was really the only way to safely get food!</p> <p>Now everything is back to normal and we can go out again, I've started to use Deliveroo a bit less because it feels extravagant to order all the time. When I do order, I want to try new places, but often end up ordering from my 'usuals' just because I'm not sure what I can expect otherwise.</p>	<p>I can see how ordering on Deliveroo feels more expensive, because you have to pay a delivery and service fee on top of the price of the food.</p> <p>If you use Deliveroo a few times a month, you may want to try our Deliveroo Plus subscription programme – for a monthly fee of €5.99, you won't need to pay a delivery fee on any of orders over €12.</p> <p>While restaurants set their own menu prices on Deliveroo, we can help them make more informed choices based on a better understanding of the impact different price changes might have on consumer demand for their food.</p> <p>We are also actively working on enabling restaurants to offer more discounts and promotions to their customers. Now, restaurants can set their own discounts and offer customers free items, % off dishes, or even % off entire menus.</p> <p>We need to do a better job of surfacing these deals in our app, which includes personalising the experience so that you can easily find deals from restaurants that we know you may like, based on your past order history.</p> <p>To help you discover new restaurants in your area, we have launched Reviews in our app, so if you are looking to try a new restaurant and want to see what others have said about it, I would encourage you to read the reviews from other customers before you order. I use this feature all the time!</p>

Restaurant partner*

	What the customer tells us	My response
Jessica Owner of independent restaurant, Bristol (UK)	<p>The market has been so tough over the last year – it felt like my business had just started to recover post COVID-19 and now we're being hit by rising food and energy costs.</p> <p>Food and energy costs are hurting my margins and sometimes we are having to close on quieter days as we aren't breaking even.</p>	<p>COVID-19 has had a major impact on every business, especially the restaurant sector given so many restaurants had to close for a sustained period of time due to lockdowns.</p> <p>Now with rising food and energy costs, we know there is even more financial pressure on restaurants. As your delivery partner, we want to do everything we can to support you and that includes using our scale to put in place more and more partnerships through which you can access discounts on key inputs such as cooking oil, fresh produce and packaging. During these difficult times, we also want to help you boost your delivery business. We have built an advertising platform that allows you to bid for advertising space to drive customers to your restaurant page, and we have an Account Management team on hand to help adjust your menu to optimise conversion.</p>

* The characters in this table are fictional profiles created based on research from Deliveroo's Insights team. Any resemblance to actual persons is coincidental.



Founder & Chief Executive Officer's letter continued

Grocer*

	What the customer tells us	My response
Jack Large established grocer, London (UK)	<p>We were really thankful for Deliveroo during COVID-19; the delivery business added another revenue stream for us at a time when we were seeing fewer people come into our stores.</p> <p>Now we're seeing lots of customers cutting back on ordering groceries given the pressures of inflation and the cost of living crisis in the UK.</p> <p>We want to be able to give our delivery customers the discounts we have for our in-store customers, but we can't quite do that currently.</p> <p>We're also really struggling with stock-outs at the moment, and we don't want this to impact the customer delivery experience if we don't have a product available.</p>	<p>The current cost of living crisis in the UK is having a huge impact on customers' spending power, especially when it comes to delivery, which some see as discretionary.</p> <p>We know it is more important now than ever to build tools that allow our merchants to create discounting mechanisms themselves for their delivery customers. While we have built this tooling for our restaurant partners, it is true that we are a little behind on our tech tooling for grocery partners.</p> <p>However, we are now launching expanded offers tooling to grocers so you will be able to create multiple item level discounts on your menu, just as you would have in store. This should give customers the confidence that they aren't missing out on deals by ordering on Deliveroo versus going into your store.</p> <p>When it comes to stock outs, we know this is becoming an increasing issue for grocers – that is why we have launched a new feature called substitutions which allows our merchants to list alternatives if a product becomes out of stock. This means customers are not disappointed, because they are offered an alternative that you have selected.</p>

Rider*

	What the customer tells us	My response
James Kowloon (HK)	<p>I work as a rider to cover some of the cost of my university fees.</p> <p>I love that I can work whenever I want and don't need to worry about missing class to work; I can just log on whenever I want.</p> <p>But my day-to-day costs are starting to increase and I'm really worried that my earnings from Deliveroo may decrease.</p>	<p>Ensuring we pay riders fairly is something we obsess about. I log on to do deliveries every week so I get first-hand rider experience, which includes seeing what the earnings are based on for each delivery I do.</p> <p>We ensure rider earnings are maintained. We provide riders with information on their earning potential at any one time, so they can make informed decisions about when and where to work, and we provide benefits for free, such as insurance and skills training.</p>

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Through the eyes of our marketplace participants

I passionately believe that as a company we need to live and breathe our marketplace. This means engaging in primary research to see the world through the eyes of the marketplace participants and to share their experiences first hand, and it means caring deeply when things go wrong. To help bring to life the challenges and opportunities of the current environment, I have shared in the boxes on the previous pages some examples of typical experiences of consumers, riders and merchants from different Deliveroo markets during 2022.

While each individual and neighbourhood is different, these experiences reveal several common themes across our business. First, COVID-19 lockdown measures drove a step change in behaviour and brought new participants to all three sides of the marketplace. Second, in markets suffering most from cost of living pressures, consumers, riders and merchants are all seeking help in managing those pressures. Third, expectations on service are higher than ever – particularly among those who are experiencing economic pressures more acutely. I will return to this point shortly.

Business progress in 2022

Profitability gains

In 2022, we had a strong year of operational and financial performance, despite the challenging environment. I am proud of the team for what we achieved. For me, the biggest financial highlight was reaching adjusted EBITDA profitability in the second half of the year – well ahead of our previous guidance that we would reach this point in H2 2023 or H1 2024. This result is a really important milestone in our journey to becoming sustainably free cash flow* generating and reaching our ambition of a 4%+ adjusted EBITDA margin by 2026. We expect to make further progress on this in 2023.

Delivering £6.6 million of adjusted EBITDA in H2 2022 was a massive step forward compared to the loss of £(84.6) million in H2 2021. Three factors drove the majority of this progression. First, we took steps to optimise consumer fees, such as ensuring delivery fees appropriately reflect delivery distance and adjusting the balance between delivery fees and service fees. Second, we continued to drive efficiency in our logistics network, through initiatives to further reduce the rider wait time at restaurants, to better balance supply and demand in the network and to capture efficiencies from order stacking without degrading the consumer experience. Third, we made adjustments during the year to optimise our marketing spend, resulting in lowering our absolute marketing expense from H1 to H2 2022. Importantly, we continued to significantly invest in our consumer proposition at the same time.

We also saw in 2022 the first real contribution from our nascent advertising business. Growing this profit stream will be a multi-year endeavour, but we have made an encouraging start, with advertising revenue reaching 0.6% of GTV in Q4 2022. Our advertising revenue stream comprises two main activities. First, we provide different ways for merchants to advertise, such as paying to appear in high-visibility carousels or in search results. This creates incremental demand with a proven high return on advertising spend. Second, fast moving consumer goods ('FMCG') and other companies can now advertise their products via a new platform we launched in H1 2022. This platform allows these companies to engage consumers via post-transaction ad slots (e.g. on the order tracker page) and through virtual storefronts within our app, reaching our millions of monthly active consumers ('MACs') in a highly measurable way that improves the efficiency of their ad spend. If done in the right way, both of our advertising activities can actually improve the consumer experience by helping consumers to discover content they want in an engaging way. We fanatically obsess both about the retention of consumers and the return on investment for merchants, to ensure we are doing this in a high-quality way.

In every market, our strategy is to focus on winning local market share positions, which is critical for overall profitability. The aggregation of these hyperlocal market positions drives national market share, but for us national market share is primarily an output rather than an objective: our focus is on the neighbourhood. Where we have been able to build these leading hyperlocal positions, we continue to strengthen them. Italy is a great example – in Italy we believe that the increased strength of our hyperlocal positions now also puts us in the number one position nationally.

Sadly, in some markets we have not been able to reach leading positions and in 2022 we took difficult decisions to exit the Netherlands and Australia. As a founder, exiting markets is particularly emotional, and I want to thank our former colleagues in these two countries for their commitment. While very difficult from a human perspective, I know that these are the right decisions for the business – in both markets we determined that we could not reach sustainable, profitable positions without considerable investment, and the expected returns on such investments were too uncertain.

Growth

Our progress on profitability was especially pleasing given the challenging topline environment. In 2022, GTV grew 7% in constant currency, below our original guidance of 15-25%. In March we had flagged that we saw growth headwinds for 2022, but these turned out to be even more challenging than I had anticipated. In that context, 7% GTV growth was a decent outcome, and we gained market share in a number of our markets including the UK, Italy and France.

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Founder and Chief Executive Officer's letter continued

Business progress in 2022 continued

Growth continued

As the consumer profiles on the previous pages show, during COVID-19 restrictions millions of new consumers tried our platform for the first time and many lapsed consumers returned. Most have stayed with us even as their lives returned to pre-pandemic normal in 2022, although a weakening in our consumer retention metrics (particularly in less affluent demographics) shows that this is not true for all consumers. Order frequency is another metric where we saw a strong uplift during the pandemic and have retained most but not all of the gains. Take the March 2017 cohort in the UKI – that is everyone who placed their first order in March 2017. For this cohort, the monthly average order frequency ('AOF') was 2.4 in Q4 2017 and this had increased by 29% to 3.1 in Q4 2019; AOF reached 3.9 by Q4 2021, before dropping back to 3.7 in Q4 2022.

As well as driving growth in existing markets, we expand when we see opportunity, and in 2022 we entered Qatar. The Middle East is an attractive region for restaurant and grocery delivery, and we have a strong presence in the UAE and in Kuwait. Leveraging our experienced local team and existing relationships with merchants, our Qatar entry is an exciting opportunity. Since formally launching in October, we have partnered with over 500 restaurants including global and national chains and local independent restaurants, we have onboarded over 100 riders, and consumer feedback has been very positive.

Grocery

During 2022 we made major steps forward in improving our grocery offering. We were one of the first platforms to launch on-demand grocery, prior to COVID-19, and we have taken advantage of our first-mover status. Grocery accounted for 10% of GTV in 2022, up from 8% in 2021, and we now deliver from around 8,000 grocery partner sites in the UKI and more than 10,000 in International. During 2022, we expanded partnerships in the UKI with Waitrose, Sainsbury's and Co-op and we launched with Asda; in International, we continued to rollout with key grocery partners such as Carrefour in France, Italy, and Belgium, Casino in France, Esselunga in Italy and ParknShop in Hong Kong. With selected merchants we are experimenting with offering a much wider range of products – up to 10,000 SKUs compared to 2,000-3,000 SKUs in our regular offering.

Alongside this 'store pick' model, we have continued with the rollout of Hop, our Deliveroo operated, rapid on-demand grocery service. We have also experimented with new Hop formats such as Hop as a Service, where we allow merchants to use the Hop technology in their own locations with their own staff to pick and pack orders that are fulfilled by the Deliveroo rider network. The model allows merchants of all sizes to offer ultra-fast delivery, with rapid pick times and more accurate inventory monitoring. During 2022, we witnessed the pressures on the pure-play quick commerce industry with funding drying up and players merging. For us, we have always believed Hop is a service that belongs on a platform with a wider network – given the pre-existence of lower-cost deliveries and consumers. We have made significant progress on the profitability of our Hop model and are confident in its role on our marketplace.

As well as growing selection, we are making step changes in the grocery experience. For consumers, we have rolled out a new substitutions feature to address issues with availability, we are piloting more finely-grained menu categories, and we are highlighting where merchants are matching in-store prices. For merchants, we are trialling a new picking app that will help with productivity at a time when labour shortages are a major headache for grocers.

Focus areas for 2023

Support in challenging times

I wrote in the first part of this letter about seeing the world through the eyes of our marketplace participants. In 2023, a big focus for me is using this perspective to help them through these challenging times.

We know that the current environment is tough for our merchants, who are dealing with food price inflation, high energy costs, labour shortages and the impact on rents due to rising interest rates. In 2023, we are redoubling our efforts to bring maximum value to merchants through offering high-quality data, insights and tools to drive topline growth and run an efficient delivery operation, as well as providing access to Deliveroo-negotiated deals on key cost drivers, including raw ingredients and packaging.

For riders on motorised vehicles, fuel prices have fallen substantially from the highs of summer 2022, but with broader cost of living pressures persisting, we are very focused this year on ensuring riders can maintain healthy levels of earnings. Since May 2022, Deliveroo and GMB Union have operated a first-of-its-kind Voluntary Partnership Agreement covering Deliveroo's ~90,000 self-employed riders in the UK. This Agreement gives riders certainty over their pay, with a minimum pay guarantee while riders are working with us, and we commit to developing our offer to riders on issues such as health, safety and skills alongside the GMB.

For consumers, we are putting a lot of effort into ensuring that they can access good value. Deliveroo does not set prices in the app – that is up to the merchants – but we work with merchants to encourage compelling value and develop promotions and offers, and in 2023 we have ensured and will continue to ensure high visibility within the app of good value options.

Taking consumer experience to the next level

In last year's letter, I described in detail the five pillars of our consumer value proposition ('CVP') – availability, selection, consumer experience, price and brand. In 2022, we continued to focus on and improve across these pillars. On availability, we rolled out pickup to 45% more merchants and increased the number of restaurants available at breakfast time by 52% and late night by 87%. On selection, we increased the number of restaurant partners by 22% (from ~130,000 to ~158,000) and grocery partners by 64% (from ~11,000 to ~18,000). On price, we expanded our collaboration with Amazon in France, Italy and the UAE to offer its Prime customers free Deliveroo Plus subscriptions for one year, meaning they pay no delivery fee on orders above a minimum value.

When it comes to consumer experience, we have made some progress on what I call 'transactional to emotional' – taking Deliveroo beyond functionality and convenience to really capture the passion and emotion of food. One feature that we have launched that I'm especially excited about is giving consumers the ability to leave rich reviews of the places they have ordered from. I look at reviews whenever I order, and I truly believe that this first-hand content is critical to encourage consumers to further engage with the platform.

We have made progress on improving the way in which consumers use our app, but there is so much more we can do – not just to continue driving innovation in the digital experience of our consumers, but also in driving a step change in the delivery (and eating!) experience itself. The food delivery industry has not yet cracked the problem of how to consistently deliver a great end-to-end experience. I want us to be the company that does this EVERY SINGLE TIME. It is undoubtedly a difficult problem to solve, given the operational complexity of consumers, riders and merchants interacting together. But it is a huge opportunity and one we are going after in 2023. In practice this means investing to build more and better data signals and models to create ever more aligned incentives across all sides of the marketplace, and, of course, intervening quickly and fairly when things do go wrong.

Lean cost base to support sustainable profitability and cash generation

As I already noted, we made huge progress on our path to profitability in 2022, reaching an adjusted EBITDA margin (as % of GTV) of 0.2% in H2 2022 compared to (2.7)% in H2 2021. That is an important milestone on our path to 'true profitability' and positive cash generation. As we continue to progress on that path, the more muted topline growth dynamics we are now operating under make it necessary to be even more focused on proactively driving efficiency, including through looking at headcount costs.

Whilst we implemented a hiring freeze last year, this wasn't sufficient and, in February 2023, I shared the difficult news that we were unfortunately starting a redundancy process across the Company, which could see around 350 colleagues (9% of our workforce) leave the Company. In recent years we grew our headcount very quickly. This was a response to unprecedented growth rates supported by COVID-19 related tailwinds. During 2022, these turned into serious and unforeseen economic headwinds. We have also recently exited markets, meaning we do not require the same size teams to support our operations. We now need to right-size our organisation. Whilst this is the right thing for the Company, it remains extremely difficult, first and foremost for those impacted, and means the departure of colleagues whom we will greatly miss.

Regulatory engagement

The regulation of platform work remains a key focus area for us in 2023. Whilst the status of platform workers remains an area of interest to policy makers, the following gives me comfort:

- Ultimately, riders value the flexible work platforms like Deliveroo offer. This is reflected in our high satisfaction ratings and persistently high application and retention rates for riders, in particular at a time when there are employment opportunities elsewhere.
- Governments and regulators acknowledge and understand the value Deliveroo brings to the economies and communities in which it operates. I think this is more acute now given the current economic climate that we are operating in.
- Deliveroo constructively engages with regulators and policy makers on a range of issues in all of our markets.

I am proud of the way that we continually demonstrate that we can adapt to improve our proposition to riders while protecting the flexibility that riders value. We have had a number of successes in this regard over the last year, including Deliveroo being the first (and currently the only) food delivery platform to enter into a voluntary partnership with GMB in the UK, which recognises that riders are self-employed. Not only was this an innovative step in the UK, but it also creates a blueprint to support positive engagement with unions in other markets. We have also entered into social dialogue in France and maintained our collective bargaining agreement in Italy.

The European Union proposals for a reform to platform work are still being debated and we will continue to argue for platform work that protects self-employment while ensuring riders are given increased security. We have always said that we welcome clarity on the status of platform workers, and we still believe that the final Platform Work Directive will support self-employed platform workers.



Founder and Chief Executive Officer's letter continued

Focus areas for 2023 continued

Sustainability

Developing our sustainability strategy is an important focus for me, the Executive Team and the Board. Our strategy focuses on supporting our marketplace and taking action to drive sustainability. We aim to understand and quantify our impact on people and the planet as well as taking action to ensure our impact is positive.

Last year we set out the first steps in building a comprehensive sustainability strategy and I am proud of the achievements we have made. To name a few examples, we introduced a subsidy scheme for our merchants to buy sustainable packaging items, supported charity partners across markets to provide free meals to those in need, provided support for riders to use e-vehicles and facilitated hundreds of our employees volunteering at local charities.

This year we are building the six pillars of our strategy:

- reaching net zero and reducing waste;
- helping merchants to grow and be more sustainable;
- riding and thriving;
- enabling healthier eating;
- tackling food insecurity in our communities; and
- building a diverse and inclusive company and marketplace.

Each area of our strategy matters – both to me and to the Company. I want to call out one in particular, which is tackling food insecurity in our communities. People join Deliveroo for the same reason I started the Company – because they are passionate about food. As Deliveroo employees, consumers, riders and merchants we have the opportunity to come together to make a real impact in our communities through food. As an example of how we will take this forward in 2023, we will build on our partnership with the Trussell Trust in the UK to get more free meals to in-need groups, and will run similar initiatives in our other markets. We have the passion, the relationships and the tools to make a meaningful difference to such an important issue, and I'm hugely excited to see how much we can achieve.

Deliveroo team

In February 2023, I was delighted to welcome two new members to our Executive Team. Camilla Kater joined Deliveroo in early 2016 and has been promoted to the Executive Team as Advisor to the CEO and SVP of Restaurant, Rider and Care. Over the course of her seven years here, she has held senior leadership positions in our Operations, Marketing and Commercial organisations and brings great strategic and operational acumen to the team. I am also thrilled that Scilla Grimble has now taken up her role as Chief Financial Officer. Scilla brings invaluable industry expertise across consumer technology and retail, as well as experience leading finance functions in a range of UK plcs. Scilla replaces Adam Miller, who stepped down as CFO in September 2022. I would like to put on record my enormous appreciation for everything Adam did for Deliveroo, as well as thank David Hancock for his massive contributions as Interim CFO before Scilla's arrival. I look forward to working with Scilla and continuing to work with Camilla and David.

I have written a lot already about the challenging environment for consumers, riders and merchants. But it has also been a difficult time for our colleagues – not only in steering the business in a very volatile environment but also adapting to the evolving demands of hybrid working and maintaining focus as we right-size the organisation for the future. I want to thank all my colleagues for your commitment and dedication.

I also want to end on a note of optimism despite a tough macro environment in Europe, which we expect to reverse in the medium term. We are in a growth industry, where players, including Deliveroo, are moving in the right direction towards profitability. We remain steadfast in our hyperlocal approach, developing the best consumer value proposition neighbourhood by neighbourhood – driving towards share gains and outsized profits and sustainable cash flow generation. At the same time, we will continue to invest and build new and better consumer experiences as we have always done.

Yours sincerely,

Will Shu

Founder and Chief Executive Officer
15 March 2023





Chair's letter



Claudia Arney
Chair

Hello, I am delighted to be writing to you today, to update you on our progress as we report on our second year as a publicly listed company.

In last year's report we set out our planned path to profitability, as well as expressing caution about the increased headwinds that consumers would face in the coming 12 – 18 months. It is clear that cost of living challenges have led to a difficult time for many of our consumers, riders and merchants and we have been very focused on managing the impact on all the participants in our marketplace, as well as on our wider stakeholders.

Progress and priorities

Despite the difficult external environment, we have delivered significant improvements in profitability while still growing and taking share in our key markets. We ended the year with an adjusted EBITDA loss of £45.0 million from continuing operations (compared to a loss of £100.0 million in FY2021). We made good progress on growing our top line, with revenue up 14% and GTV growth of 9% (or 7% in constant currency), and we grew our market share in the UK, France and Italy, according to third-party data. We are really proud of our teams and appreciative of the efforts of all our partners in helping us to achieve this.

We have been rigorous in our approach to capital allocation, to ensure that we invest in the opportunities with the highest returns and we have taken important steps to drive cost efficiencies within the business. We expanded into Qatar, another exciting opportunity for our business in the Middle East, and we decided to exit the Netherlands and Australia, as we had not been able to build leading positions in those markets. In February 2023, we announced the commencement of a redundancy process across the Company, impacting around 9% of our workforce. We know that these events have been difficult for those impacted, particularly our employees, and the Board has paid close attention to our plans to support those affected. More detail on stakeholder considerations by the Board is set out in our Section 172 statement on page 29.

We have made significant progress in strengthening our consumer value proposition and improving the way our consumers use our app. We are determined to further improve our consumers' overall delivery experience and this will be a key focus for the Executive Team in the coming year. The importance of this will be underscored by the inclusion in the 2023 executive bonus of a service metric targeting an improvement in the customer service outcomes that have the biggest impact on customer retention. More information on this can be found in the Directors' Remuneration Report on page 106.

Governance, Board changes and diversity

At the time of the IPO we committed to strong governance and to voluntary compliance with certain aspects of the UK Corporate Governance Code ('Code'). I am delighted that during the period we have complied with the majority of the provisions of the Code. I am also pleased with the continued progress that has been made by the Board to enhance its operation and therefore to effectively support the Company. Although not required this year, we decided to conduct an independent external review of the Board's effectiveness. The report concluded that the Board comprises strong and experienced Non-Executive Directors who are supporting the Company's ongoing focus on growth, the path to profitability and embedding good governance. We gained some valuable insights from the review process and the report, which will enable us to continue to build on the strong foundations we have laid. A highlight during the year was our strategy day, which received very positive feedback from the Board, particularly in relation to the quality of preparation, insight and engagement from the Executive Team.

During 2022 and up to the publication of this report, we further strengthened the Board with the appointment of Peter Jackson as Non-Executive Director (who joined on 1 January 2022), and Scilla Grimble as Chief Financial Officer (who joined on 20 February 2023). The Board would like to thank Adam Miller, who stepped down as CFO on 17 September 2022, and David Hancock for his support as Interim CFO, ahead of Scilla joining the Board.

We also announced that Lord Simon Wolfson had decided to step down from the Board from close of business on 9 August 2022, as the time required to continue with his role at Deliveroo was no longer compatible with his executive role and other commitments. The Board would like to thank Lord Simon Wolfson for his important contribution in supporting the Company in its first year as a public company.

We keep our Board composition under review and we know that an experienced and diverse Board most effectively supports our Executive Team as they evaluate the strategic, operational and sustainability issues and opportunities that affect the Company. Maintaining a diverse culture on our Board is very important and I am pleased to report that our Board make-up is in line with the recommendations from the FTSE Women Leaders Review and Parker Review on gender and ethnic diversity. We welcome the FCA's new listing rule requirements around diversity and inclusion reporting, which will apply for our Report next year. I'm pleased to report that we are already in compliance with the FCA's board diversity targets and I look forward to reporting on both our Board and Executive Team diversity fully in our 2023 Annual Report. You can read more on our governance in the Governance section on page 77, and how we consider Board composition in the Nomination Committee Report found on page 95.

Our sustainability strategy

We know how much environmental, social and governance issues ('ESG') matter to each of the communities of our marketplace, as well as our employees and other stakeholders. These issues are also very important to me, Will and the entire Board.

Last year we reported on the early stages of our journey to build a comprehensive ESG strategy. We chose to focus on six key areas that we identified as the most important to us and our stakeholders and where we believed we could have the most positive impact. I am really pleased that we have made good progress over the last year both in delivering on our commitments and in being more ambitious in what we want to achieve in the future.

As set out in our Sustainability review on page 31, we continue to believe strongly that, with our expertise and our unique network of partners, we can make a real and positive difference. This year's review establishes additional commitments – for example a target date to reach net zero emissions for our own operations – and acknowledges where more work is needed over the year ahead to build this out further. Most notably, we have linked commitments to reduce our direct emissions and to improve gender representation in our workforce to the 2023 PSP awards in our executive remuneration package. More detail on this can be found in our Directors' Remuneration Report on page 106.

Looking ahead

The coming year will be focused on continuing to execute on our strategy and investing to drive forward our key growth initiatives as well as continuing on the path to achieving true profitability and positive cash generation. I am confident we have the opportunity, and the talented and committed teams that we need across the business to make this happen.

I would like to thank our employees, business partners, customers and shareholders for your continued support.

Yours sincerely,

Claudia Arney

Chair

15 March 2023



Business model

Our three-sided marketplace

Our consumer value proposition

Availability

Being available when and where consumers want to order, to capture as many meal occasions as possible.

Selection

Providing access to local favourites and national chains, with exclusive content in every neighbourhood.

Consumer experience

Delivering a seamless end-to-end experience from in-app discovery to reliable delivery to customer care.

Price

Providing access to a range of food prices, fees and promotions to meet expectations of value.

Brand

Ultimately, consumers choose to order from Deliveroo, so what we stand for and our brand image are critical to that decision.

Our technology

Our sophisticated logistics technology underpins all we do and ensures the three sides of the marketplace interact seamlessly together.

For consumers

- Compelling consumer value proposition



Hyperlocal network

Our consumers, riders and merchants live and operate within local neighbourhoods.



For riders

- Highly flexible work
- Attractive earnings and security

For merchants

- Logistics
- Incremental demand generation
- New consumers
- Online tools to grow business effectively

¹ Figure based on Q4 2022 monthly survey results. During the reported period, 32,481 riders completed the survey globally, representing 22% of riders who delivered an order across the quarter.



Consumers

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

299m

orders delivered in 2022



Merchants

Access to Deliveroo's logistics, innovations and more than seven million consumers provides merchants with new ways to grow revenues, increase brand value and maximise the profit potential from online delivery.

£6.8bn
GTV

enabled through our platform in 2022



Riders

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

83%

global rider satisfaction score
in Q4 2022¹

Communities and environment

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

>2m

meals delivered to families in need

Employees

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

7.8

out of 10 employee engagement
score in December 2022

Shareholders

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

4%+

adjusted EBITDA margin
(as % of GTV) by 2026

Strategy

Growth and profitability

Our mission is to be the definitive online food company – providing consumers access to the food they love for each of the 21 weekly meal occasions. We aim to achieve this by focusing on offering the best value proposition to all three sides of the marketplace: consumers, riders and merchants.

Deliveroo is unusual because it is a global online platform, yet it is also a very local business – we call it ‘hyperlocal’. A consumer in Bristol doesn’t care about restaurant selection or delivery speed in Brighton; a rider in Milan doesn’t think about the earnings opportunities in Naples; and a typical merchant in Dublin isn’t trying to tap into demand in Dubai or Doha.

Looking at our business through a hyperlocal lens is key to our strategy. We obsess about creating the best, differentiated value propositions for all sides of the marketplace, and we measure this neighbourhood by neighbourhood. Our industry is early in its maturity with strong growth potential, and a key part of capturing that growth is improving and winning local market share positions. For delivering our path to profitability, hyperlocal network effects are more powerful than overall scale, and network effects come from hyperlocal market share. As for any company, overall scale helps to spread marketing costs and overheads. But in our business, profit pool potential is a function of population density, affluence, merchant supply, and our local market share.

* Defined terms can be found in the Glossary on page 190.

** Figure based on Q4 2022 monthly survey results. During the reported period, 32,481 riders completed the survey globally, representing 22% of riders who delivered an order across the quarter.

*** Overall engagement score in December 2022, compared to the same period last year. This measures sentiment across four engagement areas: ‘belief (in product)’, ‘satisfaction (in job)’, ‘loyalty (to Deliveroo)’ and ‘employee NPS’.

1

Invest in differentiated value propositions

Objectives

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

Progress in 2022

- Increased number of restaurant partner sites to ~158,000 (including >1,000 McDonald’s sites in the UK as part of our new long-term global strategic partnership) and grocery partner sites to >18,000 globally.
- Evolved sustainability strategy and grew our programme of actions to support our stakeholders and the communities in which we operate.
- Launched voluntary partnership with GMB Union in the UK that recognises riders as self-employed and provides for collective bargaining on pay and consultation rights on benefits and issues including health, safety and wellbeing.
- Rider attraction and retention rates remained robust despite high levels of employment vacancies across key markets.
- Significant investment in the technology organisation to innovate and build efficiencies.
- Adopted Executive Team targets for gender equality.

Performance measures

- MACs*: 7.4 million in 2022 (+6% YoY).
- Total merchant sites: ~176,000 in December 2022 (+25% YoY).
- Rider satisfaction: 83% in Q4 2022** (Q4 2021: 85%).
- Employee engagement score: 7.8 (out of 10) in December 2022 (8.1 in December 2021).***



Revenue

£1,975m
+14% YoY

Adjusted EBITDA

**Profitable
in H2 2022**

£(45)m in 2022 vs £(100)m in 2021

2

Drive sustainable growth

Objectives

- Build leading market positions (#1 or strong #2) based on hyperlocal market share.
- Expand coverage and increase penetration by growing category awareness and market share.
- Accelerate grocery offering and innovate in formats and commercial models with non-food partners.
- Support thriving incomes for merchants and riders.

Progress in 2022

- Grew market share across key markets including Italy, France and UKI.
- Broadened business in the Middle East, launching in Qatar to add to established strong positions in the UAE and Kuwait.
- Grocery offering strengthened with expanded/new partnerships in UKI with Waitrose, Sainsbury's, Co-op, Asda and Spar, and in International with Auchan (France), Esselunga (Italy) and ParknShop (Hong Kong).
- Opened Hop sites in the UK, Italy, France, the UAE and Hong Kong and launched 'Hop as a Service'.
- Broadened health and beauty offering by expanding UK partnerships with Boots (from 14 to 125 stores).
- Increased Plus subscribers globally, supported by initiatives with Amazon Prime (extended in UKI, and expanded to add Italy, France and the UAE).

Performance measures

- Orders: 299 million in 2022 (5% YoY).
- GTV: £6,848 million in 2022 (+7% YoY in constant currency).
- Revenue: £1,975 million in 2022 (+14% YoY).

3

Strengthen levers of profitability

Objectives

- Add new high-margin revenue streams, such as advertising.
- Create the most efficient logistics network built on hyperlocal network density.
- Generate tech-driven efficiencies in the marketplace and our own operations.
- Drive operating leverage with scale.
- Aim to reach 4%+ adjusted EBITDA margin (as % of GTV) by 2026.

Progress in 2022

- Launched new advertising platform, alongside the existing restaurant sponsored positioning product, allowing FMCG and other brands to advertise to Deliveroo consumers in new formats: in-app and online.
- Reduced rider experience time through new meal preparation time models that have further reduced rider wait time at restaurants, as well as better balancing supply and demand in the network.
- Optimised the use of pricing levers (delivery fees, service fees and minimum order values) through experimentation.
- Optimised restaurant ranking models with improvements to homepage layout and upselling recommended items.
- Made the difficult decision to end operations in Australia and the Netherlands in order to focus resources on market positions that support the Group's path to profitability.

Performance measures

- Gross profit margin (as % of GTV): 9.4% in 2022 (7.9% in 2021).
- Adjusted EBITDA margin (as % of GTV): (0.7)% in 2022 ((1.6)% in 2021).
- Free cash flow: £(243) million in 2022 (£(239) million in 2021).

Key performance indicators

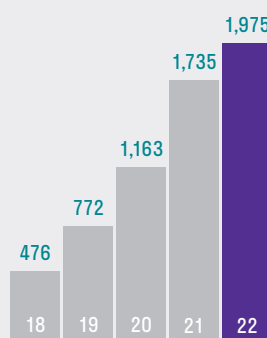
Financial KPIs¹

Revenue and revenue take rate*

Revenue (£m)

£1,975m

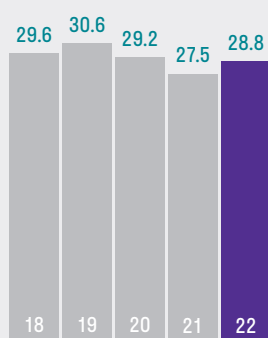
+14%



Revenue take rate (%)

28.8%

+130 bps



Description

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

Performance 2022

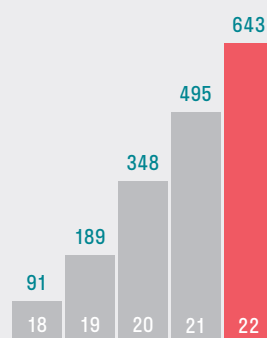
Revenue reached £1,975 million, a year-on-year increase of 14% in reported currency, mainly driven by the growth in GTV, as well as a growing contribution from advertising revenue. The revenue take rate was 28.8% compared to 27.5% in 2021, with the year-on-year movement attributable primarily to optimisation of consumer fees and a nascent contribution from advertising revenue.

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

Gross profit (£m)

£643m

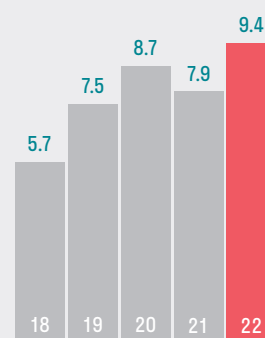
+30%



Gross profit margin (%)

9.4%

+150 bps



Description

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

Performance 2022

Gross profit reached £643 million compared to £495 million in 2021, an increase of 30% in reported currency. Gross profit margin (as % of GTV) was 9.4% compared to 7.9% in 2021, with the year-on-year movement attributable primarily to increases in revenue take rate, as well as efficiencies in the rider network.

¹ Deliveroo ceased operations in Spain in November 2021 and Australia and the Netherlands in November 2022. In accordance with IFRS 5, Australia and the Netherlands have been classified as discontinued operations in 2022 and results for 2021 have been restated (results for 2018, 2019 and 2020 have not been restated). Spain has been classified as a discontinued operation in 2022 and 2021. Results for 2020 have been restated (results for 2018 and 2019 have not been restated).

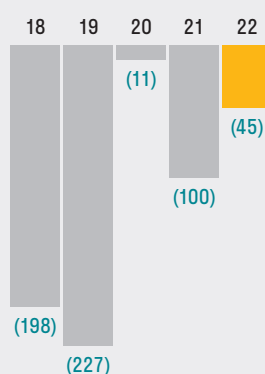
* To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The first instance of each APM is indicated with an asterisk (*); definitions and further details are provided on page 192.



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

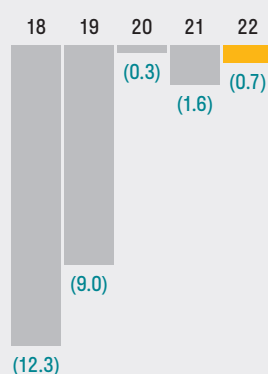
Adjusted EBITDA (£m)

£(45)m
+£55m



Adjusted EBITDA margin (%)

(0.7)%
+90 bps



Description

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

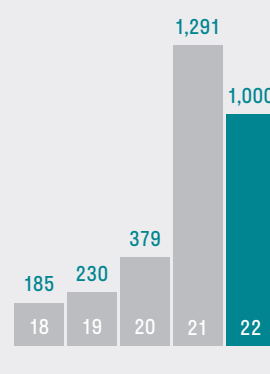
Performance 2022

Adjusted EBITDA was £(45) million, compared to £(100) million in 2021, due to gross profit improvement and efficiency of marketing spend. Adjusted EBITDA margin (as % of GTV) was (0.7)%, with a margin of (1.5)% in H1 2022 and 0.2% in H2 2022.

Net cash and free cash flow

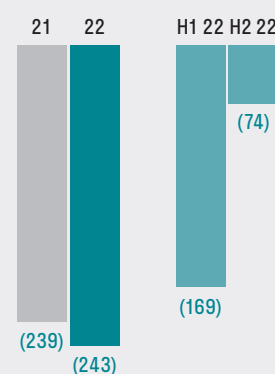
Net cash (£m)

£1,000m
(23)%



Free cash flow (£m)

£(243)m
(2)%



Description

Net cash is a good measure of the assets that the business has available to invest in its operations and fund growth. Free cash flow is defined as net cash used in operating activities less: purchase of property, plant and equipment; acquisition of intangible assets; payment of lease liabilities; and interest on lease liabilities. It is used, amongst other metrics, as a measure of cash inflow or outflow from the Group's operating and investing activities.

Performance 2022

Net cash was £1,000 million at 31 December 2022, compared to £1,291 million at 31 December 2021. The cash outflow is driven by the adjusted EBITDA loss for the year of £(45) million, alongside investment in capitalised expenditure and capitalised development costs and £66 million of share buybacks. Within the net cash movement free cash flow was £(243) million in 2022 compared to £(239) million in 2021.

* To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The first instance of each APM is indicated with an asterisk (*); definitions and further details are provided on page 192.

Key performance indicators continued

Operational KPIs

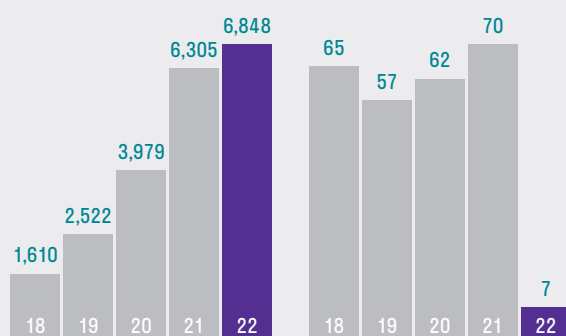
GTV and GTV growth

Gross transaction value (£m)

£6,848m

+9%

GTV growth in constant currency (%)

7%

Description

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

Performance 2022

GTV reached £6,848 million, a year-on-year increase of 9% in reported currency and 7% in constant currency. The primary drivers of GTV growth in the year were a year-on-year increase in the number of average monthly active consumers ('MACs') and an increase in GTV per order. Year-on-year GTV growth slowed in 2022, reflecting the increasingly challenging macroeconomic environment, which has impacted consumer behaviour.

Orders and GTV per order*

Orders (m)

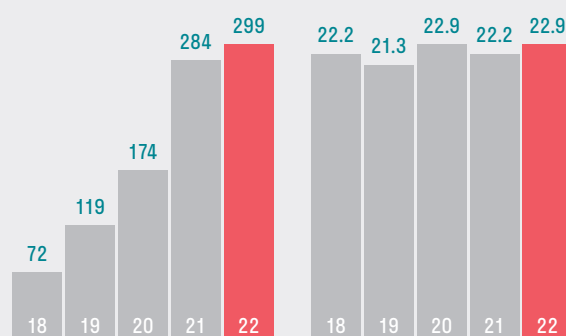
299m

+5%

GTV per order (£)

£22.9

+3%



Description

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

Performance 2022

Orders were 299 million in 2022, a year-on-year increase of 5%. This was primarily driven by a higher average monthly active consumer base across 2022, with average monthly order frequency broadly stable year-on-year. GTV per order grew by 3% in reported currency or 2% in constant currency to £22.9 for the year. This equates to an increase of 70p versus 2021 driven by item level price inflation and optimisation of consumer fees.

* To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The first instance of each APM is indicated with an asterisk (*); definitions and further details are provided on page 192.

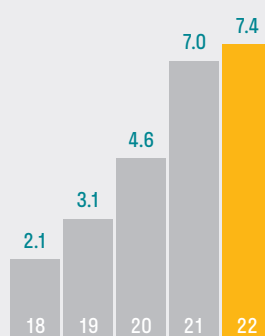


MACs and AOF

Monthly active consumers (m)

7.4m

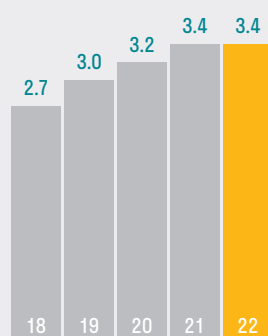
+6%



Average order frequency (x)

3.4x

Flat YoY



Description

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

Performance 2022

In 2022, MACs averaged 7.4 million for the year as a whole, compared to 7.0 million in 2021. The year-on-year growth in MACs was first half weighted with H1 2022 up 10% and H2 2022 up 1%, reflecting lower investment throughout the year in driving consumer acquisition and retention due to the challenging macroeconomic environment. AOF remained broadly stable year-on-year at 3.4.



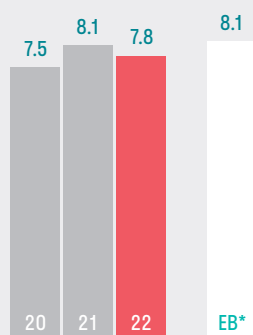
Key performance indicators continued

Operational KPIs continued

Employee engagement

Employee engagement (score out of 10)

7.8
(0.3) YoY



* The external benchmark ('EB') is based on other companies that use Peakon to measure their employee engagement, which vary in size, employee headcount and geography.

Description

We use the Peakon platform to better understand the employee engagement. Monthly surveys allow us to reflect employee feedback into departmental action plans in 'real time'. The overall engagement score measures the sentiment across four key engagement areas: 'belief (in product)', 'satisfaction (in job)', 'loyalty (to Deliveroo)' and 'employee net promoter score ('eNPS')'. The platform also provides us with an external benchmark so we can gauge our progress relative to other companies.

Performance 2022

Employee engagement started strongly in 2022 and remained constant at 8.1 against the external benchmark for the first half of the year. In the second half of the year, we saw a drop to 7.8, coinciding with an increase in macroeconomic pressures. The specific drivers for the drop in engagement varied, but the most significant were linked to the more difficult external environment we were operating in, i.e. rise of inflation in the UK and pressures on the technology sector globally. The impact of these external factors on Deliveroo's business reflected on our employees' perception of pay, growth opportunities and overall strategic priorities.



Stakeholder statement

Engaging with our stakeholders



Our stakeholders

Our approach to stakeholders

We are focused on driving long-term sustainable performance for the benefit of the three-sided marketplace of consumers, riders and merchants, as well as our shareholders and wider stakeholders. We are also committed to being a diverse and inclusive company, supporting the communities in which we operate.

We aim to offer an exciting environment for our employees to build a career. Our engagement with our consumers is key to our culture and identity, and our engagement with our merchants influences the way we deliver a seamless experience to them. Riders are at the heart of our business and we strive for the flexibility they value. We are committed to regular and open dialogue with our

shareholders to help influence our decisions relating to strategy, performance and delivering long-term value. This is not only what we believe in but also reflects our understanding that creating shared value for Deliveroo and our stakeholders is critical to our business success.

This section sets out how we have engaged with our key stakeholders to understand what matters to them and provides valuable input into the Board's decision-making. The Board recognises that our business and our behaviours impact our stakeholders and so, to the extent relevant, the Board seeks to consider our stakeholders' interests when reaching decisions. You can read more about how the Board considers our stakeholder interests in our Section 172 Statement on page 29.

Stakeholder statement continued

Primary stakeholders



Our employees

Why they matter to us

- Employees are the lifeblood of our Company. They enable us to offer the service we do to our stakeholders and have helped build the Company into what it is today. We pride ourselves on being a workplace where people can build their skills and experiences, are challenged and supported, and have opportunities to leave their mark as we scale our business, while being part of something bigger through our impact in the marketplace.

How we engage with employees

- We offer a range of tools to engage employees which are designed to be a one-stop shop for employees to find the information and updates that they need.
- Our CEO leads a monthly firmwide meeting to discuss key initiatives taking place across the Company, including financial results, strategic and people initiatives, business updates and cultural activities. As part of our 2022 firmwides, over 100 of our Executive Team and employees have presented updates.
- Peakon, our monthly employee engagement survey tool, asks for confidential employee feedback relating to a wide range of issues including how we are living our values, as well as at other key stages of the employee journey, including onboarding and exits.

How we support employees

- During 2022 we launched a number of initiatives in response to Peakon survey feedback, including: People Manager training, a global employee recognition award, mental health first aider training, personal development plans, the 'Accelerate' leadership programme for women, and a new Internal Mobility programme.
- Our award-winning employee resource groups ('ERGs') create communities made up of employees with shared identity and their supporters. We have five ERGs: Gender Equity, Women in Tech, Racial Equity, LGBTQ+ (Deloveroo) and Wellbeing.
- Through our 'We Are Deliveroo' programme we bring employees closer to our marketplace. Employees can volunteer for sessions as a rider, in Deliveroo's Customer Care team, in Editions kitchens and in our Hop sites – to experience consumer and rider research first hand. During 2022 more than 500 employees participated in this programme.
- We launched our new onboarding tool earlier this year – Enboarder – which provides personalised and standardised communications to all new hires and their managers before they join.
- We launched our first formal employee recognition programme, The Golden Wings, to celebrate the vital contributions that employees make globally.
- We offer benefits such as Headspace and the Employee Assistance Programme, a global online wellness service, to all employees for free, and are continuing our global rollout of Company funded or subsidised life insurance, medical insurance, and fitness benefits.
- Nearly 96% of our eligible employees globally received an award under the 'Company Bonus Plan' introduced last year, as we work to ensure that our employees are appropriately recognised for their contributions.





Our consumers

Why they matter to us

- We continue to take decisions through the lens of the end user's experience. We think about food delivery as a hyperlocal business and we aim to offer consumers the best service on a neighbourhood-by-neighbourhood level. We have spent years working to understand what consumers want and we understand how much food matters to them. We aim to make Deliveroo part of their food experience at every food occasion.

How we engage with consumers

- We place great pride in understanding our consumers and run ongoing tracking studies to understand them, while also carrying out ad-hoc research to help solve specific business problems. Last year we received nearly 2 million pieces of feedback from consumers globally.

How we support consumers

- Our unique subscription service, Plus, which provides consumers with free delivery and special offers, was rolled out in the UAE and Kuwait following successful trials in these markets.
- Having successfully launched our offering with Amazon Prime, allowing all UK and Ireland Amazon Prime members to sign up for free Deliveroo Plus membership for a year, with unlimited free delivery on orders over £25/€25, in 2022 we launched this in France, Italy and the UAE.
- In the UK, Ireland, Belgium, France and Italy we expanded our global gift card programme. Physical Deliveroo gift cards will be stocked in over 2,200 Carrefour stores across France, Belgium and Italy, while in the UK we launched physical gift cards in over 4,300 stores across a number of major retailers including Boots, Co-op, John Lewis, Morrisons, Tesco and Wilko.
- We made a range of product changes to improve the consumer experience on our platform, including: adding written reviews on restaurant pages, so consumers can read written reviews from other consumers; adding video content so users can see short video clips of their favourite food and restaurants; adding a 'favourite' option so users can 'save' places that they are interested in ordering from in the future; and improving dietary information tagging.
- We rolled out Deliveroo Hop, our rapid, on-demand grocery service, across the UK, France, the UAE, Hong Kong and Italy, with grocery partners including Waitrose, Carrefour, Esselunga and Auchan.
- In October, we launched the first Hop store in the UK in New Oxford Street, London, in partnership with Morrisons. Consumers are also able to walk into the store and shop for groceries via a kiosk or 'click and collect'.



Our riders

Why they matter to us

- Riders are at the heart of our business and we want to offer them the flexible work they tell us they value.

How we engage with riders

- We engage with riders through dedicated engagement teams in each of our markets, regular surveys, an in-app feedback tool and focus groups of riders, alongside our live order support tool, dealing with order-related issues.

How we support riders

- Deliveroo believes that riders should be represented and have a voice within the Company. That is why in some European markets we have rider forums, bodies of elected riders who engage with Deliveroo management. We also entered into a first-of-its kind Voluntary Partnership Agreement with the GMB Union in the UK, giving riders greater protection and representation.
- This year Deliveroo ceased operating in Australia and the Netherlands. In both instances riders were supported with compensation packages to reflect their contribution to the Company.
- We know riders are entrepreneurial. In the UK, Ireland and France we hosted a rider business competition, 'The Big Pitch', which awarded £125k in funding to several rider-run businesses.
- In response to the rising cost of living in the UK, we supported riders with rising fuel costs by partnering with Shell to give riders a discount on fuel.
- We want to create a sense of community among riders. To this end, in the UK, we hosted a national rider football cup in the run-up to the 2022 World Cup; in Hong Kong, we launched a week-long rider appreciation week, including tip matching for a weekend to recognise riders' contribution; and in the UAE, we hosted a Mother's Day celebration where we arranged for riders to contact their mothers in their home countries.
- Rider safety is a priority for Deliveroo and so we launched a number of initiatives including: in Singapore, free health screening and mental health wellbeing sessions; in the UAE, our 'Roo Van' provided free bike repairs; and in Kuwait and Italy, we worked with charities such as the Red Crescent Society and the Red Cross to offer first-aid training sessions to riders.

Stakeholder statement continued

Primary stakeholders continued



Our merchants

Why they matter to us

- Our merchants provide the food that our consumers love. Our aim is to help them grow by enabling more consumers to access their food via delivery. Our proposition to our merchants – restaurant, grocery and non-food – aims to provide strong incremental demand generation, an excellent consumer experience, tools to drive profitability and grow their business, and innovations for the future of online delivery.

How we engage with merchants

- Account Management teams offer direct engagement and support services, while Merchant Insight and User Experience teams regularly engage with groups of restaurants to receive feedback and to test our products and services.
- Should something go wrong, we have dedicated care agents to ensure merchants have the right support.

How we support merchants

- Last year we committed to invest up to £2.5 million into sustainable packaging for our merchants. As part of this, we launched a subsidy programme for environmentally sustainable packaging in the UK, France, Italy and Belgium. Our small and medium-sized restaurant partners were eligible for up to £250 each to spend on environmentally friendly packaging. This followed the launch of a new range of sustainable packaging options for restaurant partners in Hong Kong, which Deliveroo subsidised by up to 50%.

- We used new technologies to enable us to identify new leads and so, in turn, engage with more prospective merchants, increasing the number of merchants we work with and who can benefit from our service.
- Tens of thousands of restaurants have this year made use of our Marketer Offers, allowing restaurants to create promotions, and our advertising platform, allowing restaurants to create paid ads on Deliveroo to promote themselves. Our advertising platform for restaurant partners, such as enabling restaurant partners to pay to appear in high-visibility carousels or in search results, creates incremental demand with a proven high return on advertising spend.
- Editions are Deliveroo's delivery-only kitchens which offer opportunities for restaurants to expand to new areas and increase choice in local areas for consumers. During 2022, Deliveroo added almost 100 new kitchens to bring the total to over 380.
- At the end of the year Deliveroo worked with approximately 158,000 restaurant partner sites globally, compared to around 130,000 at the end of 2021. Deliveroo also now has over 18,000 grocery sites live with major grocery partners and smaller independent grocery partners globally.
- Deliveroo expanded its non-food offering, including through its partnership with Boots, which increased the number of participating stores to 125. Consumers now have access to an expanded range of over 1,000 health and beauty products delivered to their door in minutes.
- This year we enabled the functionality for our restaurant partners to reach out to us using the Restaurant Hub, which helps restaurant partners to manage their restaurant, track sales, download invoices and create special offers, delivering a more seamless experience and allowing for quicker response times.



Our shareholders

Why they matter to us

- Shareholders are the owners of our business and the main source of long-term funding, so our focus is on delivering long-term value for our shareholders.
- We are committed to considering shareholder interests and maintaining an open and regular dialogue to understand their perspectives and priorities, including about our business strategy and performance, capital allocation and environmental, social and governance ('ESG') matters.

How we engage with shareholders

- Deliveroo manages its relationships with the financial community and our wider retail shareholder base through our Investor Relations ('IR') programme and the Company Secretarial team. We aim to maintain a constructive and ongoing dialogue with existing and potential shareholders and other members of the financial community, as well as commentators on governance and ESG matters. Engagement activities include the following:
 - Stock Exchange announcements and other press releases, including quarterly trading updates and half and full-year results with accompanying conference calls and meetings;
 - Detailed Annual Report containing information on the Group's strategy, business model, financial results and activities of the Board; and
 - Regular meetings for investors and analysts with Senior Management and the IR team including at conferences, industry events and roadshows, as well as on an ad hoc basis.

- Board engagement through the Annual General Meeting ('AGM') which provides the opportunity for shareholders to hear from the Board about our performance during the year and to ask questions.
- Opportunity for specific dialogue with Senior Management, the Board and Committee Chairs and other Board members on key matters, e.g. performance, and executive remuneration and wider governance matters.
- Information on our corporate website, <https://corporate.deliveroo.co.uk>.
- Ability to contact the Investor Relations team via investors@deliveroo.co.uk and the Company Secretary via company.secretary@deliveroo.co.uk.

How we support shareholders

- Deliveroo aims to provide investors with transparent and consistent information and appropriate ongoing dialogue with our Board and Senior Management. Examples include:
 - The CEO, CFO and IR team held over 250 meetings with over 600 individual investors and analysts during 2022. Investor views and feedback from these meetings are reported back to the Board;
 - The Executive Directors, Chair, Senior Independent Director and other Non-Executive Directors are available to meet with investors on request and at the AGM; and
 - During early 2022, Dame Karen Jones, Senior Independent Non-Executive Director and our Remuneration Committee Chair, met with our largest shareholders and with certain proxy advisers to discuss our Remuneration Policy which was approved at our 2022 AGM.



Stakeholder statement continued

Primary stakeholders continued



Local communities

Why they matter to us

- Deliveroo is fundamentally a local company. We want to be more than a physical presence in the neighbourhoods in which we operate. We want to actively support local communities. This matters to our consumers, riders and merchants – so it matters to us.

How we engage with local communities

- Deliveroo uses our unique marketplace to support local communities. By partnering with local charities and community groups, we focus on what we know best – food – and help those in need to access free meals.
- We provides our employees with a volunteer day – a paid day off to volunteer at a charity.

How we have supported local communities

- Deliveroo is committed to helping tackle food insecurity in local communities. Through our consumer donations we have provided donations to the Trussell Trust equivalent to 2 million meals. In Ireland we launched a partnership with FoodCloud with the aim of providing up to 500,000 meals to people in need across Ireland. In Hong Kong we raised HK\$2.2 million for Feeding Hong Kong. In Italy we partnered with UNICEF to provide free food to vulnerable children.
- Across the majority of markets we have introduced an in-app donation feature, enabling our consumers to give to charity directly via the platform during their order journey.



Section 172(1) Statement

The Board confirms that, for the year ended 31 December 2022, it has acted to promote the long-term success of the Company for the benefit of its shareholders as a whole, while having due regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006.

The table below describes the methods used by the Board in fulfilling its duty under Section 172(1), in relation to each of the factors set out in the Section. More information is cross-referenced to demonstrate how these factors are considered by the Board and across the business.

The Board's duties under Section 172(1)

The Board recognises that our business and our behaviours can impact our consumers, riders, merchants, employees, investors and other stakeholders. We believe that stakeholder engagement is key to the execution of our strategy and is critical to achieving long-term sustainable success.

The Board considers impacts on our key stakeholders and the consequences of any decision in the long-term. It is not always possible to provide positive outcomes for all stakeholders and the Board sometimes has to make decisions based on balancing competing interests. Stakeholder activity is undertaken across our business and at different levels of the organisation. For more information on how we have engaged with our key stakeholders, see the Stakeholder statement on page 23.

How the Board fulfils its Section 172(1) duties

How the Board fulfils its duty

Key activities/considerations in 2022

More information

(a) The likely consequences of any decision in the long-term

The Board receives regular updates on the Company's operational and financial performance from the CEO, CFO and members of the Executive Team. This includes the outcome of engagement with investors, consumers, riders, merchants, employees and other stakeholders. The Board also holds an annual strategy day, which includes presentations from key areas of the business to inform the Board of the key focuses in the coming year, with actions from the day considered throughout the year.

- Board strategy day.
- Board consideration of budget and long-term financial plan.
- Decisions made around country entry and exits, considering impacts on employees, consumers, riders, merchants and other stakeholders.
- Approval of the ESG strategy.
- Consideration of financial reporting statements, particularly outlook and market guidance.
- Consideration of the proposals for redundancies in 2023.

- 📖 Chair's Statement p78
- 📖 Company Purpose p85
- 📖 Our Business Model p14
- 📖 Our Strategy p16
- 📖 Board Activities p90
- 📖 Viability Statement p75 and Going Concern p58 and p154
- 📖 Sustainability p31

(b) The interests of the Company's employees

The Board receives regular updates on matters relating to our employees through the CEO and the Chief People Officer including in relation to culture, recruitment to align with our growth and strategic ambitions and diversity, equity and inclusion ('DE&I'). The Chief People Officer also reports to the Remuneration Committee more specifically on recruitment and reward matters and to the Nomination Committee on leadership succession, DE&I and culture.

- Review of the Company's remuneration philosophy, employee motivation and attrition.
- CEO report on Company values review.
- Updates on culture, DE&I and Gender Pay Gap and Modern Slavery reports.
- Reports from Dominique Reiniche, the designated Employee Non-Executive Director.
- Consideration of the proposals for redundancies in 2023.

- 📖 Our People p44
- 📖 Stakeholder Engagement p86
- 📖 Diversity and Inclusion p46-48 and p96
- 📖 Employee Engagement p24 and p45
- 📖 Whistleblowing p87 and p105
- 📖 Nomination Committee Report p95
- 📖 Directors' Remuneration Report p106



Stakeholder statement continued

How the Board fulfils its Section 172(1) duties continued

How the Board fulfils its duty

Key activities/considerations in 2022

More information

(c) The need to foster the Company's business relationships with suppliers, customers and others

The Board receives regular updates on matters relating to our consumers, riders, merchants and other significant commercial arrangements, through the CEO and regular presentations from members of the Executive Team.

- Deep dive presentations on markets including its consumers and business partners.
- Updates on tech, product and automation.
- Updates on Grocery/Hop/Editions.
- CEO presentation on consumer focus at monthly firmwide.
- Direct feedback from our Board members as Deliveroo consumers.
- Hop/Editions site visits.
- Updates on issues of importance to Deliveroo riders.

- 📖 Sustainability p31
- 📖 Our Business Model p14
- 📖 Our Strategy p16
- 📖 Whistleblowing p87 and pg 105
- 📖 Anti-Bribery and Corruption p42

(d) The impact of the Company's operations on the community and the environment

The Board receives regular reports on ESG matters from the CEO and members of the Executive Team.

- Approval of ESG strategy.
- Review of Annual Report Task Force on Climate-related Financial Disclosure ('TCFD') and Sustainability Review disclosures.
- Introduction of ESG metrics into the Performance Share Plan for the Executive Team.
- Review and approval of Modern Slavery Statement.

- 📖 Sustainability p31
- 📖 TCFD p68
- 📖 Stakeholder Engagement p86

(e) The desirability of the Company maintaining a reputation for high standards of business conduct

The Board receives regular updates on Company values, culture, risk, regulatory, legal and governance matters from the CEO, General Counsel and Company Secretary.

- CEO report on Company values review.
- Review and approval of Modern Slavery Statement.
- Consideration of principal risks and risk appetite.
- Regular updates on fraud, whistleblowing and compliance matters.
- Internal Audit reports.
- Consideration of key policies and procedures.

- 📖 Sustainability p31
- 📖 Anti-Bribery and Corruption p42
- 📖 Risk management and our principal risks p59
- 📖 Audit and Risk Committee Report p98
- 📖 Whistleblowing on p87 and p105

(f) The need to act fairly as between members of the Company

The Executive Directors, Chair, Senior Independent Director and other Non-Executive Directors are available to meet with investors on request and report back to the Board on investor views from these meetings.

The Board receives regular reports from the Investor Relations team and the Company's corporate brokers on feedback from investor engagement, competitor trends, the Company's share register and significant changes in shareholdings.

- Broker update on investor feedback.
- Shareholder engagement at the AGM in May 2022.
- Regular investor engagement by CEO, CFO and IR team.
- Remuneration Committee Chair engagement on the Remuneration Policy ahead of the 2022 AGM.
- Chair engagement with significant investors ahead of the 2022 AGM.

- 📖 Notice of 2022 AGM: see Company website
- 📖 AGM p87
- 📖 Stakeholder Engagement p86

Sustainability review

Building a sustainable future

Our story

At Deliveroo, we are committed to supporting our marketplace, being a part of the communities we serve and taking action to drive sustainability.

Alongside this commitment comes responsibility.

We have a responsibility not just to understand and quantify the impact that our services have on people and the planet, but also to take action to ensure our impact is positive.

This means taking steps to reduce the carbon emissions created by our own operations – which are in our direct control – as well as helping our merchants reduce the plastic waste, food waste and carbon emissions from their own operations.

It also means taking direct steps to give our riders good and fair work, our consumers access to healthy food choices and our merchants the best opportunity to grow.



Sustainability review continued

1. Intro and first year in review

We started our sustainability journey in 2021 and last year set out the first steps in building a comprehensive sustainability strategy by identifying the six pillars that will guide our approach.

The year in review below sets out our achievements over 2022 – our first steps towards an integrated sustainability strategy that drives real benefit for our marketplace and that is embedded across our entire organisation.

2022 highlights

Pillar 1 – Reaching net zero and reducing waste

Reducing our own direct emissions while supporting merchants and consumers to reduce their emissions and food and packaging waste.

- Committed to a global net zero target of 2035 across our Scope 1 and 2 emissions.
- Launched a recycling programme with Olleco in the UK to turn used cooking oil into energy.
- Partnered with Waste and Resources Action Programme ('WRAP'), a leading NGO on food waste, to explore how we can reduce waste, from our own operations and that of our merchants.
- Published our first TCFD Report (see page 68).

Pillar 2 – Supporting merchants to grow and be more sustainable

Providing our merchants with new opportunities to grow revenues, increase brand value and maximise profit potential from online delivery, while supporting and enabling more sustainable behaviour.

- Launched packaging subsidy worth up to £2.5 million in the UK, France, Italy and Belgium, to support restaurant partners in procuring sustainable packaging.
- Partnered with Enterprise Nation in the UK to develop a restaurant training programme on sustainability and productivity issues.
- Published our 'Share of Stomach' Report showing merchants key sustainability trends and how they can meet consumer demand for more sustainable products through data-driven insights.
- Developed a 'Meal Model' that estimates the emissions from food sold via the Deliveroo platform. We hope to share this with merchants so they can understand their own environmental footprints better.

Pillar 3 – Riding and thriving

Giving people the flexible work they value alongside the security they deserve, as well as attractive earning and learning opportunities.

- Provided quality, flexible work to around 150,000 riders.
- Signed a first-of-a-kind Voluntary Partnership Agreement with GMB providing riders with consultation rights on benefits and collective bargaining on a guaranteed minimum pay floor.
- Engaged with regulators in Singapore as part of their platform economy reforms.
- Partnered with City and Guilds to launch a training scheme for riders aiming to provide more vocational training opportunities in the UK, developed vocational training courses for riders in Hong Kong, and sponsored over 80 scholarships in Italy.
- Advocated for regulation that protects the flexibility that riders value.
- Completed trials allowing riders to purchase a brand new e-bike with a financial subsidy in the UK and Italy.



UN Sustainable Development Goal

Priorities

Direct impact

Indirect impact

- Taking action against our emissions reduction target in the PSP building on our procurement of green energy in 2022.
- Reducing waste in our own operations, e.g. at Hop sites.
- Developing our Scope 3 baseline in more detail.



12. Sustainable Consumption
13. Climate Action

Over

270,000

Litres of cooking oil recycled in 2022

- Continuing to support restaurant partners to transition to sustainable packaging through our financial incentive programme.
- Working with merchants to explore their emissions 'hot-spots' with our new meal model.
- Expanding our packaging store to the UAE, offering sustainable lines to more merchants.



8. Decent Work and Economic Growth



10. Inequalities
9. Infrastructure

Onboarded

35,000

merchants

- Continuing to develop our union partnerships to deliver better outcomes for our riders.
- Using the learnings from our e-bike subsidy to explore how to incentivise more riders to transition to e-bikes.
- Continuing engagement with the EU Council and Parliament as the Platform Work Directive progresses.



5. Gender Equality
10. Inequalities

83%

Rider satisfaction in Q4 2022

Sustainability review continued

1. Intro and first year in review continued

2022 highlights

Pillar 4 – Enabling healthier eating

Giving our consumers the best selection, availability and value in healthier choices, as well as the tools to help them make informed decisions about what to order.

- Completed the BiteBack 2030 Food Accelerator, a programme enabling businesses to connect with young people to explore what changes we can make to improve young people's access to healthier food choices.
- Launched a series of healthy eating trials with KFC in the UK, testing the effect of in-app changes on consumer behaviour and learning how we can best support consumers to make healthier choices.
- Launched a vegan tile to make it easier for consumers to find healthy, vegan meals.
- Gave restaurants the ability to add dietary information at item level to help consumers with lifestyle and dietary preferences find suitable options more easily.

Pillar 5 – Tackling food insecurity in our communities





Establishing the right partnerships in our communities to help tackle food insecurity.

- Through our in-app round up feature, consumers have donated over £2 million to our charity partners globally.
- Facilitated employee volunteering events at our charity partners, with over 500 employees taking part.
- Launched a partnership with Too Good To Go at Hop sites in the UK to discount surplus food.

Pillar 6 – Building a diverse and inclusive company and marketplace

Creating a team of diverse talents where everyone feels at home within Deliveroo, while supporting diversity, equity and inclusion across our marketplace.

- Became a flagship sponsor of Black Tech Fest, the largest gathering of Black tech talent in Europe.
- Developed female-friendly rider kit.
- Grew from four to five employee resource groups.

Priorities	UN Sustainable Development Goal	
	Direct impact	Indirect impact
<ul style="list-style-type: none"> Using the learnings of our trial with KFC to understand what works in supporting consumers to make healthier choices. Progressing our work to achieve a simple-to-use definition of 'healthy'. 	 12. Sustainable Consumption	1,200 Vegan sites
<ul style="list-style-type: none"> Engaging more consumers in our food insecurity mission so that a greater number donate via our in-app round up feature. Exploring new partnerships with food waste and food redistribution platforms to maximise our impact. 	 8. Decent Work and Economic Growth	Sold over 4,000 magic bags through Too Good To Go
<ul style="list-style-type: none"> Delivering on our gender representation PSP target. Growing in priority areas like disability inclusion, introducing policies and interventions to be more responsive to those living with disabilities. Developing our self-ID programme to cover more markets and broader personal characteristics like care-giver status. 	 5. Gender Equality  10. Inequalities	44% Level 7+ representation of women target



Sustainability review continued

1. Intro and first year in review continued

While we should rightly be proud of our progress, it is also appropriate to set out where progress has been slower than we would have liked.

The first area to call out is progress on our Scope 3 modelling, which isn't finished yet. This was due to the complexity involved in assessing the emissions within Deliveroo's operational boundary and delays in appointing a permanent individual responsible for our sustainability strategy. While we have some good preliminary figures, we did not want to rush out a disclosure until we were completely happy with it.

The other area where we would like to have achieved more is in developing definitions of 'healthy'. There has been limited Government and industry support to explore alternatives to the Nutrient Profile Model which is too complex for many of our restaurant partners to use. Having a simple-to-use methodology of scoring healthy meals would help us direct consumers to healthy choices more easily. We will continue to work in 2023 on a simpler definition.

2. Updating our materiality assessment

As we set out last year, the pillars of our sustainability strategy were shaped by a materiality assessment of what mattered most to us as a company, what mattered most to our diverse range of stakeholders, and where Deliveroo action could have the most positive impact. We did this to ensure that our focus areas were the right ones, and that we were prioritising our resources effectively.

However, we all know we live in a complicated world and that things can change. That is why we consider our materiality assessment to be as dynamic as the needs and wants of our stakeholders.

During the year, we have revisited our materiality assessment in order to refine our understanding of what our stakeholders care about and to consider where we can make positive, measurable differences based on what has gone well, and not so well, over 2022.

As a result of our updated materiality assessment we have:








- decided to reframe the fifth pillar – 'Support communities to help vulnerable groups' – to make it more focused on our responsibility to help tackle food insecurity in our local communities. It will now be called 'Tackling food insecurity in our communities'. We did this because of the importance that the Board, Deliveroo employees and our consumers place on taking positive action to address hunger in our communities – especially in light of uncertain macroeconomic conditions across Deliveroo's markets this year; and
- continued our action under the five other pillars. We think the priorities under these pillars remain, and our work will continue to deliver a positive difference for all sides of the marketplace.

Materiality matrix

Key

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



Stakeholder	Why do they matter?	How do we engage them?	Top sustainability priorities
Consumers 	<p>Our business exists to bring great food to consumers.</p> <p>As consumers' preferences and attitudes to sustainability change, so does the way we operate as a business.</p>	<ul style="list-style-type: none"> • Consumer insights research, e.g. interviews with consumers and in-app trials of new features. • Regular in-app feedback opportunities. • Engagement with our care team. 	<ul style="list-style-type: none"> • Food insecurity. • Reducing food waste. • A business that can provide good work to its riders and merchants.
Riders 	<p>Riders are a vital part of our marketplace.</p> <p>We need to optimise our value proposition to attract riders to work with Deliveroo.</p>	<ul style="list-style-type: none"> • Rider engagement events. • Rider surveys, e.g. our global rider survey and smaller focus groups. 	<ul style="list-style-type: none"> • A flexible work opportunity with good earning opportunities and benefits. • Professional development. • A community of riders.
Merchants 	<p>Merchants work with Deliveroo to drive incremental profit and build an emotional connection with consumers.</p>	<ul style="list-style-type: none"> • Merchant insight research. • Merchant feedback. • Merchant surveys. 	<ul style="list-style-type: none"> • Reducing food waste. • Access to sustainable packaging. • Electric vehicle transition to limit the extent of delivery emissions falling in a merchants' Scope 3 boundaries.
Shareholders 	<p>We need to provide investors with the information they need to support their own ESG objectives.</p>	<ul style="list-style-type: none"> • Annual General Meeting. • Bilateral meetings. • Investor surveys. 	<ul style="list-style-type: none"> • Anything that could materially affect financial value. • Reduction in emissions.
National Governments 	<p>We always operate within the legal framework of our 10 markets. Because we work with large parts of the hospitality sector, we often provide Governments with support and insight into how the hospitality sector sees future regulation.</p>	<ul style="list-style-type: none"> • Consultation responses. • Working with trade associations. 	<ul style="list-style-type: none"> • Broad – interest across all our priorities.
Local Governments 	<p>We work with local Governments to support their local communities, the wellbeing of riders on high streets, and the development of new sites to boost the local economy and to minimise the impact of our operations on communities.</p>	<ul style="list-style-type: none"> • Consultations. • Local engagement events. 	<ul style="list-style-type: none"> • Food insecurity. • Supporting local businesses and riders. • Supporting the electrification of the delivery fleet to contribute to clean air goals.
Local communities 	<p>Deliveroo is a hyperlocal business connecting consumers, riders and merchants who often live and work in the same area.</p>	<ul style="list-style-type: none"> • Supporting local charities. 	<ul style="list-style-type: none"> • Food insecurity. • Connection to local restaurants. • A company that provides fair work to its riders.

Sustainability review continued

Deep dives

As detailed above in our year in review, we continue to drive progress across our six sustainability strategy pillars. This year we wanted to deep dive on the key progress under three of our pillars: reaching net zero and reducing waste; tackling food insecurity in our communities; and riding and thriving. These deep dives are the areas where we have made significant progress in the past year and which rank as relatively higher in our materiality assessments.

Deep dive 1

Tackling food insecurity in our communities

A key issue for the communities we work in is tackling food insecurity. It is also an area where we can make a difference as part of our mission to become the definitive online food company. That is why we have chosen to elevate food insecurity as the core mission under this pillar and to rename it as 'Tackling food insecurity in our communities'. This will help give focus to our work and allow us to more effectively galvanise the three sides of the marketplace, and our employees, around positive action to address hunger.

But why food insecurity specifically?

In the UK, in September 2022, the Food Foundation reported that 9.7 million adults (18.4% of households) had experienced food insecurity¹ in the month before. It's also an important issue across many of our global markets. In our 2021 Annual Report we set out that our Full Life campaign had already delivered 1 million meals. In 2022, thanks to the generosity of over a million consumers globally, we received over £2 million in donations from consumers via our in-app round up donation feature. However, we want to go further and that's why we plan to build out our work on food insecurity under two themes:

Donation

Driving up donations and food redistribution from consumers, our own operations and merchants.

- We will rollout our in-app donation feature to more markets to support consumer donations to local charities tackling food insecurity.
- We will continue to redistribute surplus food from our Hop sites and merchant sites. In 2022 we established a partnership with Too Good to Go in the UK to sell surplus food, and we will continue to reduce waste through redistribution this year. We will also explore how we can reduce waste from our own Deliveroo Hop operations.

¹ On the basis of answers to a survey that is in line with the US Department of Agriculture definitions of food insecurity.



We are extremely grateful to Deliveroo for the support that it has provided over the last year to the Trussell Trust and our network of more than 1,300 food bank centres. Our partnership with Deliveroo has coincided with one of the busiest years yet for our food banks as they have distributed millions of emergency food parcels to people who can't afford essentials like heating and food, while also battling against rising operational costs. The generosity of Deliveroo and its customers has been invaluable, helping ensure that food banks in the Trussell Trust network are able to support everyone who turns to them, as well as funding wider support programmes that help lift people out of poverty and ensure they can afford the essentials. In addition to raising money for the Trussell Trust, Deliveroo staff have donated many volunteering hours to assist our food banks, engaged with training to increase their understanding of the drivers of food bank use and helped us to reach new audiences through their social media and marketing channels – all of which is helping us to achieve our strategic goal of changing minds.

Emma Revie

Chief Executive Officer, the Trussell Trust



- We will take the principles of our successful partnership with the Trussell Trust in the UK, Secours Populaire in France, Red Cross in Italy and Emirates Red Crescent in the UAE and apply them to markets where we don't have a key charity partner focused on food insecurity.
- We will aim to increase the number of employees volunteering in their communities to help tackle food insecurity and support our wider strategy.

Innovation

Investigating how we can innovate to create more permanent changes to food insecurity issues in our markets, particularly how we can leverage our tech expertise and real estate to support communities.

- Developing this activity is likely to take longer to plan and deliver, but could involve tech solutions to scale redistribution efforts, use of Hop or Editions sites as food banks or pop-up kitchens, as well as ideas to engage our riders in support of reducing food insecurity.

Deep dive 2

Net zero and reducing waste

This year we are proud to set out our commitment to achieving net zero in our own direct emissions. Since our last Annual Report, COP27 has highlighted the role businesses can play in the net zero transition and the importance of taking action on emissions.

We will reach net zero across our Scope 1 and 2 emissions by 2035.

We wanted to be ambitious and pragmatic when setting our net zero targets. We have set our Scope 1 and 2 targets informed by the following:

- we are a business in a sector with high growth potential – that means we're likely to be delivering more orders, and so will mean a greater volume of absolute emissions (e.g. more gas for cooking being used at Editions kitchens) in the short-term, even if the intensity of our emissions per order changes;
- Scope 1 and 2 emissions reduction targets have a dependency on the availability of green energy sources across our global estate. We have already started on our journey to increase green energy in our estate with procurement of renewable electricity in our UK Editions sites;
- by 2035, the UK, which makes up c. 34% of our total Scope 1 and 2 emissions, should have a decarbonised electricity network based on agreed government policy – as should

many other markets in which we operate. This means we can have greater confidence in the availability of green electricity in our most intensive market, making the 2035 target achievable; and

- a 2035 target also gives the business time to implement the necessary changes in efficiency of kitchen and grocery sites where reductions like efficient cooking and refrigeration will be necessary to reduce absolute consumption.

Scope 1:

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

Scope 2:

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

Scope 3:

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

We set the target on the basis of an updated understanding of Deliveroo's emissions baseline, explored on pages 42 and 43 later in this section. The most emissions-intensive part of our operation is running Editions kitchens, followed by our offices and Hop sites. In partnership with external experts we are developing a more granular understanding of the policy levers we have to reduce our emissions and their relative impacts. This work will inform how we can meet our commitments.

Scope 3

We are still in the process of baselining our Scope 3 emissions. We have worked throughout the year to develop a more detailed understanding but the calculation process has proved challenging. We will continue to develop this analysis and will report our emissions baseline next year. Once we have established a robust emissions baseline we will be in a better position to set a net zero target for our wider Scope 3 operations.

To support our merchants in reducing their own emissions, we have also developed an innovative 'meal model' that estimates the emissions associated with different meals on the Deliveroo platform. We hope to work with merchants and use the model to help them understand their own emissions 'hot spots'.

Sustainability review continued

Deep dives continued

Deep dive 3

Riding and thriving

What riders are telling us

Riders tell us that flexibility – the ability to log in whenever they want and accept or reject any order they want without consequence – is the main reason they work with Deliveroo. We make sure that flexibility goes hand-in-hand with attractive earning opportunities. Deliveroo was also among the first platforms to offer all riders globally automatic free accident, injury and third-party liability insurance to protect them while out on the road.

Number of riders Deliveroo works with globally
Around

150,000

Number of riders that are either satisfied
or very satisfied working with Deliveroo

83%

In 2022, we developed a first of a kind trade union relationship, launched new learning and development opportunities and engaged regulators to protect the flexibility riders value.



Matteo's Cucina Italiana packaging

Matteo's Cucina Italiana uses Deliveroo's eco-friendly packaging for deliveries, and was a recipient of our eco-friendly packaging subsidy. "Deliveroo provides eco-friendly packaging, and we buy it. This makes it easy for us to do our bit. It's great to be able to help while running our business day-to-day."

The London-based restaurant partnered with Deliveroo when it opened its first site in February 2022. Since then, it has expanded and opened a second site. "I decided to open a dark kitchen to improve what I was doing already."

"We are a young business. This year, we'll be focusing on learning more about our customers and what they want."

“

Deliveroo has been very helpful to my growing business and has supported my growth. It has pushed my restaurant to success.

Matteo's Cucina Italiana



Strengthening rider voice

- We signed a first-of-a-kind voluntary partnership with GMB. This establishes a commitment to a minimum pay floor, representation rights for riders and consultation with GMB on wider rider benefits. We are working together with GMB to understand rider priorities and further the best interests of riders.
- We responded to rider feedback about operating in the heat in Dubai; we set up Deliveroo cooling vans where riders can make a pit stop to grab refreshments and developed new cooling vests to lower body temperatures.



Training support

- In the UK, we established a City and Guilds training partnership recognising that what riders want is an understanding of possible career paths, more vocational training and a route into industry.
- In Hong Kong, we have partnered with VTC (Vocational Training Council) to provide a variety of upskilling programmes for riders including vehicle mechanics and automotive repairs, as well as a wide set of business, communications and marketing skills.
- In Italy, we invested over €100k to support our riders to complete high school, university or professional courses with more than 80 scholarships taken up.
- For the third year running, we invited riders to pitch their business ideas as part of the 'The Big Pitch' competition with the opportunity to secure funding to turn their ideas into reality. In the UK, three riders secured funding to kickstart their businesses and will receive ongoing business support and advice.



GMB is pleased to have entered into an agreement with Deliveroo that gives riders a voice and the ability to constructively raise issues. Since the signing of the agreement, we have already taken steps to achieve long-term improvements for riders. The agreement with Deliveroo is already showing its worth and we look forward to working with the Company to further enhance the rider proposition.

Andy Prendergast
National Officer, GMB



Winning The Big Pitch was a huge milestone for our new business, Catherine's Originals, enabling us to take a huge step towards getting our own chocolate factory!

Catherine's Originals



Engagement to protect the flexibility that riders value

- We engaged with regulators, in particular in the EU, to explain the importance of flexibility as part of the ongoing legislative process for the Platform Work Directive.
- We engaged with the Singapore Government on reforms to protect the self-employed status of riders while at the same time improving access to wider benefits such as insurance.

Sustainability review continued

Responsible business conduct

At Deliveroo we are committed to conducting business in accordance with our values and to act with integrity.

We are committed to countering all forms of bribery and corruption and work hard to prevent and mitigate corruption risk.

Our Anti-Bribery and Corruption Policy sets out our zero-tolerance approach and the conduct we expect of all employees. As a rapidly growing company we periodically update our anti-bribery risk assessment to ensure it remains an effective tool for targeting our compliance resources. The assessment helps us to monitor key risks and implement additional controls, as well as maintain our anti-bribery and corruption compliance programme on a risk-targeted basis. We have procedures in place to address risks associated with working with third parties and in FY2022 we continued to rollout our Business Partner Code of Conduct. The Code is embedded within the procurement process, so suppliers are required to acknowledge and factor in its requirements before engaging with us. Also, through our whistleblowing platform we receive and investigate suspected wrongdoing or misconduct either by our employees or third parties.

Modern slavery and human rights

We believe everyone has a right to safe and fair working conditions, and to be treated fairly and with respect. We recognise our responsibility to respect human rights, which is embedded within our policies and initiatives, some of which are described in our People section on page 44. We are committed to the prevention of abuse, and work proactively to exclude instances of forced labour, human trafficking and child labour from occurring within our business and our supply chain. During FY2022 we have worked to consolidate and strengthen the foundation we put in place to tackle this issue by embedding our policies, training and due diligence procedures across our operations. More information can be found in our Modern Slavery Statement (available on our website) which summarises the risks associated with our business and supply chain as well as the activities we have undertaken to identify and address potential impacts.

SECR disclosure

In line with UK Government's Streamlined Energy and Carbon Reporting ('SECR') legislation, we have calculated total operational energy and associated greenhouse gas ('GHG') emissions across the Deliveroo plc global portfolio for the year ended 31 December 2022.

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

As set out above, reducing our own direct emissions while supporting consumers and merchants to reduce their own

emissions is a key priority. In 2022, 48% of our total energy consumption (from Scope 1 and 2 sources) was UK based with 52% being non-UK based. In 2022, the UK accounted for 34% of location-based emissions. The increase in our Scope 1 and 2 emissions on an absolute basis is largely due to an increase in the number of Editions sites that Deliveroo operates. We consume significant amounts of energy in the UK because, as a UK headquartered company, we have more staff and therefore larger offices in the UK, as well as having a large share of Editions kitchens.

In 2022, Deliveroo plc total global Scope 1 and 2 emissions were calculated at 13,160 tCO₂e (2021: 5,684 tCO₂e) on a location basis. Data collected by the Group was analysed by our external consultants CBRE Global Workplace Solutions, based on 55% verifiable data and 45% estimated data. Data was collected from statements and invoices provided by utilities companies and landlords; for some locations meter readings are taken and verified by external providers. Amounts have had to be estimated for locations where a service charge is paid rather than metered invoices, where co-working spaces are used, or where it was not possible to collect metered data. Estimated data was based on CIBSE Guide F (2012) benchmarks against the total occupied floorspace for each site or estimated using pro rata data collection methods. The Group will continue to engage with suppliers and landlords to obtain increased data for its 2023 reporting.

The table opposite sets out data for the year-end 31 December 2022 in line with the SECR framework, including our total global and UK operational energy and carbon emissions required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Methodology

- Our emissions have been calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emissions factors have been taken from the combination of the UK Department of Business, Energy and Industrial Strategy (greenhouse gas reporting: conversion factors for 2022) and the International Energy Agency ('IEA') for the 2021 year.
- The boundaries of our GHG inventory were defined using the operational control approach – which covered all emissions for which we were responsible during the period.
- Reporting scope includes energy associated with activities undertaken by global entities directly owned by Deliveroo plc only.
- Energy and associated emissions reported include electricity and natural gas utilised at operational sites. No other emissions sources were identified as applicable.
- Where data was collected, pro rata calculation methods were used. Where these were cost only, average country electricity cost/kWh to back calculate kWh was used.
- 45% of our data set is based on estimated data. Estimates are calculated from previous consumption and published CIBSE Guide F (2012) benchmarks as detailed in this report.

Streamlined Energy and Carbon Reporting ('SECR')

GHG Protocol	As at December 2022		As at December 2021	
	Global	UK and offshore area	Global	UK and offshore area
Scope 1 – tCO ₂ e emissions	4,203	2,441	2,193	1,690
Scope 2 – tCO ₂ e emissions (location)	8,957	2,035	3,491	1,165
Scope 2 – tCO ₂ e emissions (market)	7,815	893		
Total Scope 1 and 2 (location)	13,160	4,476	5,684	2,855
Total Scope 1 and 2 (market)	12,018	3,334	5,684	2,855
Scope 1 – natural gas	23,043MWh/4,203tCO ₂ e	13,373MWh/2,441tCO ₂ e	11,967MWh/2,193tCO ₂ e	9,218MWh/1,690tCO ₂ e
Scope 2 – electricity (location)	27,113MWh/8,957tCO ₂ e	10,521MWh/2,035tCO ₂ e	9,775MWh/3,491tCO ₂ e	5,477MWh/1,167tCO ₂ e
Scope 2 – electricity (market)	27,113MWh/7,815tCO ₂ e	10,521MWh/893tCO ₂ e	9,775MWh/3,490tCO ₂ e	5,477MWh/1,167tCO ₂ e
Scope 1 – MWh consumption	23,043MWh	13,373MWh	11,967MWh	9,218MWh
Scope 2 – MWh consumption	27,113MWh	10,521MWh	9,775MWh	5,477MWh
Total MWh consumption	50,156MWh	23,894MWh	21,742MWh	14,695MWh
Intensity ratio (location basis) – tCO ₂ e/100,000 orders	4.25	2.83	1.87	2.03
Intensity ratio (location basis) – tCO ₂ e/£m revenue	6.45	4.00	3.05	3.05

- Scope 2 emissions have been calculated using both a location-based and a market-based methodology – using 2022 conversion factors by the Department for Environment, Food and Rural Affairs for the UK and IEA for Rest of the World factors. These different methodologies reflect the intensity of the grid overall (location-based) and Deliveroo's own energy procurement practices (market-based), hence the lower market-based figure as Deliveroo has some green energy contracts in place.
- The primary metrics that Deliveroo plc uses for normalisation of inter-office and annual comparison are revenue (£m) and number of orders. These have been applied for the emissions comparison above. Normalising our emissions allows for more effective year-on-year comparison. We have chosen to report against two metrics: total number of orders as well as £million revenue. Intensity metrics have been chosen that reflect the growing nature of the Group's activities and allow comparison within the food delivery industry, and with other industries. Revenue is considered the simplest metric to allow comparison across industries, and orders as the best way to consider energy usage in relation to growing activity.

The analysis demonstrates which sites across our estate we need to target to have the most impact on our direct emissions and we will consider the investment case for taking action on various energy procurement and efficiency approaches. In the first instance this is likely to include renewable energy procurement but we will also consider better use of existing gas technology in Editions kitchens, induction cooking at Editions sites, more efficient refrigeration across the estate and the case for installing green energy generation in our Editions sites. We have engaged Avison Young to help us develop a long-list of options for improving the energy efficiency of our estate. In the medium term, as detailed on page 74, we have set a target of a 15% reduction in our market-based Scope 1 and 2 emissions as part of the executive PSP.

Energy efficiency measures

In 2021 we set out that we would consider what building improvements and wider energy saving measures could be included in our wider decarbonisation plans. Over the year we have:

- started to install separate gas, electricity and water meters in each of our individual Editions kitchens in the UK and France. This will allow us to better understand which kitchens in our Editions sites are the most energy intensive and work with merchants to reduce those; and
- set a PSP target of 15% reduction in our Scope 1 and 2 emissions. Part of this reduction may include procurement of renewable energy sources and we will investigate how best to achieve this target over the next year.

We have also investigated and discounted some energy efficiency measures throughout the year. For example, we considered the installation of solar panels in a French Editions site but unfortunately the length of our lease meant that the investment was not viable. We will continue to scope and assess new options.

In 2023, we will participate in the UK Government's Energy Savings and Opportunities Scheme where an external auditor will assess our estate and make recommendations on where we can improve. We will use the results of that audit report to help guide our future action.

People

Making an impact

Deliveroo as an employer

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

Specifically, our employee proposition is as follows:

Grow fast

We offer the same growth opportunity to our people that we experience daily as a business, namely a fast-paced, dynamic culture where our people can stretch themselves and broaden their experiences, while working with brilliant colleagues in collaborative, supportive teams. In 2022, we continued to grow our learning and development offering, including global Manager and Commercial Development programmes, mentoring and coaching initiatives, and targeted programmes for future leaders, with a specific initiative for future women leaders. Our digital learning platform, 'RooLearn', has also been relaunched with self-serve content for all employees.

Leave your mark

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

Be part of something bigger

We offer employees the opportunity to define an emerging industry, and also to make a positive impact in the communities within the three-sided marketplace. We invite employees to spend time within our marketplace, for example delivering orders, supporting customer care, listening to consumer feedback, or visiting a Hop or an Editions site.

In order to tell our employee value proposition story in a compelling and consistent manner, we are currently developing our employer brand. This will include a visual identity and assets for use across talent attraction touchpoints.

Our proposition is underpinned by our values. They are integral to our performance review process and are tracked through our monthly employee engagement survey. In 2022 we defined our organisational culture framework as a Company for the first time, considering parameters such as mindset, decision-making, behaviours and personal style. A diagnostic exercise was conducted against the framework, comprising conversations across the business about experiences of our culture, and a dedicated culture survey, the findings of which were shared with the Board and used to inform our people priorities for 2023. The findings also fed into a project to define a refreshed set of Company values, which were taken out to employees for employee testing and have been refined in anticipation of launch in 2023. We will be able to share our progress in next year's Annual Report.

Employee volunteering

We partner with a number of charities across our markets – from working with the Red Cross in Italy to supporting Secours Populaire in France, Food From The Heart in Singapore, Feeding HK in Hong Kong, Emirates Red Crescent in the UAE, and The Felix Project and the Trussell Trust in the UK. Additionally, all employees receive a paid day annually to volunteer with a charity of their choice.

Our consumers, riders and merchants are at the heart of everything we do, and we encourage our employees to experience the three sides of the marketplace. Our 'We Are Deliveroo' programme encourages employees to spend time as a rider making deliveries, visit our Hop and Editions kitchen sites, join a fieldwork focus group with our User Research and Insights team, complete live Care team chats and complete a shift at our new bricks and mortar restaurant, Pizza Paradiso, in North London.



People in all roles and at all levels have the opportunity to make a tangible impact at Deliveroo.



Our approach to employee engagement

Our people are critical to our continued success, and so providing employees with the opportunity to give and receive feedback about their experiences at Deliveroo is an essential way that we can foster a positive culture and continue to improve employee experiences here. A key channel that we use for this is our employee engagement survey platform, which provides a fully confidential and regular means for employees to share feedback. Through the survey platform, Peakon, we seek feedback from employees on a monthly basis, as well as at other key stages of their employee journey (such as onboarding and exits). Each month Peakon calculates an overall engagement score, which measures employee sentiment across four engagement areas: 'belief (in product)', 'satisfaction (in job)', 'loyalty (to Deliveroo)' and 'employee net promoter score ('eNPS')'. We track our engagement scores over time and against a benchmark for comparable companies. Our score has increased from 7.5 in December 2020 to 7.8 in December 2022, peaking at 8.1 in December 2021. Analysis suggests that the driver for the decline since last year relates to the external environment our employees are currently living in – more challenging economic times impact engagement and the level of support employees need.

Seeking open and honest feedback regularly on a wide range of issues impacting employee engagement allows us to flag and address opportunity areas in real-time as they arise. Managers receive live access to their team's

results to understand both what is going well, and where they can provide further support. Results, insights and recommendations are shared quarterly with the Executive Team and with the Employee Non-Executive Director (the 'Employee NED'), and summary results are shared Company-wide on a quarterly basis, along with insights into any action taking place as a result of employee feedback.

In 2022 we launched a range of Company-wide initiatives in response to employee survey feedback. Examples included the launch of People Manager training (with around 400 People Managers globally completing the three-day training this year), mental health first-aider training, personal development plans, and the 'Accelerate' leadership programme for women. We will continue to take action to support our long-term focus areas as well as prioritising regular and effective communication with our employees regarding our Company strategy and goals, including how our response to the current economic backdrop.

We also hold regular monthly Company-wide meetings led by Will, our CEO, or another member of the Executive Team depending on the nature of the topic covered. It is a great channel to make important announcements as well as an excellent forum for questions and thoughts from employees around the world. We have found that a regular and open discussion like this helps employees understand the business better, no matter what function or market they are in.

People continued

Diversity, equity and inclusion at Deliveroo

At Deliveroo, we are on a mission to transform the way the world eats by making food more convenient and accessible. We believe that food has the power to bring people together into a community, and that a diverse workforce, inclusive culture and equitable experience can unleash the human ingenuity needed to sustain and grow our business.

Having a fundamental understanding of the communities we serve is integral to Deliveroo's mission. In 2022 a newly-formed Diversity, Equity and Inclusion ('DE&I') team came together to continue in the foundations and commitments set in 2021, with a focus on building an inviting culture that holds people at its core and impacts journeys across our workforce, workplace and the marketplace.

Increasing investments and scaling accountability

The DE&I team, in partnership with teams across our business, realised over a dozen key initiatives across our workforce, workplace and marketplace. As they launched, we closely monitored the experience of our employees across measures like diversity and belonging. Over the course of 2022, these programmes underscored a Company-wide commitment to accountability and investment in embedding DE&I into everything we do, discussed in more detail below.

Leadership accountability

In 2022, our Executive Team engaged in a series of strategic workshops of over 100 hours focused on learning and implementation of DE&I thinking in decision-making and planning, to equip leaders with the tools to clearly connect DE&I to business goals.

Our Board remains committed to supporting the efforts of the Executive Team on DE&I matters. Outside of regular updates on Company progress and recurring engagements between the Global Director of DE&I, Busi Sizani, and the Board's Employee NED, Dominique Reiniche, the Board continues to reflect transparency and diversity principles in its own succession planning and decision-making. Further information on this is set out in the Governance Report on page 77.

Employee resource groups

Our award-winning employee resource groups ('ERGs') continue to play a big role in our journey towards a more inviting workplace. We grew from four main ERGs to five in 2022: Gender Equity, Women in Tech, Racial Equity, LGBTQ+ (Deloveroo) and Wellbeing. Our affinity groups, or less formal groups, have also grown and now include Black in Roo, Disability + Neurodiversity, and Parents, among others. A record number of events were organised by these groups in 2022 in relation to key cultural moments like Pride, Women's History Month, Black History Month, Diwali, Hanukkah and Lunar New Year aimed at increasing visibility and understanding of lived experience.

Beyond empowering new ERGs and affinity groups our investments included:

- providing opportunities for ERG-led developments such as conference attendance and access to resources via Grocery Aid and other partners;
- enabling existing ERGs like Gender Equity and LGBTQ+ (Deloveroo) to play a more active role in shaping Company policies around employee safety and wellbeing;
- becoming a first-time flagship sponsor of Black Tech Fest, the largest gathering of Black tech talent in Europe, where we made hundreds of new connections with phenomenal talent;

Gender diversity (as at 31 December 2022)

Gender split of Directors (of plc)



● Women – 43%
● Men – 57%

Gender split of Senior Managers (excluding CEO and CFO)



● Women – 39%
● Men – 61%

Gender split of all employees of the Group (excluding Directors of plc)



● Women – 40%
● Men – 60%

- hosting prominent speakers such as Sophia Thakur, Yasmine Benoit and Olivia Higgs who covered topics like empowering Black talent, navigating coming out as LGBTQ+, and more;
- promoting and celebrating the external impact our ERGs made, like forming a mentorship programme for Black youth together with BelEve; sponsoring Pride in Education; and being awarded the 2022 Diva Award for LGBTQI Network of the Year; and
- launching our 'Seat At Our Table' video series, an intimate look into the experiences of the different communities at Deliveroo that debuted with Black in Roo.

Targeted equity and inclusion interventions

The DE&I team worked on improving inclusivity for some of our marginalised employees within their local communities.

- Together with stakeholders across Deliveroo and our LGBTQ+ (Deloveroo) ERG, we launched a global LGBTQ+ (Deloveroo) safety and inclusion programme aimed at affirming Deliveroo as a safe place to work for all employees regardless of location. Beginning with a focus in the Middle East, the model will be rolled out across the organisation.
- Partnerships with new organisations like the UK Business Disability Forum will help us design and scale programmes and policies focused on disability inclusion in 2023.
- A refreshed, more expansive maternity leave policy, and the launch of a new mentorship programme that will better connect and upskill our women employees.

External accountability

We are a technology company at heart, and as such we have a responsibility to support change in our industry and lead by example. In 2021 we joined over 600 companies as a signatory of the Tech Talent Charter, a non-profit organisation leading the movement to address inequality in the UK tech sector, and in 2022 maintained our momentum by becoming a signatory of the Action to Catalyze Tech Report, a new initiative to align the tech industry around collective action for DE&I.

Increasing our understanding of diversity

Our global voluntary self-ID programme was a great success in 2022, as we saw a steady increase in the percentage of employees who voluntarily shared one or more dimensions of diversity. While the geographic spread of employees across our markets influenced what demographic data was disclosed, a global picture of our makeup in brand new dimensions like race, ethnicity, gender identity and sexual orientation was revealed. These insights help our team diagnose potential risk areas, refine our focus and identify new opportunity areas for inclusion. We will continue to encourage additional voluntary disclosure as we progress.

Evolving how we approach gender equity

2022 kick-started a multi-year action plan aimed at promoting gender equity within Deliveroo and addressing our gender pay gap across recruitment, compensation, benefits and development. Within a year, we made great gains against our commitments, particularly in moving closer towards our Level 7+ representation of women targets for 2025 across tech and non-tech: 33% and 50% respectively. Further, our tailored leadership programme for women in mid-level roles was relaunched in 2022, with 36% of women in mid-level roles successfully completing the programme.

We are proud of the foundation we have set in bringing balance to our employee experience for women, and with our Executive Team engaged and invested in holding us accountable, we look ahead to adjusting our action plan for even stronger impact in the next year. We continue to remain committed to reporting our gender pay gap in all markets where it is required.

Gender equity work has affirmed that diversity is inherently multi-dimensional, and exposed opportunities for more equity and inclusion across multiple identities and experiences. In 2023, our equity intervention work will expand to include race/ethnicity, sexual orientation, age and disability, propelling us towards the same mission of a more equitable, connected community for all.



People continued

Diversity, equity and inclusion at Deliveroo continued

Gender pay gap stats (2021/22 report)

Mean gender pay gap

16.0%

Median gender pay gap

22.1%

Mean bonus gap

82.9%

Median bonus gap

14.7%

A continual area for improvement is the need to address the gender pay gap and the balance of representation of women, particularly in our Technical teams within Deliveroo. The multi-year gender equity plan we have developed puts the right mechanisms in place to create a more balanced workplace for women. We have seen some promising structural changes already, like the evolution of a mentorship programme for women in middle management, increased salary guardrails designed for equity in the hiring process and clear representation targets for senior leadership. Our plan was designed with flexibility and intersectionality in mind, so we will revisit it annually on the road towards true gender equity.

Looking ahead

The path to an inclusive culture is gradual, and more and more areas of impact will be revealed as we continue. In 2023, our focus will be on sustaining the progress made; enabling a more intersectional approach to our work; and evolving our long-term vision for DE&I within the business and communities in mind.

Additionally, we plan to create what could eventually become a diversity impact assessment framework, a tool that will enable the business to design policies and programmes that work for all, build inclusion as a core behaviour in employees through intentional learning, evolve our self-ID program to cover more markets and more intersectional aspects of self like care-giver status, and outline clear adjustment and accommodation policies in our journey towards disability inclusion. Actionable, quantitative and qualitative data will help us achieve this, so partnering with our People Analytics team in providing cleaner, more accessible data will also be a priority.

Our journey has just begun, and we know it won't be linear. We must, and can, go further. What is important is that we remain vigilant, responsive to the needs of our employees and connected to Deliveroo's passion for strong community.



Supporting our people

As the world reopened in 2022, our office reopened and distancing measures were eventually phased out in line with local Government guidelines. We recognise that the last couple of years have been very challenging for our colleagues, not only in overcoming the issues of steering the business through a very volatile environment, but also in adapting to the ever-changing requirements and demands of hybrid working. Having continued to observe the changing work landscape and being impressed with how well our teams have performed in these difficult times, we have concluded that there are clear benefits from both increased flexibility and in-person engagement at the office. Where practical we offer the majority of employees the ability to work flexibly, including working from home, with implementation across different markets based on local conditions and requirements. The majority of our employees enjoy being in the office at least some of the time during regular hours to collaborate, learn and build team spirit, but we provide them with the flexibility to work from home to accommodate demands outside of work as well as where it is more productive for certain tasks.

Health and wellbeing

Given the global events of 2022, we continue to provide enhanced wellbeing support to our employees. All employees have free access to the Headspace app, are invited to participate in a multitude of various events during dedicated global wellness weeks and can access free structured counselling sessions via our Employee Assistance Programme. In recognition of the importance of giving our people time off to recharge and to support their mental wellbeing, in addition to our annual leave allowance we have given employees extra time off during the holiday period in December.

Recognising our diverse employee base and their respective wellbeing needs, throughout the year we have helped employees to support their own wellbeing at work. From exercise classes to dementia prevention workshops and sound meditations to our first ever Global Movement Challenge spanning all our offices, we have helped colleagues to prioritise their mental and physical health in a fun, collaborative and inclusive way.

Building the organisation and competing for talent

Hiring talent efficiently is critical to the competitiveness of our business and key to our path to profitability. In 2022 we experienced unprecedented growth rates and invested in our internal recruiting function, enabling us to recruit

efficiently and tap into new geographies and talent pools. We successfully launched a new engineering centre in India, which will become home to more than 200 of our technology staff by the end of 2023, and we staffed new teams to launch Deliveroo in Qatar. As the second half of 2022 came around, the tailwinds we had experienced at the start of the year turned to unforeseen economic headwinds, and despite implementing a hiring freeze, we have recently announced that, unfortunately, we are starting a global redundancy process that could see around 9% of our workforce leave the Company.

Into 2023, we will continue our effort to refine our Company operating model. We will invest in initiatives to position Deliveroo as an employer of choice for the best talent in all our markets, with a particular focus on engaging talent from under-represented backgrounds to support our ambitious representation goals. We expect the talent market to continue to be tumultuous in 2023, and we are well positioned to capture the opportunities (where areas of the market are cooling) and mitigate the challenges (where top talent becomes less mobile in an uncertain economy) this presents.

Developing our people

Beyond hiring great talent, we strive to offer development opportunities that help create well-rounded and high-performing employees who see Deliveroo as a great place to build their career over the long-term and grow together with us. To further the options available to employees within the Company, in 2022 we launched our internal mobility programme, which opens up interesting and diverse career paths for those looking to challenge themselves or make a lateral career move. As it evolves, the mobility programme will become an integral part of increasing our structure around individual career development, and providing clarity and consistency on internal moves for our employees.

As a business, it's important to us that we grow both responsibly and sustainably. To achieve this, we recognise that we must invest in the career success of future generations by creating more tailored paths to meet people wherever they are on their career journey. Our 'Roo've been Served' legal mentoring programme in partnership with Aston University supports young people from a wide range of backgrounds looking to pursue a career in law, by helping them access pathways to work at companies like ours. Mentees are paired with a Deliveroo lawyer and, in addition to regular mentorship sessions, get the chance to taste life in our Legal team and experience first-hand the sorts of problems we need to solve, as well as receive a wide range of general training.

Operating and strategic review¹

Delivering on our path to profitability

1. Key developments in 2022

Path to profitability

In 2022, Deliveroo had a strong year of operational and financial performance, even within a challenging environment. A major achievement was reaching adjusted EBITDA profitability in H2 2022 (with £6.6 million compared to £(84.6) million in H2 2021) – well ahead of previous guidance that we would reach this point in H2 2023 or H1 2024. This result is an important milestone in our journey to becoming sustainably free cash flow generating and to reach our ambition of a 4%+ adjusted EBITDA margin by 2026. We expect to make further progress on profitability and cash flow in 2023.

Three factors drove the majority of this profitability progression in 2022. First, we took steps to optimise consumer fees, such as ensuring delivery fees appropriately reflect delivery distance and adjusting the balance between delivery fees and service fees. Second, we continued to drive efficiency in our logistics network, through initiatives to further reduce rider wait time at restaurants, to better balance supply and demand in the network and to capture efficiencies from order stacking without degrading the consumer experience. Third, we made adjustments during the year to optimise marketing spend, resulting in lower marketing expense in H2 than H1. Importantly, we continued to invest in our consumer proposition at the same time.

Growth

Alongside making progress on profitability, we are also focused on continuing to drive top-line growth. Coming into 2022, we had flagged that we saw growth headwinds for the year ahead, and these turned out to be even more challenging than anticipated. In that context, 7% GTV growth in constant currency was a decent outcome. Through relentless focus on the hyperlocal consumer value proposition, we gained market share in a number of our markets including the UK, France and Italy; in Italy we believe that the increased strength of our hyperlocal positions now also puts us in the number one position nationally.

As well as driving growth in existing markets, we expand when we see attractive opportunities, and in 2022 we entered Qatar. The Middle East is an attractive region for restaurant and grocery delivery, and we have a strong presence in the UAE and in Kuwait. Leveraging our experienced local team and existing relationships with merchants, our Qatar entry is an exciting opportunity. Since formally launching in October, we have partnered with over 500 restaurants including global and national chains and local independent restaurants, we have onboarded over 100 riders, and consumer feedback has been very positive, with the platform rated 4.4 out of 5 in terms of customer satisfaction.

On-demand grocery

During 2022 we made major steps forward in improving our grocery offering. We were one of the first platforms to launch on-demand grocery prior to COVID-19, and we have taken advantage of our first-mover status. Grocery offers powerful synergies with the core platform, representing incremental demand to the restaurant offering and providing an effective customer acquisition channel. As a result of the continued strengthening of our offering, grocery reached 11% of total GTV in H2 2022 (H2 2021: 9%). We now deliver from around 8,000 partner sites in the UKI and more than 10,000 in International. During 2022, we expanded partnerships in the UKI with Waitrose, Sainsbury's and Co-op and we launched with Asda; in International, we continued to rollout with key grocery partners such as Carrefour in France, Italy, and Belgium, Casino in France, Esselunga in Italy and ParknShop in Hong Kong. With selected merchants we are experimenting with offering a much wider range of products – up to 10,000 SKUs compared to 2,000-3,000 SKUs in our regular offering.

As well as growing selection, we are making step changes in the grocery experience. For consumers, we have rolled out a new substitutions feature to address issues with availability, we are piloting more finely-grained menu categories and we are highlighting where merchants are matching in-store prices. For merchants, we are trialling a new picking app that will help with productivity at a time when labour shortages is a major headache for grocers.

¹ In this section, all growth rates are year-on-year and in reported currency unless otherwise stated, and all figures exclude results from Australia and the Netherlands, where operations ended on 16 November 2022 and 30 November 2022, respectively, and Spain, where operations ended on 29 November 2021 (all three markets are treated as discontinued operations). More detailed discussion of statutory results is contained in the Financial Review beginning on page 54.



Alongside this 'store pick' model, we have continued with the rollout of Hop, our delivery-only grocery sites. We have also experimented with new Hop formats such as Hop as a Service, where we allow grocers to use the Hop technology in their own locations with their own staff to pick and pack orders that are fulfilled by the Deliveroo rider network. The model allows grocers of all sizes to offer ultra-fast delivery, with rapid pick times and more accurate inventory monitoring. During 2022, we have witnessed the pressures on the pure-play quick commerce industry with funding drying up and players merging. For us, we have always believed Hop is a service that belongs on a platform with a wider network – given the pre-existence of lower-cost deliveries and consumers. We have made significant progress on profitability of our Hop model and are confident in its role on our marketplace.

Advertising

Deliveroo began to build its advertising offering in 2021, and this year we started to see the first significant contribution from this nascent business. Growing this revenue and profit stream will be a multi-year endeavour, but we have made an encouraging start, with advertising revenue reaching an annualised run-rate of £40 million or 0.6% of GTV in Q4 2022. Our advertising revenue stream comprises two main activities. First, we provide different ways for restaurants and grocers to advertise, such as paying to appear in high-visibility carousels or in search results. This creates incremental demand with a proven high return on advertising spend. Second, FMCG and other companies can now advertise their products via a new platform we launched in 2022. This platform allows these companies to engage consumers via post-transaction ad slots (e.g. on the order tracker page) and through virtual storefronts within our app, reaching our millions of monthly active consumers in a highly measurable way that improves the efficiency of their ad spend. Done in the right way, both of our advertising activities can improve the customer experience by helping consumers to discover content they want in an engaging way, as well as helping merchants to drive incremental demand. While still small in the overall context of the group, we expect advertising to be a more material profitability lever in 2023 and beyond.

Portfolio optimisation

In every market, our strategy is to focus on winning local market share positions, which is critical for overall profitability. The aggregation of these hyperlocal market positions drives national market share; for us national market share is primarily an output rather than an objective: our focus is on the neighbourhood. Where we have been able to build these leading hyperlocal positions, we continue to strengthen them. Italy is a great example – during 2022, we reached the national

number one position, built on our strong local positions, with a particular focus on Lombardy and Northern Italy more broadly.

In some markets we have not been able to reach leading positions and in H2 2022 we took difficult decisions to exit the market in Australia and the Netherlands. We determined that we could not reach a sustainable and profitable scale in these markets without considerable financial investment, and the expected return on such investment was not commensurate with Deliveroo's risk/reward thresholds. Operations ended in Australia and the Netherlands on 16 and 30 November 2022 respectively.

Riders – engagement

Throughout 2022, our rider attraction and retention rates remained robust despite high levels of employment vacancies across key markets, providing further evidence that riders value the flexible self-employed work that Deliveroo offers. Rider satisfaction remained strong, with 83% 'satisfied' or 'very satisfied' working with Deliveroo in Q4.

In May 2022, Deliveroo and GMB Union signed a first-of-its-kind Voluntary Partnership Agreement covering the Company's ~90,000 self-employed riders in the UK. The Agreement gives GMB collective bargaining rights on pay and consultation rights on benefits and other issues, including riders' health, safety and wellbeing. GMB will also be able to represent individual riders who are GMB members in certain disputes, giving them a stronger voice. The Agreement recognises that Deliveroo riders are self-employed, following a series of UK court judgements that have confirmed this status.

Elsewhere, in France, Deliveroo began participating in the social dialogue process for platforms and unions, working to improve the working conditions of riders who are recognised by the Government-led process as being self-employed. In Italy, Deliveroo continues to operate under a Collective Bargaining Agreement that recognises riders as self-employed.

Advertising revenue

0.6%
of GTV in Q4

Rider satisfaction

83%
in Q4

Operating and strategic review continued

2. The three sides of the marketplace

Since 2013, Deliveroo has pioneered on-demand food delivery via a hyperlocal three-sided online marketplace, connecting local consumers, riders and merchants. For consumers, Deliveroo has unlocked broad choice and fast delivery times, working with merchants who overwhelmingly have never offered an online presence and on-demand deliveries before. For merchants, Deliveroo not only provides logistics, but, more importantly, an incremental demand generation channel, including access to millions of new consumers alongside online tools to grow their business effectively. For riders, Deliveroo offers highly flexible work which they can rely on for attractive earnings and security. In 2022, Deliveroo made further progress in developing all three sides of the marketplace.

Consumers

Deliveroo's average monthly active consumers ('MACs') grew by 6% year-on-year, averaging 7.4 million across 2022 compared to 7.0 million in 2021. The Q4 2022 average of 7.4 million represents a decline of 1% year-on-year versus Q4 2021 reflecting the challenging macroeconomic environment in 2022. Average order frequency throughout 2022 remained stable compared to 2021, at 3.4 times per month.

An important part of Deliveroo's consumer value proposition is Deliveroo Plus, the subscription programme that unlocks unlimited free delivery to consumers for a fixed monthly fee. Plus removes delivery fees as a barrier to ordering, increasing order frequency and improving retention. During 2021, Deliveroo launched a new offering with Amazon Prime, allowing all UK and Ireland Amazon Prime members to sign up for free Plus membership for a year, with unlimited free delivery on orders over £25/€25. Following good traction in this initial programme, the offering was launched in France, Italy and the UAE during 2022.

Merchants

Restaurant selection is an important part of Deliveroo's consumer value proposition. Growth in restaurant selection increases availability and choice to consumers on a neighbourhood-by-neighbourhood basis. Deliveroo's global partner restaurant sites increased to approximately 158,000 at the end of 2022 compared to around 130,000 at the end of 2021. In 2022, Deliveroo continued to develop Editions, its delivery-only kitchens offering, adding almost 100 new kitchens to bring the total to over 380. As the challenging economic climate put significant pressure on restaurant partners, the pace of rollout slowed, and in 2023 we expect a further reduction in new kitchen openings. However, Editions remains a key part of the business and we strongly believe in the value of the proposition to Deliveroo and its restaurant partners, as well as consumers and riders.

Deliveroo's on-demand grocery business continued to grow as a percentage of total GTV, increasing from 9% in H2 2021, to 10% in H1 2022 and 11% in H2 2022. Globally, Deliveroo now has over 18,000 grocery sites live with major partners and smaller independent partners. Alongside this 'store pick' model, we have continued with the rollout of Hop, our delivery-only grocery stores. Deliveroo-operated Hop stores and Hop as a Service sites are now live in the UK and International segments, with partners including Morrisons, Waitrose, Asda, Carrefour, Auchan, Esselunga, Choithrams and ParknShop. We also announced the expansion of our partnership with Boots which saw the number of stores increase to 125 (previously 14 pilot stores), with consumers now having access to an expanded range of over 1,000 health and beauty products.

Group	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022
UK and Ireland (m)	3.6	3.9	3.8	4.1	4.1	4.0	3.9	4.1
International (m)	3.0	3.2	3.0	3.4	3.5	3.4	3.1	3.3
Average MACs (m)	6.6	7.1	6.8	7.5	7.6	7.4	7.0	7.4
Year-on-year growth in MACs	—	—	—	—	15%	5%	4%	(1)%
Average order frequency (monthly)	3.4	3.4	3.4	3.4	3.4	3.4	3.3	3.4

Rider status – material developments

Riders are a vital part of Deliveroo's three-sided marketplace and Deliveroo works with around 150,000 riders globally. Riders value the flexible work Deliveroo offers, enabling them to set their own work patterns, to select which orders to accept or reject and to work with multiple companies simultaneously. This is reflected in high satisfaction ratings, with 83% of riders globally saying they are satisfied or very satisfied working with Deliveroo in Q4 2022 (Q4 2021: 85%). Deliveroo continues to see strong rider application pipelines and rider retention rates.

The independent contractor status of riders remains under scrutiny in certain markets, with the following material developments in 2022.

- In the UK, the Deliveroo and GMB Union Voluntary Partnership Agreement that was signed in May 2022 recognises that Deliveroo riders are self-employed.
- In France, during H1 2022, the 31st Chamber Criminal Court of Paris issued a first instance decision finding against Deliveroo France regarding the independent contractor status of riders for the period from March 2015 to December 2017. We do not agree with the decision and are appealing. Riders continue to be recognised as self-employed by the Government through the social dialogue process. Further, Deliveroo is participating in constructive dialogue with social security bodies in relation to an ongoing investigation concerning engagement with riders.
- In the Netherlands, although Deliveroo has exited the market, it has certain ongoing litigation regarding rider status and awaits three decisions of the Supreme Court.
- In Italy, Deliveroo and other food delivery platforms operate under a Collective Bargaining Agreement with a local trade union. A challenge against the Agreement at national level was unsuccessful in January 2023. There have been two challenges to the Agreement at local, city level, which are under appeal.
- The European Union published initial proposals for a reform to platform work in December 2021. Throughout 2022, these have been debated by the European Parliament and Council. Deliveroo believes the proposals could provide welcome clarity on the tests to determine the status of platform workers and continues to engage with relevant stakeholders. Original proposals provided important clarity that national law would determine final employment status decisions.

At any given time, Deliveroo will be involved in regulatory investigations, audits, claims, court cases and appeals, as well as individual and collective legal claims in any market. Deliveroo recognises provisions or contingent liabilities for such proceedings as appropriate. These represent management's best estimate of potential economic outflows based on the status of proceedings at the time of approval of the financial statements, and are based on current and/or anticipated claims, even where the amounts claimed are disputed.



Financial review



Scilla Grimble
Chief Financial Officer

To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The Board reviews gross transaction value and adjusted EBITDA, as well as other APMs shown below, alongside IFRS measures.

£ million unless stated

	2022	2021 (restated) [^]	Change
Continuing operations			
Gross transaction value*	6,848.1	6,304.6	9%
Revenue	1,974.7	1,735.0	14%
Gross profit	643.2	495.1	30%
Gross profit margin (as % of GTV)*	9.4%	7.9%	150 bps
Marketing and overheads*	(688.2)	(595.1)	16%
Marketing and overheads (as % of GTV)*	(10.0)%	(9.4)%	(60) bps
Adjusted EBITDA*	(45.0)	(100.0)	(55)%
Adjusted EBITDA margin (as % of GTV)*	(0.7)%	(1.6)%	90 bps
Continuing operations and Australia and the Netherlands			
Gross transaction value*	7,082.4	6,631.0	7%
Revenue	2,040.7	1,824.4	12%
Gross profit	650.5	497.3	31%
Gross profit margin (as % of GTV)*	9.2%	7.5%	170 bps
Adjusted EBITDA*	(70.5)	(131.4)	(46)%
Adjusted EBITDA margin (as % of GTV)*	(1.0)%	(2.0)%	100 bps
Continuing and discontinued			
Loss for the year	(294.1)	(330.5)	(11)%
Free cash flow*	(243.1)	(238.7)	2%
Net cash*	999.6	1,290.9	(23)%

GTV change in constant currency was 7% for continuing operations and 5% for continuing operations and Australia and the Netherlands.

£ million unless stated

	H1 2022	H2 2022	H1 2021	H2 2021
Continuing operations				
Gross transaction value*	3,413.2	3,434.9	3,181.5	3,123.1
Revenue	972.9	1,001.8	866.6	868.4
Gross profit	296.7	346.5	258.2	236.9
Gross profit margin (as % of GTV)*	8.7%	10.1%	8.1%	7.6%
Adjusted EBITDA*	(51.6)	6.6	(15.4)	(84.6)
Adjusted EBITDA margin (as % of GTV)*	(1.5)%	0.2%	(0.5)%	(2.7)%
Free cash flow*	(168.7)	(74.4)	93.5	(332.2)

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

[^] The comparative information has been restated as a result of a prior period adjustment as discussed in note 4 in the notes to the consolidated financial statements

1. Group operating performance and income statement

See more on p149

Gross transaction value

Gross transaction value ('GTV') grew to £6,848.1 million, an increase of 9%, or 7% in constant currency, driven by growth in orders and a higher GTV per order. Orders increased by 5% to 299.2 million in 2022. Year-on-year order growth slowed during the year from 19% in Q1 to 4% in Q2, 2% in Q3 and (2)% in Q4. This slowdown mirrored the trend in monthly active consumers, while average order frequency was broadly stable. GTV per order rose to £22.9, up 70p versus 2021, an increase of 3%, or 2% in constant currency. In contrast to the slowing trend in order growth, year-on-year GTV per order growth accelerated through the year, driven by item level price inflation and optimisation of consumer fees. As a result we exited Q4 2022 with a GTV per order of £23.9, an increase of 11% year-on-year, or 8% in constant currency.

Revenue

Revenue grew 14% in the year to £1,974.7 million. This was ahead of the 9% growth rate in GTV, reflecting an increase in the revenue take rate (i.e. revenue as % of GTV) to 28.8% from 27.5% in 2021. This increase was the result of optimisation of consumer fees, and an increased contribution from advertising as this revenue stream begins to scale.

Gross profit

Gross profit increased by 30% to £643.2 million. Gross profit margin (as % of GTV) was up 150 bps to 9.4%, increasing through the year from 8.7% in H1 to 10.1% in H2. The year-on-year and sequential improvements reflect increases in revenue take rate, as well as efficiencies in the rider network that have enabled cost of sales per order to remain broadly stable at ~£4.50 compared to ~£4.40 in 2021.

Administrative expenses

Administrative expenses, continuing operations	2022 £m	2021 (restated) ^a £m	Change
Sales and marketing costs	214.9	267.8	(20)%
Staff costs	298.2	180.7	65%
Capitalised development costs	(50.3)	(34.6)	45%
Other expenses	220.6	166.6	32%
Depreciation and amortisation	61.4	42.0	46%
Share-based payments charge and accrued national insurance on share options	68.8	109.5	(37)%
Exceptional costs*	70.4	39.2	80%
Total administrative expenses	884.0	771.2	15%

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

^a The comparative information has been restated as a result of a prior period adjustment as discussed in note 4 in the notes to the consolidated financial statements.

Administrative expenses were £884.0 million in 2022, up 15% compared to 2021. Marketing costs reduced year-on-year reflecting more targeted marketing investments in H2 in light of the weaker consumer environment. Staff costs and other expenses increased year-on-year, driven in particular by growth in headcount in technology during H1. As 2022 progressed and the external economic environment became more challenging, cost control became an increasing focus. This has continued into 2023 with the announcement in February of a redundancy process which could see around 9% of the Company's workforce leave after employee consultations are completed during Q2 2023. The objective of this process is to deliver a permanent shift towards increased efficiency, reduced friction in organisational structures and increased speed of decision-making.

Depreciation and amortisation increased to £61.4 million (£42.0 million in 2021), due to an increase in depreciation as a result of the expansion of the Editions kitchen portfolio and an increase in amortisation driven by additional capitalised development costs. Share-based payments charge and accrued national insurance ('NI') on share options reduced to £68.8 million (£109.5 million in 2021); this reflects the release of NI accrual as a result of the lower share price at year-end 2022 compared to year-end 2021, as well as higher awards in 2021 related to the IPO. Exceptional items increased to £70.4 million (£38.6 million in 2021) mainly due to the recognition of further provisions for legal, regulatory and contractual matters, principally in some of the Group's overseas territories.

Other operating income and other operating expenses

Other operating income was £7.8 million in 2022 compared to £3.1 million in 2021, increasing principally due to income from a new lease arrangement. Other operating expenses were £12.6 million in 2022 compared to £17.1 million in 2021, mainly due to lower rider kit costs as we onboarded fewer new riders in the year.

Revenue

£2.0bn
+14% YoY

Gross profit

£643m
+30%

Financial review continued

1. Group operating performance and income statement continued

Adjusted EBITDA

Reconciliation to financial statements, continuing operations	2022 £m	2021 (restated) [^] £m	Change
Operating loss	(245.6)	(290.1)	(15)%
Depreciation and amortisation	61.4	42.0	46%
EBITDA	(184.2)	(248.1)	(26)%
Share-based payments charge and accrued national insurance on share options	68.8	109.5	(37)%
Exceptional items*	70.4	38.6	82%
Adjusted EBITDA*	(45.0)	(100.0)	(55)%
Marketing and overheads*	688.2	595.1	16%
Gross profit	643.2	495.1	30%

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

[^] The comparative information has been restated as a result of a prior period adjustment as discussed in note 4 in the notes to the consolidated financial statements.

Adjusted EBITDA loss more than halved to £(45.0) million from £(100.0) million in 2021. Adjusted EBITDA margin (as a % of GTV) improved to (0.7)% in 2022, compared to (1.6)% in 2021. Sequentially, adjusted EBITDA margin improved from (2.7)% in H2 2021 to (1.5)% in H1 2022 to 0.2% in H2 2022. This total movement of 290 bps was attributable to a 250 bps increase in gross profit margin (as % of GTV) and a 40 bps improvement in marketing and overheads costs (as a % of GTV).

Finance income and finance costs

Finance income increased to £17.8 million (comprising bank interest received of £11.0 million and foreign exchange gains of £6.8 million) from £9.4 million in 2021 (comprising bank interest received of £0.5 million and foreign exchange gains of £8.9 million). Finance costs increased to £2.8 million compared to £1.1 million in 2021 due to an increase in interest charged on leases, principally driven by new leases on Editions sites and headquarter premises.

Income tax charge

Whilst the Group reports a loss, certain overseas markets do generate profits for tax purposes. The income tax charge was £11.9 million in 2022 (2021: £7.4 million), with the increase largely reflecting higher taxable profits in certain overseas markets.

Discontinued operations

Deliveroo ended operations in Australia and the Netherlands in 2022, and in Spain in 2021; all three have been classified as discontinued operations. In 2022, loss for the year from discontinued operations was £51.6 million, compared to a loss of £41.3 million in 2021.

Loss for the year

Loss for the year (continuing and discontinued operations) was £294.1 million in 2022 compared to £330.5 million in 2021, as a result of the movements described above.

2. Segment operating performance

See more on p162

Deliveroo reviews operating performance in two geographical segments: the UK and Ireland ('UKI') and International, which comprises eight markets across Europe, the Middle East and Asia. In 2022, UKI represented 57% of total GTV and International 43%.

UK and Ireland

£ million unless stated	2022	2021	Change reported
Orders (m)	158.4	147.7	7%
GTV per order* (£)	24.5	24.2	1%
Gross transaction value*	3,888.2	3,570.0	9%
Revenue	1,119.4	980.7	14%
Revenue take rate (as % of GTV)*	28.8%	27.5%	130 bps
Gross profit	405.5	330.3	23%
Gross profit margin (as % of GTV)*	10.4%	9.3%	110 bps
Marketing and overheads*	(247.6)	(239.2)	4%
Marketing and overheads (as % of GTV)*	(6.4)%	(6.7)%	30 bps
Segment adjusted EBITDA*	157.9	91.1	73%
Segment adjusted EBITDA margin (as % of GTV)*	4.1%	2.6%	150 bps

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

Change in constant currency was 9% for GTV and 2% for GTV per order.



In UKI, GTV grew to £3,888.2 million, an increase of 9%. Orders grew by 7% to 158.4 million, primarily driven by a 7% increase in monthly active consumers and GTV per order was up 2% in constant currency to £24.5. Revenue grew 14% to £1,119.4 million, primarily due to the increase in GTV, as well as a higher contribution from advertising revenue. Adjusted EBITDA was £157.9 million, compared to £91.1 million in 2021, due to an increase in gross profit margin, offset by a modest increase in marketing and overheads. Adjusted EBITDA was £59.9 million in H1 2022 and £98.0 million in H2 2022, with the sequential increase reflecting both gross profit expansion and lower marketing and overheads.

During the period, Deliveroo continued to add differentiated content for consumers. UKI restaurant selection was further expanded, and in 2022 the Company added ~10,000 new sites increasing the base of restaurants by 19%. This included the rollout of over 1,000 McDonald's sites, which became available on the Deliveroo platform in the UK for the first time. We also continued to rollout our grocery offering: at the end of the period, Deliveroo had approaching 8,000 grocery sites live in the UKI across major partners and smaller independent partners, an increase of around 2,000 compared to the end of 2021. This included expanded partnerships with Waitrose, Sainsbury's and Co-op, and the launch of Asda on the platform.

International¹

£ million unless stated	2022	2021	Change reported
Orders (m)	140.8	136.4	3%
GTV per order* (£)	21.0	20.0	5%
Gross transaction value*	2,959.9	2,734.6	8%
Revenue	855.3	754.3	13%
Revenue take rate (as % of GTV)*	28.9%	27.6%	130 bps
Gross profit	237.7	164.8	44%
Gross profit margin (as % of GTV)*	8.0%	6.0%	200 bps
Marketing and overheads*	(189.5)	(192.8)	(2)%
Marketing and overheads (as % of GTV)*	(6.4)%	(7.1)%	70 bps
Segment adjusted EBITDA*	48.2	(28.0)	(272)%
Segment adjusted EBITDA margin (as % of GTV)*	1.6%	(1.0)%	260 bps

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

Change in constant currency was 5% for GTV and 1% for GTV per order.

In International, GTV grew to £2,959.9 million in 2022, an increase of 5% in constant currency. Orders grew by 3% to 140.8 million, primarily driven by a 4% increase in monthly active consumers and GTV per order which was up 1% in constant currency to £21.0. Revenue grew 13% to £855.3 million, primarily due to the increase in GTV. Adjusted EBITDA was £48.2 million, compared to £(28.0) million in 2021, due to gross profit improvements

and marketing and overheads remaining broadly flat. Adjusted EBITDA was £7.7 million in H1 2022 and £40.5 million in H2 2022, with the sequential movement reflecting both gross profit expansion and lower marketing and overheads.

Across the International segment, growth in 2022 was supported by strengthened relationships with restaurant partners, adding ~18,000 new sites, increasing the base of restaurants by 24%. During the period, we also expanded our grocery offering, continuing the rollout with key partners such as Carrefour in France, Italy and Belgium, Casino in France, and ParknShop in Hong Kong. At the end of the year, Deliveroo had over 10,000 grocery sites live with major partners and smaller independent grocery partners across International markets, representing a year-on-year increase of ~5,000 sites.

3. Cash flow statement

See more on p152

All discussion of cash flows from operating activities, cash flows used in investing activities and cash flows from financing activities are for continuing and discontinued operations, unless otherwise stated.

Cash flows from operating activities

Net cash outflow from operating activities was £(144.2) million in 2022 compared to a net cash outflow of £(171.5) million in 2021. The decrease in net cash outflow from operating activities was primarily driven by the £55.0 million reduction in adjusted EBITDA loss from continuing operations in 2022, partly offset by a working capital outflow in the year. The working capital outflow is principally caused by the timing of IPO-related employee tax and social security payments on share awards, which resulted in a £39.7 million cash inflow in H2 2021 that reversed in H1 2022.

Cash flows used in investing activities

Net cash flows used in investing activities were £(119.9) million in 2022 compared to £(58.4) million in 2021, an increase of £61.5 million. Purchases of property, plant and equipment (also referred to as 'capital expenditure') increased to £30.1 million in 2022 from £21.4 million in 2021 mainly related to the further expansion in Editions as well as the opening of new Hop sites. Acquisition of intangible assets (also referred to as 'capitalised development costs') increased to £50.3 million from £34.6 million in 2021. Additional development work in the year included: improvements to our 'dispatcher' service (which assigns riders to live orders) to improve network efficiency; building features to improve our rider proposition such as facial recognition; building out our advertising platform to support growth in this important revenue and profit opportunity; supporting our expansion into Qatar; and optimising our promotional capability. Investments in other treasury deposits were £50.5 million (2021: £nil) and interest received increased to £11.0 million (2021: £0.5 million).

1 On 16 and 30 November 2022, Deliveroo ceased operations in Australia and the Netherlands, respectively, and in Spain on 29 November 2021. These markets have been classified as a Discontinued Operation in accordance with IFRS 5 and as such the results from these markets are not included in this section.

Financial review continued

3. Cash flow statement continued

Cash flows from financing activities

Net cash outflow from financing activities was £(84.5) million in 2022 compared to a net cash inflow of £1,139.0 million in 2021. This outflow principally results from the share purchase programme commenced in 2022, which accounts for £66.0 million, with the remainder attributable to cash outflows arising from lease obligations. In 2021, the net cash inflow was primarily driven by £1,011.7 million net proceeds (after costs) from the IPO in April 2021, as well as £135.3 million net proceeds (after costs) from the Series H fundraising round in January 2021.

4. Balance sheet

See more on p150

Following the IPO and fundraising activities in 2021, Deliveroo has been in a strong financial position. Cash and cash equivalents were £949.1 million at 31 December 2022, compared to £1,290.9 million at 31 December 2021. As at 31 December 2022, Deliveroo had no debt outstanding. The Company has £75 million and €87.5 million of available loan finance in the form of a committed Revolving Credit Facility ('RCF'), which is available to 7 April 2026 and none of which has been drawn down.

Right-of-use assets have increased by £33.7 million from £39.8 million at 31 December 2021 to £73.5 million at 31 December 2022, as a result of additional leases for Hop and Editions sites and headquarter premises.

Provisions at 31 December 2022 were £143.2 million, an increase of £61.5 million compared to £81.7 million at 31 December 2021. This increase is primarily due to the recognition of further provisions for legal, regulatory and contractual matters, principally in some of the Group's overseas territories. In addition, a dilapidations provision has been recognised in 2022, primarily in respect of the Group's headquarter property footprint.

Total equity was £804.1 million at 31 December 2022, compared to £1,073.7 million at 31 December 2021. This movement is primarily driven by the loss for the year, share-based payments and the share purchase programme initiated in the second half of the year.

5. Share purchase plan

During H2 2022, Deliveroo commenced a share purchase programme of up to £75 million to acquire Class A Ordinary Shares for the purpose of mitigating dilution from share-based compensation plans. Shares were purchased by Deliveroo's Employee Benefit Trust ('EBT') and repurchased shares will be held by the EBT and used to satisfy employee share-based compensation awards. From launch of the share purchase programme on 1 September 2022 until 31 December 2022, the EBT had purchased a total of 73.8 million shares for a total gross purchase consideration of £66.0 million. Since the year-end, the EBT has completed the share purchase programme. From launch of the share purchase programme on 1 September 2022 until completion on 17 January 2023, the EBT purchased a total of 83.3 million shares for a total gross purchase consideration of £75 million.

Deliveroo announced a share purchase programme on 16 March 2023 of up to £50 million to acquire Class A Ordinary Shares. The programme is expected to commence shortly after 16 March 2023 and be completed during 2023.

6. Dividend and dividend policy

See more on p133

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

7. Going concern

The Group's loss for the financial year amounted to £294.1 million (2021: £(330.5) million). The Group had net assets of £804.1 million (2021: £1,073.7 million) at year-end, including a cash balance of £949.1 million (2021: £1,290.9 million). The Group also has access to a Revolving Credit Facility of £75 million (2021: £75 million) and €87.5 million (2021: €87.5 million), which is available to 7 April 2026. This remains undrawn at the date of signing and is therefore available to draw down in full as required.

In assessing whether to adopt the going concern basis of accounting, management has considered whether there are any material uncertainties surrounding the Group's and Company's ability to continue operating over a period of at least twelve months from the date of this report. Management has prepared detailed forecasts which have been approved by the Board. Appropriate assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook for an extended period to the end of December 2025. Appropriate sensitivities have been applied in order to stress test the model, considering situations in which future costs are substantially higher than forecasted and future trading is less than forecasted. Management has also considered available undrawn bank facilities which are not included in our forecasts as we do not anticipate needing to draw on these over the forecast period.

Based on this assessment the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities and obligations as they fall due over the forecast period, and accordingly are satisfied that the adoption of the going concern basis of preparation is appropriate.

In assessing going concern and viability, the Directors have considered the impact of climate change risks. Whilst no material risks have been identified in the short to medium term, which are expected to have an impact on the Group's cash flow forecasts, (including those used for impairment assessment), the Directors will continue to monitor the risks, with particular reference to those that might impact the going concern assumption or viability assessment.

Risk management and our principal risks

Effective risk management



How are risks effectively managed at Deliveroo?

At Deliveroo, we identify, analyse and review risks periodically, with responses designed to be commensurate with the determined likelihood and impact, and in alignment with the Group's overall strategy. This includes designing and implementing controls to reduce the likelihood of the risk occurring and/or mitigate the impact of risks on the Group's operations. The Deliveroo Risk Management and Internal Control Framework (the 'Framework') formalises ownership of risk, and the process for identifying, analysing, measuring, prioritising and responding to risks. An effective and well-maintained risk management framework contributes significantly to the overall resilience, agility and sustainability of an organisation, helping to ensure that we achieve our strategic objectives and mission.

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

We balance and prioritise responses to risk to achieve the reward we foresee from executing on our strategy. Therefore, there are risks we may want to accept or pursue as a business, as we seek to achieve our stated mission of becoming 'the definitive online food company'. The Framework enables us to respond accordingly, making conscious and informed decisions with an appreciation for the overall risk profile of the Group.

The Board has delegated the responsibility for monitoring the effectiveness of the Group's risk management and internal control systems to the Audit and Risk Committee. It does this by directing and reviewing the work of Senior Management and the second line functions within the Group. The Chair of the Audit and Risk Committee updates the Board on the Committee's activities in this regard as appropriate.

Certain responsibilities and activities have been delegated throughout the business to achieve this integration, as summarised by the diagram below.

Board

Risk oversight

- Supported by the Audit and Risk Committee.
- Define desired culture, values and tone.
- Establish effective risk and internal control framework.
- Define risk appetite and review risk assessment.

Executive Team

Risk sponsorship

- Make business strategic decisions in proportion with Deliveroo risk appetite.
- Champion Company culture and values, and set tone at the top in response to the Board's expectations.
- Delegate risk ownership to the Senior Management Team.
- Monitor and sponsor effective management of top risks.

Risk and Control Owners

Embed risk and internal control management

- Risk and control owners range across Senior Management Team, Heads of sub-functions and departments and their teams, as well as second line functions such as Risk, Control and Compliance, Regulatory Compliance, Finance, Legal, Information Security and Company Secretariat.
- Make business operational decisions in proportion with Deliveroo risk appetite.
- Implement mitigation and controls in line with Deliveroo risk appetite.
- Identify opportunity and improve process efficiencies.
- Periodically report and escalate risks and related responses.



Risk management and our principal risks continued

How are risks effectively managed at Deliveroo?

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

For risk management to be effective, it needs to be integrated throughout the organisation and ingrained in the way that we operate. Deliveroo has adopted the 'three lines of defence model' to risk, internal control and assurance.

Line 1

Management

Senior management and staff who carry out the day-to-day operations own the direct management of specific risks in their area of the business. They are also responsible for the effective operations of controls to mitigate the risks, and ensuring any changes in risks are identified and controls are updated accordingly.

Line 2

Internal compliance and support functions

Compliance, Information Security and Legal functions play a role in the second line to drive risk management culture, set out control and compliance roadmaps, and provide subject matter expert guidance to Line 1 Management, as well as reporting on the progress of risk response to the Audit and Risk Committee.

Line 3

Internal audit

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

What does the Framework comprise of?



1 Identification

Apply a top-down and bottom-up approach to identifying risk across the business.



2 Analysis

Understand the nature and complexity of the risk using a 'data first' approach, where available.



3 Measurement

Measure the inherent and residual risk in terms of likelihood and impact.



4 Response

Determine our strategy for each risk based on our risk appetite.



5 Prioritisation

Prioritise our response to risks based on those presenting the greatest level of risk.



6 Review and reporting

Evaluate the effectiveness of our risk response strategy and report to relevant stakeholders regarding the development of risk over a period and proposed actions going forward.

How are risks identified and analysed?

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

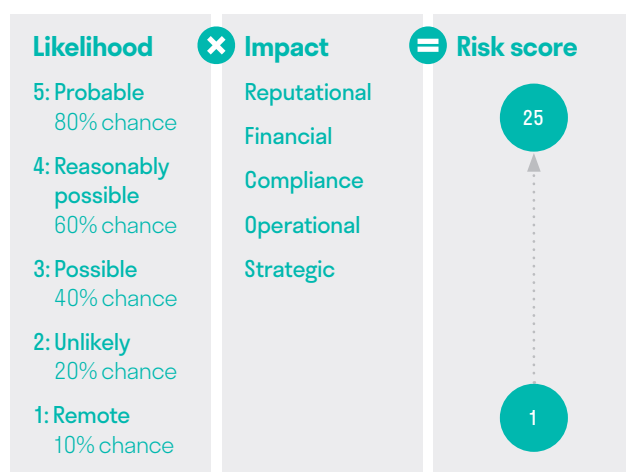
The Risk, Control and Compliance team maintains a regular dialogue with risk owners, making updates to risk registers and planning enhancements to risk responses in relation to any changes. This is facilitated through workshops where the Risk, Control and Compliance team provides objective challenge,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

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

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

How are risks measured?

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



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

How are risks responded to and prioritised?

Our strategy for responding to and prioritising risks directly correlates with our risk appetite. As part of the review process with risk owners, we agree commitments to enhance responses for existing risks, or design and implement responses for emerging risks. The Risk, Control and Compliance team maintains the risk register for the Group, which includes the residual risk based on controls currently in operation, but also the forecast residual risk when new or enhanced responses have been implemented. This enables us to forecast the impact on each workstream and balance priorities across the organisation.

The Framework includes five different response types as outlined below:

Accept

Take no action to change the severity of the risk, i.e. within risk appetite.

Avoid

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

Pursue

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

Reduce

Take action to reduce the likelihood and/or impact of the risk, i.e. risk level is greater than risk appetite.

Share

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

Where the response is to avoid, reduce or share the risk, this results in the design, implementation or enhancement of control activities. Where the response is pursue the risk, this results in us making trade-off decisions in pursuit of opportunities.

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

How are risks reported on?

The outputs of the risk reviews are shared with the Executive Team for its review, input and challenge, ensuring we allocate resources appropriately and hold risk owners to account for the committed responses to risks.

The Risk, Control and Compliance team formally reports to the Audit and Risk Committee at least biannually on the principal risks, as well as the activities of the team in respect of continuously enhancing the risk management practices of the Group.



Risk management and our principal risks continued

Our principal risks and uncertainties

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

We provide additional context to demonstrate how the risks are linked to our strategy, as well as key mitigations and any changes in the profile of the risk during the year.

Description	Mitigation	Change to risk profile in 2022
Service availability		
<p>We depend on our network infrastructure, software, content delivery processes, and associated key third-party services and software to operate our platform and to receive, process and fulfil orders. Any significant disruption in service, including from a distributed denial of service attack, could materially impact our operations, reputation and financial performance.</p> <p>Primary impact type Operational</p> <p>Link to strategy 3</p> <p>Risk appetite ▶</p> <p>Low – our risk appetite remains low as we are highly dependent on service availability to keep pace with our sustainable growth.</p>	<p>The Technology team operates in accordance with our Change Control Standard, which requires formal planning, as well as appropriate review and approval for all changes.</p> <p>Should an incident arise, the Engineering team utilises a formalised Incident Management Framework, alongside an 'on-call' rota, ensuring that incidents are resolved in a timely manner, while maintaining channels of communication with consumers, riders and merchants. We continuously enhance our tools and capabilities to monitor our service availability.</p>	<p>No change – As a technology business that executes continuous development, relying upon bespoke systems for our operations, this continues to be a principal risk, but one we are acutely aware of and continuously monitoring.</p>
Cyber and data security		
<p>We are responsible for protecting all personal data we receive from consumers, riders, merchants and employees. For the sensitive data we hold and process, we could face significant reputational and legal consequences as well as financial loss if we fail to protect this information from security threats, including ransomware.</p> <p>Primary impact type Compliance</p> <p>Link to strategy 2</p> <p>Risk appetite ▶</p> <p>Low – given the sensitive nature and volume of our data we hold as a Group and the implication of data breach, we have a low risk appetite for this risk.</p>	<p>We operate robust application and infrastructure security controls designed to prevent, identify and respond to information security threats.</p> <p>We continuously review and mature our security controls across the Company leveraging a best practice framework.</p> <p>The Information Security team regularly reports to the Audit and Risk Committee and the Board on key milestones on maturing our security controls and any relevant analysis of internal and external security threats and trends.</p>	<p>No change – Cyber threats and the related regulatory and compliance landscape continue to evolve, and remain an area of focus and priority due to the nature of our business. We continue to monitor internal and external security threats and trends and consider the overall profile of this risk unchanged.</p>

Key to strategy

- 1** Invest in differentiated value propositions
- 2** Drive sustainable growth
- 3** Strengthen levers of profitability

Key to risk appetite

- ▶ No change
- ▲ Increase
- ▼ Decrease

 See more on p16



Description	Mitigation	Change to risk profile in 2022
Three-sided marketplace		
<p>Our business model relies on the three-sided marketplace, and to grow revenue and achieve profitability, we must continue to acquire and retain consumers and merchants, and maintain a balance between supply and demand for riders, as well as growing GTV per order and/or order frequency to develop our business, which may be difficult to maintain.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 1</p> <p>Risk appetite ▶</p> <p>High – this risk is inherent to our business model and in order to grow the platform on all three sides of the market sustainably, we will continue to make strategic investments, which may carry a reasonable level of risk as we compete with other platforms, therefore, the risk appetite has been determined to be high.</p>	<p>We continuously focus on the enhancement of the value proposition for consumers, riders and merchants.</p>	<p>No change – This is a core element of our strategy and business model and we consider that we have continued to enhance our value proposition for all sides of the marketplace.</p> <p>We have seen strong consumer, rider and merchant acquisition and retention throughout 2022 but as we continue to grow, this will remain a principal risk, particularly considering macro factors such as inflation in our existing and potential markets more generally.</p>
Rider model and rider status		
<p>Our business would be adversely affected if our rider model or approach to rider status and our operating practices were successfully challenged or if changes in law required us to reclassify our riders as employees including with retrospective effect.</p> <p>Primary impact type Compliance</p> <p>Link to strategy 1 2</p> <p>Risk appetite ▶</p> <p>Low – our rider model is critical to our long-term profitability and our ability to compete effectively in each of our markets. As such we have a low risk appetite for this risk.</p>	<p>Policy and Employment Legal teams continuously focus on ensuring our rider model is compliant with local laws and regulations and are actively defending any challenges to our rider model.</p> <p>We proactively engage with Government bodies to discuss proposals or consultations.</p>	<p>No change – Our rider model continues to be a principal risk for the Group. The level of risk differs by market depending upon specific local circumstances, including legislative changes, but the overall profile of this risk is unchanged.</p> <p>Although the exits from the Netherlands and Australia were driven by economic factors, these exits have indirectly reduced the scope of regulatory scrutiny on platform work across the portfolio. However, in a business like Deliveroo, the inherent risk remains high, due to the continually evolving nature of the legislation and the emerging policy in this area.</p>
Key commercial relationships		
<p>We rely on partnerships with various national and global brands in each of the markets in which we operate, sometimes on an exclusive basis. The loss of such relationships or the inability to enter into new relationships (on commercially attractive terms or at all) could adversely affect our business.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 1 2</p> <p>Risk appetite ▶</p> <p>Medium – we need to strike a balance between enabling growth with commercial terms that support our path to profitability. Consequently, the risk appetite in respect of these relationships is determined to be medium.</p>	<p>Our Commercial teams in each of our markets develop strong working relationships with our partners to foster mutual success.</p>	<p>No change – We continue to add new significant national and global brand accounts to the platform across merchants with expanded offerings. Notwithstanding normal account churn, the risk to growth of losing any of these brands remains static.</p>

Risk management and our principal risks continued

Our principal risks and uncertainties continued

Description	Mitigation	Change to risk profile in 2022
Reputation and brand		
<p>Our reputation, brand and ability to build and retain trust with new and existing stakeholders (including shareholders) may be adversely affected, including by unfavourable or inaccurate publicity or events beyond our control (including misconduct by our employees, riders, or merchants). This could negatively impact our future performance and prospects.</p> <p>Primary impact type Reputational</p> <p>Link to strategy 2</p> <p>Risk appetite ▶</p> <p>Low – as a foundation to attracting and retaining all three sides of the marketplace, as well as our broader stakeholders, we have a low risk appetite to any adverse impact on our reputation and brand.</p>	<p>We carefully vet our prospective riders and merchants.</p> <p>We proactively contact our consumers, riders and merchants when something goes wrong.</p> <p>We have a public policy strategy in each of our markets which involves actively engaging in relevant discussions with appropriate public bodies to build transparency and trust.</p>	<p>No change – As a marketplace platform this is an inherent risk, heightened by the fact that we operate a three-sided marketplace.</p>
Attracting and retaining key personnel		
<p>We rely on the skills and experience of our key personnel, and our business may be adversely affected if we cannot attract and retain the talent required to solve the complex problems presented by our three-sided marketplace.</p> <p>Primary impact type Operational</p> <p>Link to strategy 1</p> <p>Risk appetite ▲</p> <p>Medium – our risk appetite is determined to be medium as we take on a more balanced approach to talent growth with prevailing external economic uncertainties such as inflation and rising cost of living.</p>	<p>We strive to provide, and continuously enhance, an attractive value proposition for employees, including through the creation of an inclusive environment where our people can grow fast and leave their mark.</p> <p>To improve employee engagement and support across the organisation, our Employee Resource Groups ('ERGs') actively engage employees in the areas of Gender Equity, Women in Tech, Racial Equality, LGBTQ+ (Deloveroo), and Wellbeing, in line with our execution of a central diversity, equity and inclusion strategy.</p>	<p>No change – A key component of our growth strategy is to innovate and invest to create the most efficient logistics network for our platform and to generate tech-driven efficiencies across our marketplace and in our operations. To achieve this, it remains critical that we attract and retain the best, highly skilled engineering and technology talent.</p>



Key to strategy

- 1** Invest in differentiated value propositions
- 2** Drive sustainable growth
- 3** Strengthen levers of profitability

Key to risk appetite

- ▶ No change
- ▲ Increase
- ▼ Decrease

See more on p16

Description	Mitigation	Change to risk profile in 2022
Competition		
<p>We operate in a highly competitive industry and must compete effectively to succeed. We may not be able to achieve or maintain a position in each of our markets that is sufficient to support the business sustainably for the long-term.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 2</p> <p>Risk appetite ▼</p> <p>Medium – we carefully monitor our ability to effectively compete in each of our markets, with extensive due diligence undertaken including the competitive landscape and the level of investment required. With the Group's focus on path to profitability and low risk appetite for financial condition, our risk appetite in pursuit of competition has been lowered from high to medium.</p>	<p>We plan and execute strategic initiatives targeted at achieving or maintaining a #1 or strong #2 market position, including through the continuous enhancement of the value proposition for consumers, riders and merchants.</p>	<p>No change – Although there is a common shift to a clear path to profitability among our competition, the landscape remains competitive as in previous years.</p>
Managing growth		
<p>We are a fast growth company and if we do not manage our growth and evolution successfully, or we fail to execute on our strategy, our business will suffer.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 2</p> <p>Risk appetite ▼</p> <p>Medium – we carefully evaluate investments intended to drive sustainable growth to ensure that the return on investment is aligned to our path to profitability, consequently our risk appetite in pursuit of our growth strategy has been lowered from high to medium.</p>	<p>We operate an annual formal strategic planning and quarterly budgeting process.</p> <p>Our spend controls ensure that costs are monitored against the budget.</p> <p>We continue to evolve our regulatory and compliance infrastructure to support our growth requirements.</p>	<p>No change – We continue to carefully manage investments made in the pursuit of long-term value.</p>
Financial condition		
<p>We have in past periods incurred, and may in future periods incur, net losses, which could affect our need and ability to access additional capital to grow our business.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 3</p> <p>Risk appetite ▼</p> <p>Low – we are confident and focused on achieving our path to profitability commitment and consequently the risk appetite for financial conditions has been lowered from medium to low.</p>	<p>Our spend controls ensure that costs are monitored against the budget.</p> <p>The Company has a strong balance sheet from the IPO in April 2021.</p>	<p>Reduced – We made significant progress on profitability and strong GTV growth, further reducing this risk and continuing on our path to profitability.</p>

Risk management and our principal risks continued

Our principal risks and uncertainties continued

Description	Mitigation	Change to risk profile in 2022
Compliance with other laws and regulations		
<p>We are subject to the laws and regulations of numerous national and local authorities and changes to, or uncertainty regarding, the applicable laws, regulations or regulatory environment may adversely affect our business.</p> <p>Primary impact type Compliance</p> <p>Link to strategy 2</p> <p>Risk appetite ►</p> <p>Low – our risk appetite remains low on the basis that we apply a high standard to compliance with laws and regulations while executing on our Company objectives.</p>	<p>Our Information Security, Privacy, Policy, Public Affairs, Tax and Legal teams 'horizon scan', flagging any potential emerging risks they become aware of before they impact the business, working collaboratively with relevant teams to plan mitigating actions as appropriate.</p> <p>We proactively engage with Government bodies to discuss proposals or consultations.</p>	<p>No Change – No other significant changes in the period that adversely affect our business.</p>
External environment and events		
<p>Our business could be affected by the actions of Governments, political events or instability, or changes in public policy in the countries in which we operate. Adverse economic conditions could impact consumers' discretionary spending and in turn our growth and profitability.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 2 3</p> <p>Risk appetite ►</p> <p>Medium – we remain acutely aware of the external factors that impact the Group in setting our plans and objectives. As such, the risk appetite remains at a medium level.</p>	<p>We are continuously focused on the enhancement of the value proposition for consumers, including enabling access to a broad selection aligned to a hyperlocal market.</p>	<p>Increased – Continued economic pressure, including inflation, could impact consumers' discretionary spending and in turn our growth and profitability.</p>

Key to strategy

- 1** Invest in differentiated value propositions
- 2** Drive sustainable growth
- 3** Strengthen levers of profitability

Key to risk appetite

- No change
- ▲ Increase
- ▼ Decrease

See more on p16

Climate risk

As part of the wider principal risk review, the Board has determined that climate-related risks were not considered a separate principal risk in FY2022. This is mainly because Deliveroo operates as a three-sided marketplace connecting consumers, riders and merchants. Our core operations are less affected by climate risk as compared to our marketplace.

In 2022, we have incorporated climate-related risk into our Risk Management and Internal Controls Framework for the first time. As detailed in our Task Force on Climate-related Financial Disclosures ('TCFD') statement we have identified climate risk related to extreme weather events and emissions taxation. This means that climate risk forms a part of our 'Compliance with other laws and regulations' and three-sided marketplace principal risks. In 2023, we will continue to review and update climate-related risks as part of the regular Group risk review processes. The level of impact from climate-related risks on our core business and the three-sided marketplace will be carefully monitored and reviewed as part of the Board's annual principal risk review.

We have reported formally on our climate-related financial disclosures in line with the TCFD framework for the first time in this year's Annual Report. The TCFD framework requires companies to disclose their governance, strategy, risk management, and metrics and targets in relation to the climate. These are set out on pages 68 to 74.

 [TCFD statement on p68](#)



Task Force on Climate-related Financial Disclosures statement

We recognise the importance and threat of climate change and its potential impact on us all. Increasingly, we, like most UK businesses, are also cognisant of the impact it will have on the success and enduring nature of our business, including impacts on our consumers, riders and merchants.

This is the first year we are reporting formally on our climate-related financial disclosures in line with the TCFD

framework which requires companies to disclose their governance, strategy, risk management, and metrics and targets in relation to the climate.

We are committed to reducing the environmental impact of our business and in addition to our TCFD disclosure below, more information on how we plan to do this can be found in the Sustainability review on page 31.

Compliance statement

Deliveroo has completed its TCFD disclosure in line with the UK Listing Rules (LR 9.8.6R). Our statement (and the information available at the locations within the statement) complies fully with 9 of the 11 recommended disclosures, while we are in partial compliance with the remaining two. We have explained our partial compliance with recommendation 2b because we have not integrated the financial impact of some climate risks into our financial planning processes at this stage. In our first disclosure, we have estimated the materiality of a climate risk rather than giving a precise number. We will develop our modelling of the financial impact of climate risks and opportunities in future years. We have also explained our partial compliance with recommendation 4b because we have not yet reported our Scope 3 emissions and will look to disclose our Scope 3 emissions next year.

TCFD compliance index

1. Governance

- Describe the Board's oversight of climate-related risks and opportunities.
- Describe management's role in assessing and managing climate-related risks and opportunities.

 Reporting and compliance p69

2. Strategy

- Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long-term.
- Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.
- Describe the resilience of the organisation's strategy, considering different climate-related scenarios, including a 2°C or lower scenario.

 Reporting and compliance p70-73


3. Risk management

- Describe the organisation's processes for identifying and assessing climate-related risks.
- Describe the organisation's processes for managing climate-related risks.
- Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

 Reporting and compliance p74

4. Metrics and targets

- Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.
- Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas ('GHG') emissions and the related risks.
- Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

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Introduction

As noted, this is the first year that the Company has been required to report against the TCFD recommendations and disclosures in accordance with the FCA Listing Rules, and so the Company is on a journey to develop its knowledge and expertise on climate-related matters. This is also the first time Deliveroo has set net zero targets as set out in the Strategy section below.

This year the focus has been on establishing our ESG strategy and climate-related strategy and goals in relation to which we have set our Scope 1 and 2 emissions reduction targets, as well as the development of our governance framework and internal processes to support this, as set out below.

Our activity and progress will continue to be overseen by our governance structures which are described in more detail below. This includes strategic oversight from our Board through regular tabled items on the Board agenda and review of climate-related risks as part of the wider annual risk review, as well as taking steps to have more detailed oversight of our compliance and monitoring of climate-related risks from our Executive Team, led by the Director of Policy and Sustainability.

As a reminder, Deliveroo operates as a marketplace connecting consumers with merchants and those merchants with riders (the model is set out on page 1 of our report). This means that many of the climate risks and opportunities for our business will affect the three-sided marketplace in different ways to our core operations.

1. Governance



The Board takes overall accountability for the management of risks and opportunities, which includes climate change. More information on the Board and its Committees can be found on pages 80 to 84. The CFO has responsibility for oversight of our climate-related risks and is supported by the Director of Policy and Sustainability who is responsible for the compliance and implementation of our net zero and climate risk management activities and reporting.

The Board oversees the development and adoption of the ESG strategy and climate-related strategy and goals and how these align with the Board's risk appetite. The Board is also responsible for monitoring the implementation of the Group's strategic priorities for enabling sustainable progress

in these areas, including relevant initiatives and actions. For example, this includes considering the materiality of climate risk when setting annual budgets, in particular our ESG budget. ESG matters, including climate, were discussed at the Board, with two written updates from the Director of Policy and Sustainability tabled during the year. This is the first year we have set climate targets so in future years these updates will include updates on our progress against targets. During the year the Board agreed the Company's ESG strategy and net zero target, including the priority areas of focus for our sustainability work, actions to achieve this and any required investment. The overall aim is to target the most emissions-impacting parts of our operations, as well as stakeholder impacts through our sustainability pillars. For more information see our Sustainability Review on page 31.

The Audit and Risk Committee reviews the effectiveness of the Group's risk management and internal control framework. It supports the Board in carrying out a robust assessment of the principal risks facing the Group and the nature and extent of the principal risks the Board is willing to accept in delivering the Group's strategy, including those with a specific climate dimension. Risk management and TCFD planning updates are standing items on the Committee's agenda. During the year, the Committee monitored management's progress in considering its climate-related strategy/goals including the methodology and data collection for the Scope 1, 2 and 3 emissions, how climate risks and opportunities were considered as part of the Company's risk framework and the establishment of protocols to support these particularly, to reflect the TCFD recommendations and disclosure requirements.

The Remuneration Committee establishes and reviews the remuneration framework for our Directors and the Executive Team and determines pay outcomes against performance metrics. To support our ESG strategy, a climate metric around market-based Scope 1 and 2 emissions reduction has been introduced into our PSP to reinforce the importance of executive focus on the achievement of our goals in this area. More information on our ESG metrics is found in the Directors' Remuneration Report on pages 109 and 127.

Ongoing management oversight is led by the CFO, who has responsibility for carrying out the ESG strategy within the Company, including co-ordinating sustainability activities across the Group, and ensuring that climate risks and opportunities form part of the risk management framework. This includes establishing the priority areas of focus and investment and monitoring progress against targets, and reporting on this to the Audit and Risk Committee and the Board.

The CFO is supported by the Director of Policy and Sustainability, who is responsible for the delivery of our sustainability and climate programmes. The CFO receives ad-hoc regular working updates from the Director of Policy and Sustainability. During the year to support robust TCFD protocols and reporting, we established a TCFD steering group which included the Interim CFO, the Director of Policy and Sustainability, the VP Finance and the Company Secretary.

Management's role in assessing climate risks and opportunities is described below under the heading Risk management.

Task Force on Climate-related Financial Disclosures statement continued

2. Strategy

We set out our commitment to achieving net zero in our Sustainability Review on page 31. We will aim to reach net zero across our Scope 1 and 2 emissions by 2035. This target is aligned with the jurisdictions we operate in.

As required by TCFD, we have also completed a scenario analysis to identify relevant climate-related risks and opportunities and the resilience of the Company's strategy under three possible future climate scenarios. We analysed the impact of three potential scenarios (a 1.5°C, 2°C and 3°C warming) on each side of the marketplace and our core operations. The scenarios that we have considered include changes in the physical, policy and technology environments and were informed by a mix of quantitative and qualitative data including the Intergovernmental Panel on Climate Change's Representative

Concentration Pathways, the International Energy Agency's Policy Scenarios, and external reporting on future technology developments. The scenarios also consider global risks across all of our markets although where relevant we have highlighted specific market risks. To develop the scenario analysis, the Sustainability team held a workshop with internal stakeholders across the Group representing each side of the marketplace to explain each climate scenario and consider the key climate-related risks and opportunities which have the greatest potential to impact Deliveroo. In line with the TCFD strategy recommendation, we considered the cross-sectoral risks that the TCFD implementation guidance lists in Table A.1.1 and A.1.2 and identified two transition risks and one physical risk as the most relevant to our operations. The TCFD steering group reviewed the analysis. During 2022, we developed this climate scenario analysis framework and will continue to expand and refine it in 2023, as best practice in this field evolves.

Climate-related risk analysis and financial impact

Future warming impact	Marketplace impacts (risks)	Marketplace impacts (opportunities)
Extreme weather		
<p>Higher frequency of days with intense rainfall or extreme temperatures.</p> <p>Extreme weather also causes increased incidence of crop failures. Shared Socioeconomic Pathways 1,2,3 project a 1–29% cereal price increase in 2050 due to climate change in RCP 6.0.¹</p> <p>Timeframe Short, medium and long term.</p> <p>Scenarios All – impacts are greater in 2°C and 3°C scenarios.</p>	<p>Riders Possible increased frequency of periods where orders are less likely to be accepted due to potentially difficult or unsafe riding conditions.</p> <p>It may become harder to match rider supply with order demand as the nature of outdoor work becomes less predictable.</p> <p>Some rider assets may not be suitable for extremely hot weather (e.g. kit) requiring new items or kit changes (particularly a risk in the Middle East markets).</p> <p>Consumer Potential increase in bad order experiences due to increased frequency of extreme weather events. Extreme weather could make it harder for riders to arrive in good time or to maintain food temperatures, affecting future demand for the service.</p> <p>Extreme weather could increase the rate of crop failures. In turn this will likely drive up food prices and dampen consumer demand.</p> <p>Restaurant & grocery As a result of crop failure (as above) there may be limited supply of certain ingredients. Where possible, patterns may have to change supply chains or dish selection to mitigate impacts.</p>	<p>Across all sides of the marketplace Bad weather could drive increased order volume from consumers (who go out less). In turn, this may mean more earning opportunities for riders and merchants and more consumers using the app.</p>

In the scenario analysis, we define short-term as <5 years, medium-term as 5-10 years and long-term as >10 years. In line with our Company-wide approach to risk management, risks are quantified on the basis of likelihood and impact. We deem 'materiality' to mean that a risk qualifies as one of the Company's principal risks. At this stage we do not deem any climate risks to be material to our core operations. Over time, climate risk may become more significant for different sides of the marketplace or to our core operations. In our scenario analysis, we have not quantified financial impacts as the large uncertainties and ranges involved do not make the outcome useful for financial planning. Instead, we have clarified that we consider all climate risks immaterial but have given an explanation of the nature of the risk. We have identified mitigations to relevant climate risks to help us understand the resilience of our approach. This is Deliveroo's first TCFD disclosure and we are in the early stages of implementing our sustainability strategy (see page 32 for more information).

Future reports will continue to describe our journey as our approach to climate change develops. This year, the outputs of the scenario analysis have helped inform our Product teams on the approach to certain workstreams: recognising that an emissions tax may be a future policy in some of our markets, we are scoping new in-app sustainability features with Product teams to help us understand how we can display sustainable food choices/more information on the sustainability of certain dishes. The full scenario analysis is presented below. As above, we have identified integrating climate risks and opportunities into our financial planning as an area where we have explained why we are only partially compliant and could go further. We will work to do this during 2023.

The scenarios presented below show potential portfolio impacts under a given scenario. They are not forecasts or predictions, nor are we saying they are equally likely.

Materiality

Management and strategic resilience

Immaterial

The impacts would largely be confined to individual markets and a small number of days in the year. The overall financial impact is therefore determined by which day of the year and in which market an outage might occur. It would affect all sides of the marketplace and our core operation.

The impacts of specific day outages may be mitigated by more consumers using the app in general.

Matching an increase in demand with rider supply:

- we are able to encourage more riders onto the road by highlighting areas of high demand;
- we can change delivery radii to a lower distance to cope with temporary increased network strain; and
- we can rely on higher rates of order stacking when fewer riders are available to increase our remaining fleet's efficiency.

We are testing and developing rider kit that can:

- help keep riders cool in hot weather; and
- help keep food at the right temperature in extreme conditions. This should help mitigate bad order experiences due to weather extremes.

We are able to support our merchants with their supply chain and procurement practices (e.g. through upcoming training delivered by Enterprise Nation on supply chain management), which could mitigate some impact if restaurants' existing supply chains fail.



1 <https://www.ipcc.ch/srccel/chapter/chapter-5/>

Task Force on Climate-related Financial Disclosures statement continued

2. Strategy continued

Climate-related risk analysis and financial impact continued

Future warming impact	Marketplace impacts (risks)	Marketplace impacts (opportunities)
Emissions taxation		
<p>Government intervention in the form of taxes or pricing on emissions including on vehicle and food production emissions.</p> <p>Previous/existing carbon taxes/emissions trading schemes (often on heavy industries) have significant price ranges per ton of GHG.</p> <p>Timeframe Medium and long term.</p> <p>Scenarios We assume such a tax is more likely in a 2°C scenario or above where Government takes significant, reactive action to mitigate climate risks. We also assume that carbon taxes on agriculture and land are less likely than those on high-emitting industries (e.g. power generators/large industry) as there is general public opposition to 'meat' taxes.</p>	<p>Riders Possible increases to operating costs for riders using petrol/diesel vehicles.</p> <p>Consumer Possible increases to prices for high-emissions foods could reduce demand for popular foods (e.g. beef burgers).</p> <p>Restaurants Potentially higher prices for running kitchens and food which in turn would likely drive an increase in operating costs.</p>	<p>Riders Emissions taxes are likely to be accompanied by incentives to move to e-vehicles which would support riders to transition over to e-vehicles (there are either Deliveroo or Government incentives already in place in many of our markets).</p> <p>Consumers There could be an opportunity to cater to changing consumer needs by expanding sustainable food selection.</p> <p>Restaurants Emissions taxes would likely move production and demand towards plant-based dishes or new food items (e.g. meat alternatives). Restaurants and grocers can attract new consumers with new products/dishes.</p>
Technology development		
<p>We predict that some of the key climate transition technology developments that will impact our operations are:</p> <ul style="list-style-type: none"> • better refrigeration; • better ways of controlling food waste; • effective, sustainable packaging; and • better, safer e-vehicles coming on to the market. <p>Timeframe Short, medium and long term.</p> <p>Scenarios All.</p>	<p>Government Regulation may force adoption of certain green technologies before they are cost-efficient thereby potentially increasing costs to all sides of the marketplace in the short term.</p> <p>Riders Electric vehicle charging infrastructure may not keep pace with the widespread availability of e-cars and bikes, limiting the efficiency and increasing costs if riders need two vehicles.</p> <p>Consumers Introduction of new deposit return schemes may prove costly and confusing to consumers and reduce the attractiveness of delivery.</p>	<p>Riders More widespread availability of clean e-vehicles may improve rider experience by reducing cost.</p> <p>Restaurants Food waste technology can support more efficient procurement, for example 'smart bins' that advise restaurants when they are buying too much of an ingredient, or more effective redistribution of finished goods. This could both reduce cost and improve revenue.</p> <p>The development of effective reusable packaging could reduce packaging costs by developing a circular economy.</p> <p>Reducing fridge leakage and more efficient building heating solutions may reduce operating costs including for Deliveroo Editions sites (particularly relevant for our UK, UAE and French markets).</p>

Materiality

Management and strategic resilience

Immaterial

Potential for sustained, global price increases which could impact consumer demand. We have not quantified a financial impact given previous tax rates have a large spread and the subsequent impact on consumer orders is difficult to predict.

Given these price increases will be broad-based it is unlikely Deliveroo is more or less exposed than any competitors. Taxes will also have less impact over time as lower carbon alternatives start to reach price parity.

We expect that emissions taxes would be most likely to affect merchants due to an increase in food prices while riders who might face an impact from fuel taxes can more easily switch to green alternatives.

We are already partially mitigating the risks of any potential future emissions tax on food and vehicle emissions through our wider sustainability strategy (explained in more detail on pages 32-33) which encourages take-up of sustainable practices. Relevant actions include:

- helping merchants to be more sustainable by piloting food waste reduction schemes and by incentivising the use of more sustainable packaging; and
- incentivising riders' take-up of e-vehicles.

Through our partnership with Shell we offer riders a discount on fuel costs, helping to reduce the effect of any cost increases on fuel.

Further options to mitigate the effects of any future emissions tax could include being able to respond to demand for new plant-based dishes, e.g. expanding selection and developing in-app features to help people understand the emissions impact of food and navigate to lower-taxed options or supporting our merchants to source sustainable products.

Immaterial

Financial benefits related to identified opportunities largely accrue to restaurant and grocery partners (e.g. cheaper energy and more food waste solutions) and riders rather than our core business. Costs may be incurred in the short term while the marketplace transitions to new technology.

In the UK and Italy, we offered e-bike subsidies to support riders to switch away from petrol vehicles.

We are working with WRAP, a food waste NGO, and some of our larger restaurant partners to help understand how we can reduce food waste procurement and will leverage this external partnership to understand future technology trends.

We are growing our activity to limit waste from leftover food and we have partnered with Olleco in the UK to trial reducing waste from cooking oils and with the Trussell Trust and Felix Project to redistribute meals.

We will use the learnings from this year's subsidy of sustainable packaging to help us understand our partners demand for sustainable packaging and what works from an operational perspective.

For more information on our various sustainability initiatives please see the Sustainability Review on pages 31 to 43.



Task Force on Climate-related Financial Disclosures statement continued

3. Risk management

The Board is responsible for determining the nature and extent of the significant risks and the relevant risk responses in achieving the business' long-term strategic objectives. The Board determines principal risks on the basis of the risk management framework set out in the Risk management and our principal risks section (see page 59). The Audit and Risk Committee has approved the principal risk identification and was content that climate-related risk is not a principal risk. Climate-related risk is nevertheless included in the wider Company risk register. Climate-related risk is assessed for impact and likelihood and is scored on the basis of the risk management framework set out on page 60. This assessment will be kept under review as part of the Board's annual principal risk review.

In 2023, in addition to including climate-related risk on the Company risk register, we will regularly discuss climate risk as part of our internal cross-Group risk management process. We will continue to update our assessment of climate-related risk and change our response and categorisation accordingly.

In last year's Annual Report we presented a materiality assessment of the sustainability and climate-related opportunities which matter most to our stakeholders and where the business can have the most impact. We have refreshed that analysis this year. Having identified and prioritised climate issues on the basis of this materiality assessment (this is not the same process as our formal risk management framework but a framework to understand what issues matter most to our stakeholders) and our wider risk identification process, the Sustainability team prioritises resources and develops the appropriate response.

Further actions taken to help us monitor and respond to climate-related risks and opportunities (in addition to the general risk management approach) in FY2022 include:

- expanding the Director of Policy's remit to include sustainability to ensure day-to-day oversight of risks and opportunities;
- establishing an emissions reduction target as part of our PSP;
- conducting quarterly horizon scans of any policy and climate-related issues that could affect the business; and
- providing more detail on our emissions and outlining how we as a business can reduce our own emissions in our overall sustainability strategy which acts as a mitigation response.

4. Metrics and targets

The metrics to assess climate risks are detailed above and in the general risk management framework – that is, assigning inherent risk scores on the basis of likelihood multiplied by impact and then changing the inherent risk score on the basis of what management actions can be taken to mitigate risk. In measuring our emissions across Scopes 1 and 2, we have identified parts of our operations that have relatively higher levels of GHG emissions and we will develop strategies to target these areas in future.

Our Scope 1 and 2 emissions are disclosed on page 39. We have set out our 2035 Scope 1 and 2 net zero target on page 32. To deliver on this overall target we have also set an interim target of a 15%–25%

absolute reduction in market-based Scope 1 and 2 emissions by the end of 2025 against a baseline year of 2022 as part of our PSP. This range represents our target and stretch goals for emissions reduction.

As detailed in Table A2.1 of the TCFD implementation guidance, these metrics and targets are based on the categories of 'GHG emissions' and 'remuneration' and are actively used by the business to assess and manage climate risks and opportunities. Given this is the first year we have set a net zero target, we will start to measure any emissions reductions and performance from next year.

However, there are several metrics that the business tracks as part of its usual operation that are relevant to climate. As above, given we have not defined climate risk as material for the business, these metrics do not yet have climate targets associated with them nor are the metrics used in the context of assessing climate risk and opportunity. Instead they are business metrics which have climate relevance and where we will consider setting climate-related targets in future in case they become material to our operations. Despite being not actively tracked as climate metrics for the purposes of recommendation 4a, we are referencing these metrics to provide more detail on what some of future climate metrics might look like. Other relevant climate metrics include: waste from our Hop sites (where we measure waste on a cost of goods sold basis); water usage in our Editions kitchens; rider delivery distances and the percentage of stacked orders (a stacked order likely reduces delivery distance and so depending on the rider vehicle may reduce emissions); and, as we expand our meal 'tagging' capability, we may be able to track the % of vegetarian or vegan meals sold via our marketplace (these meals will likely have lower emissions from food production than meat-based meals). We will explore adopting any climate targets for these metrics in future years.

We have considered the disclosure of our Scope 3 emissions baseline. As set out on page 36, we have yet to finalise our emissions baseline and operational boundary. This is because we do not yet have sufficiently robust data (in part due to data gathering complexity and in part due to internal business appointment delays) to provide a thorough baseline disclosure. We will look to publish this either as part of next year's Annual Report or before. We therefore only partially comply with recommendation 4b (disclosing Scope 1 and 2 emissions but not Scope 3) and have explained the reason for partial compliance.

Next steps

The TCFD is an evolving reporting structure and remains a 'best endeavours' analysis. We have made progress in our understanding and quantification of climate risk but we are still at an early stage. This disclosure is an initial step on our journey and will continue to evolve in the future. In our sustainability strategy (as set out on pages 31 to 35) we set out our wider programme of work for mitigating and adapting to the impacts of climate change. Key actions to improve our TCFD disclosure next year will include modelling the financial impacts of climate-related risks in more detail so we can provide estimates of the impacts of climate risk on the business.



Viability statement

The Directors have voluntarily complied with Provision 31 of the UK Corporate Governance Code, in which the Directors are required to assess the viability of the Group over an appropriate viability period. As part of this assessment, the Directors have issued a Viability statement declaring that they believe the Group can continue to operate on normal terms and meet its liabilities for the three-year period from December 2022, taking into account its current financial position and forecasted position, the resilience of the food delivery industry and its principal risks.

Assessment period

In considering the viability of the Group, the Directors considered the three-year period from 31 December 2022 to 31 December 2025, the Group's strategy and its principal risks (as set out on pages 62 to 67). This period is aligned with the Group's planning period and strategic planning period. It is a longer period than that used to assess going concern, but it is still assessed on a sufficiently detailed level, taking into account, as far as possible, the anticipated development of the food delivery market, and the economies in the countries in which we operate. Given the relatively early stage in the corporate lifecycle, along with the rapid pace of change in our business, the Directors have concluded that a three-year time horizon is the most appropriate period for the viability review.

Performance

Over the last three years, the Group has grown revenue from £771.8 million in 2019, to £1,974.7 million this year, which represents a 36.8% compound annual growth rate ('CAGR').

Long-term prospects

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

Planning process

The Group's overall strategy and business model, as set out on pages 14 to 17, are fundamental in driving growth in the business and therefore future prospects.

The Group's future prospects are assessed through the strategic planning process. The strategic planning process involves a detailed review of each country by the CEO and CFO. This is done in conjunction with the Executive Team, and the country leadership teams, and culminates in a presentation to and discussion with the Board. The strategic plan then forms the basis of the Long-Term Financial Plan ('LTFP'), applying the various levers, including savings arising from restructuring plans and key assumptions related to growth rates across the Group. Progress against the budget is then reviewed monthly and reported to the Board. The output of the process above reflects the Directors' best assessment of the future prospects of the Group over the next three years, and represents a reasonable expectation of results, rather than fact.

Stress testing

A series of stress test scenarios were then applied to the model to determine the model's sensitivity. These scenarios are derived from the Board approved forecasts, and model the impact of a downturn in trading, slowed growth and a prolonged period of recession, as well as an unexpected cash outflow, on GTV revenue, EBITDA and cash.

Whilst these scenarios can be considered 'severe but plausible' we also combined these to create a 'combined worst case scenario' to test the robustness of the Group's viability.

As described in the CEO's Letter on page 4, the average European consumer is experiencing cost of living difficulties largely as a result of higher inflation rates, which, combined with the broader economic implications of the conflict in Ukraine, have had an impact on all sides of the marketplace. As a result we have modelled a scenario where we have combined all of these individual stress tests, in order to test the robustness of the Group's ability to maintain viability over the forecast period.

In this extreme scenario, the Group still had sufficient cash for the viability period with no mitigating actions required. As evidenced at the beginning of the COVID-19 crisis, the Group's cost base provides flexibility to enable it to adjust its expenditure and quickly react to events outside of its control.

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

The Audit and Risk Committee reviewed the process undertaken and the Board approved the strategic plan and the forecast results.

Viability

As at 31 December 2022, the Group had net assets of £804.1 million (2021: £1,073.7 million), together with net cash of £999.6 million (2021: £1,290.9 million). The Group has a strong financial position and sufficient cash reserves to draw down on as needed.

Based on this assessment, the Directors have a reasonable expectation that the Group will continue in operation and meet its liabilities and obligations as they fall due over the period to 31 December 2025.

Non-financial information statement

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

The outcomes of the relevant policies and standards, any relevant due diligence processes and descriptions of associated business risk are described in the relevant sections of this report and are cross-referred to in the information listed.

Reporting requirement	Policies and standards which govern our approach	Where to find more information
Environmental matters	<ul style="list-style-type: none"> Streamlined Energy and Carbon Reporting Our sustainability strategy and six key pillars TCFD recommended disclosures 	<ul style="list-style-type: none"> Sustainability review, pages 31 to 43
People	<ul style="list-style-type: none"> Our culture and values Equal Opportunities Policy Diversity Policy Our Code of Conduct Family Support Policies (including Paternity, Maternity and Adoption Leave) 	<ul style="list-style-type: none"> Directors' Report, pages 133 to 138 People section, pages 44 to 49 Sustainability review, pages 31 to 43 Stakeholder statement, pages 23 to 30 Gender Pay Gap Report on the Deliveroo website
Respect for human rights	<ul style="list-style-type: none"> Health and Safety Policy Privacy Policy Mental Health and Wellbeing Policies Modern Slavery statement and Modern Slavery Policy Anti-Bullying and Harassment Policy 	<ul style="list-style-type: none"> Sustainability review, pages 31 to 43 Annual Modern Slavery statement on the Deliveroo website
Social matters	<ul style="list-style-type: none"> 'We Are Deliveroo' volunteering programme Volunteering and Public Duties Policy 	<ul style="list-style-type: none"> Sustainability review, pages 31 to 43 People section, pages 44 to 49
Anti-corruption and anti-bribery	<ul style="list-style-type: none"> Anti-Bribery and Corruption Policy Anti-Fraud Policy Anti-Money Laundering Policy Anti-Facilitation of Tax Evasion Policy Spending Deliveroo Money Policy Conflicts of Interest Policy Speak Up Policy 	<ul style="list-style-type: none"> Audit and Risk Committee Report, pages 98 to 105 Sustainability review, pages 31 to 43
Additional disclosures	<ul style="list-style-type: none"> Group risk management processes and procedures 	<ul style="list-style-type: none"> Business Model, pages 14 to 15 Key Performance Indicators, pages 18 to 22 Risk management and our principal risks section, pages 59 to 67



Structure of the Governance section

The Governance section sets out the Board's corporate governance structures and work for the financial year to 31 December 2022. Together with the Directors' Remuneration Report on pages 106 to 132, it includes details of how the Company has applied the principles and complied with the provisions of the 2018 UK Corporate Governance Code. The Governance section has been organised to follow the structure and principles (A to R) of the Code.






Compliance with the 2018 UK Corporate Governance Code (the 'Code')

The Code requires companies listed on the Premium List of the London Stock Exchange to describe in the Annual Report how they have applied the main principles of the Code and also any areas where they do not comply with the Code provisions. Although with a Standard Listing we are not required to comply with the requirements of the Code, in recognition of the importance of good governance, as a Board we committed on IPO that we would voluntarily comply with certain aspects of the Code that the Board considers appropriate in light of the nature of our business and our strategy going forward. We consider ourselves to be fully compliant with the Code for the 2022 Annual Report, with the exception of Provisions


28 and 41 and have made the following non-compliance disclosures as detailed below.

- **Provision 28** – We do not currently identify our emerging risks within the Risk management and our principal risks section. The Board understands that to ensure the long-term success and resilience of the Group, decisions must be taken with risks and opportunities in the short and long-term assessed and, where required, mitigated. As we mature as a Company and as a Board, we continue to evolve our process for assessing and managing our principal risks as well as consider the early identification and management of emerging risks as part of our deliberations. We expect to articulate emerging risks and report more fully against this provision in our 2023 Annual Report.
- **Provision 41** – During 2022, we did not share explicitly with the workforce how executive remuneration aligns with the wider pay policy. A description of this is included within the Directors' Remuneration Report on page 113. As we embed Dominique Reiniche's role as employee NED in 2023, we will consider the most effective ways to engage with our employees to explain how executive remuneration aligns with wider pay.




Board leadership and Company purpose

A An effective Board	 See p85
B Purpose, values and culture	 See p85
C Governance framework and Board resources	 See p85
D Stakeholder engagement	 See p86
E Workforce policies and practices	 See p87




Division of responsibilities

F Board roles	 See p88
G Independence	 See p89
H External appointments and conflicts of interest	 See p89
I Key activities of the Board in 2022	 See p90




Composition, succession and evaluation

J Appointments to the Board	 See p92
K Board skills, experience and knowledge	 See p92
L Annual Board and Committee evaluation	 See p92

Audit, risk and internal control

M Financial reporting, external auditor and internal audit	 See p101
N Review of the 2022 Report and Accounts	 See p100
O Internal financial controls and risk management	 See p104

Remuneration

P Linking remuneration with purpose and strategy	 See p114
Q Remuneration Policy review	 See p115
R Performance outcomes in 2022 and strategic targets	 See p107

Chair's introduction to governance



Claudia Arney
Chair

Introduction

On behalf of the Board, I am pleased to introduce the Governance report which describes the activities of the Board during the year, along with our governance arrangements and our planned focus for 2023.

It has been a busy year for Deliveroo and also therefore for the Board. Having helped navigate the business through the IPO process, the Board has continued to focus on establishing the right processes and governance to ensure that the business is well positioned both to address short-term challenges in the external environment and also to capitalise on the many opportunities ahead.

Underpinning this has been the need to be rigorous in our approach to capital allocation, ensuring that we invest in the opportunities with the highest returns. Against this backdrop we made the difficult decision to exit our businesses in the Netherlands and Australia. The Board spent significant time considering these actions, including the potential impacts on relevant stakeholders, particularly our employees, riders, customers and business partners in those jurisdictions. We will continue to consider the impact on all our stakeholders of the decisions that we make over the coming year and we will report on how we have done so in next year's report.

Board composition

During 2022 and up to the publication of this report, there have been a number of changes to the Board. We welcomed Peter Jackson who joined as a Non-Executive Director on 1 January 2022 and Scilla Grimble who joined as Chief Financial Officer ('CFO') on 20 February 2023. We are confident that Peter and

Scilla's highly relevant skills and experience will help us to take advantage of the significant opportunities before us and will be invaluable as we continue to build our business.

The Board would like to thank Adam Miller, who stepped down as CFO on 17 September 2022, for his contribution to Deliveroo, particularly helping us through COVID-19 and navigating the IPO, and David Hancock for taking on the role of Interim CFO on Adam's departure. Lastly, the Board would also like to thank Lord Simon Wolfson, who stepped down from the Board on 9 August 2022, for his important contribution in supporting the Company in its first year as a public company.

The Nomination Committee keeps the balance of skills, experience and knowledge of our Board under review and we know that an experienced and diverse Board most effectively supports our Executive Team as they evaluate the strategic, operational and sustainability issues and opportunities that affect the Company.

Maintaining a diverse culture on our Board is very important and I am pleased to report that our Board make-up is in line with the recommendations from the FTSE Women Leaders Review and Parker Review on gender and ethnic diversity. We welcome the FCA's new listing rule requirements around diversity and inclusion reporting, which will apply for our Report next year. I'm pleased to report that we are already in compliance with the FCA's board diversity targets and I look forward to reporting on both our Board and Executive Team diversity fully in our 2023 Annual Report. You can read more on how we consider Board composition in the Nomination Committee Report found on pages 95 to 97.



Board performance

Our goal as a Board is to set a clear tone from the top, acting responsibly in all our decision-making and in the management of risk to achieve our strategic ambitions, underpinned by our commitment to the highest standards of corporate governance. In this way, we aim to ensure the long-term, sustainable success of the Company. During our second year as a publicly-listed company, we have continued to improve our Board routines as a plc and to support management to do the same. As part of this we conducted an early externally-facilitated Board and Committee review. The independent report concluded that the Board comprises strong and experienced Non-Executive Directors and that both the Board and the Committees are operating effectively and making good progress in embedding strong governance across the business. We gained some valuable insights from the review process and the report, which will enable us to continue to build on the strong foundations we have laid. More information on the process, the outcomes and the proposed actions can be found on pages 92 to 94.

Supporting our communities and sustainability

We understand how much environmental, social and governance ("ESG") issues matter to each of the communities of our marketplace, as well as our employees and other stakeholders. Last year we reported on the early stages of our journey to build a comprehensive ESG strategy. We identified the six key areas that we consider the most important to us and our stakeholders and where we can have the most positive impact. I am pleased that we have made good progress over the last year. In the second half of the year, the Board approved additional ESG commitments

including a target date to reach net zero emissions for our own operations. We have now linked our commitments to reduce our direct emissions and to improve gender representation in our workforce to our executive remuneration in relation to the 2023 PSP awards. More detail on this can be found in our Directors' Remuneration Report on page 127.

Stakeholders

The Board and the Executive Team are united in our focus on driving long-term sustainable value for the benefit of all three sides of the marketplace as well as our shareholders and other stakeholders. We are determined to be a diverse and inclusive company for our employees, and to support the communities in which we operate. For more information on how the Board has considered our stakeholders, see the Stakeholder statement on page 23 and our statement on how Directors have had regard to the matters set out in Section 172 of Companies Act 2006 on page 29. For more information on our people, see the People section on page 44.

The following pages set out details of the composition of our Board, its corporate governance arrangements, processes and activities during the year, as well as reports from each of the Board's Committees.

Yours sincerely,

Claudia Arney

Chair

15 March 2023

Board of Directors



Claudia Arney N
Chair

Joined: 23 November 2020

Appointed to Deliveroo plc:
19 March 2021

Experience

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

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

Other appointments

- Department for Digital, Culture, Media & Sport – Lead Non-Executive Board Member
- Derwent London plc – Non-Executive Director and Chair of the Remuneration Committee
- Kingfisher plc – Non-Executive Director and Chair of the Remuneration Committee
- Panel on Takeovers and Mergers – Member



Will Shu
Chief Executive Officer

Appointed as CEO: 1 February 2013

Appointed to Deliveroo plc:
19 March 2021

Experience

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

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

Other appointments

None



Scilla Grimble
Chief Financial Officer

Appointed as CFO: 20 February 2023

Experience

Before joining Deliveroo, Scilla Grimble was the Chief Financial Officer of Moneysupermarket Group plc. She was previously Interim Chief Financial Officer at Marks & Spencer where she was also Director of Group Finance, and she has held a range of senior finance and leadership roles at Tesco. Scilla spent 10 years at UBS where she was Managing Director and Head, Consumer & Retail Investment Banking EMEA, and she began her career at PwC where she qualified as a chartered accountant. Scilla is currently a Non-Executive Director at Taylor Wimpey plc.

Other appointments

- Taylor Wimpey – Non-Executive Director and Member of the Audit Committee and the Nomination and Governance Committee

Key to Committees

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



Peter Jackson **A N**
Independent Non-Executive Director

Appointed to Deliveroo plc:
 1 January 2022

Experience

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

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

Other appointments

- Flutter Entertainment plc – Chief Executive Officer



Dame Karen Jones DBE **N R**
Senior Independent Non-Executive Director ('SID')

Appointed to Deliveroo plc: 1 June 2021
 Appointed as SID: 1 January 2022

Experience

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

Other appointments

- Whitbread PLC – Non-Executive Director and Member of the Remuneration Committee
- Hawthorn – Chair
- Mowgli – Non-Executive Director
- Crown Estate – Non-Executive Director and Senior Independent Director
- Firmenich AG – Board Member



Rick Medlock **A N R**
Independent Non-Executive Director

Joined: 1 October 2020

Appointed to Deliveroo plc:
 19 March 2021

Experience

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

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

Other appointments

- Smith & Nephew plc – Non-Executive Director and Chair of the Audit Committee
- Datatec Ltd – Non-Executive Director and Member of the Audit, Risk and Compliance Committee
- Spear 1 Investments BV – Non-Executive Director

Board of Directors continued



Dominique Reiniche **A N R**
Independent Non-Executive Director,
Designated Employee NED

Appointed to Deliveroo plc: 1 May 2021

Experience

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

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

Other appointments

- Mondi plc – Non-Executive Director
- Chr. Hansen Holdings A/S – Chair
- PayPal Europe – Non-Executive Director



Tom Stafford
Non-Executive Director

Appointed to Deliveroo plc:
19 March 2021

Experience

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

Other appointments

- DST Global – Managing Partner

Board changes throughout the year and up to 15 March 2023

- Peter Jackson was appointed to the Board on 1 January 2022.
- Dame Karen Jones DBE was appointed as Senior Independent Director and stepped down from the Audit and Risk Committee and Nomination Committee on 1 January 2022.
- Adam Miller stepped down as Chief Financial Officer on 17 September 2022. David Hancock was appointed as Interim Chief Financial Officer on the same date (but was not appointed as a member of the Board) and stepped down from that position on 19 February 2023.
- Lord Wolfson stepped down from the Board from close of business on 9 August 2022.
- Scilla Grimble was appointed as Chief Financial Officer and as a member of the Board with effect from 20 February 2023.

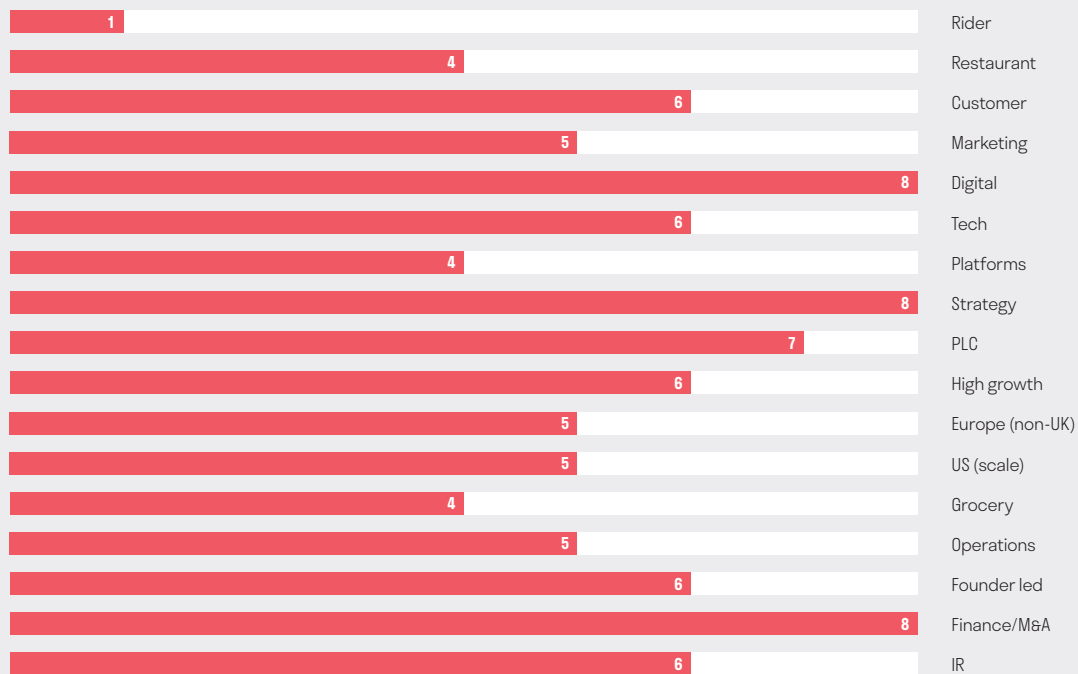
Key to Committees

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



Board Composition

Board skills

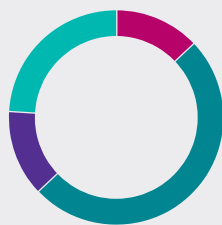


Board gender diversity



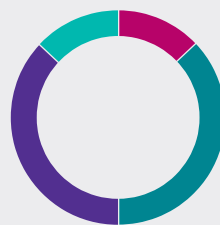
Female – 4
Male – 4

Board composition



Chair – 1
Independent Non-Executive Director – 4
Non-Executive Director – 1
Executive Director – 2

Board tenure







<1 year – 1
1-2 years – 3
2-3 years – 3
>3 years – 1

Governance Report

Deliveroo's governance framework

The Board

The Board is primarily responsible for setting the Group's strategy for delivering long-term value to our shareholders and other stakeholders, providing effective challenge to management concerning the execution of the strategy and ensuring that the Group maintains an effective risk management and internal control system.

-  Board of Directors on p80
-  Chair's statement on p78
-  Our principal risks on p62
-  The Section 172(1) statement on p29
-  Key Board activities during 2022 on p90

Board reserved matters

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

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

Board Committees

Nomination Committee

Ensures the Board (and its Committees) have the correct balance of skills, knowledge and experience and that adequate succession plans are in place.

 See more on p95

Audit and Risk Committee

Oversees the Group's financial reporting, maintains an appropriate relationship with the external auditor and monitors the Group's principal and emerging risks, the effectiveness of the Group's risk management systems and internal financial controls.

 See more on p98

Remuneration Committee

Establishes the Group's Remuneration Policy and ensures there is a clear link between performance and remuneration.

 See more on p106

The terms of reference for the Board and each of the Board Committees are available on the Group's website at: <https://corporate.deliveroo.co.uk>.

Executive Directors

The Board delegates the execution of the Company's strategy and the day-to-day management of the business to the Executive Directors assisted by other members of the Executive Team.

-  Executive Team on p88
-  Founder and CEO's statement on p4
-  Operational Highlights 2022 on p2
-  Operating and Strategic Review on p50

Supporting committees

The executives operate a number of supporting committees that provide oversight on key business activities and risks.

Our shareholders and other key stakeholders play an important role in monitoring and safeguarding the governance of our Group. Further information on how we engage with our shareholders, employees and other key stakeholders is set out on page 86.

Board leadership and Company purpose

An effective Board

Our Board is composed of highly skilled professionals who bring a range of skills, perspectives and corporate experience to the boardroom (see pages 80 to 83). The Board is collectively responsible for delivering the long-term success of Deliveroo for the benefit of its shareholders and wider stakeholders. The Board leads and provides direction in the setting of strategy and overseeing its implementation by management. The Board also sets the clear tone from the top by satisfying itself that Deliveroo's purpose, values and culture are aligned with its strategy.

To maximise the effectiveness and ensure sufficient time and attention can be devoted to key matters, the Board has delegated authority in certain areas to its principal Board Committees as set out on page 84. The specific activities undertaken by the Board during the year are set out on page 90. The Board also monitors the Group's operations within an agreed framework of controls, allowing risk to be assessed and managed within agreed parameters. This is discussed further in the Risk management and our principal risks section on page 59 and the Viability statement on page 75.

Purpose, values and culture

Our purpose is to be the definitive online food company, providing consumers with access to the food they love for each of the 21 weekly meal occasions. Our progress towards achieving our purpose during 2022 is set out on pages 1 to 3.

Our values articulate the qualities that we wish to embody in how we treat each other and conduct our business. Our values are embedded in our operational practices through the policies approved by the Board and the direct oversight and involvement of the Executive Directors. The Executive Directors have been delegated responsibility for ensuring that policies and behaviours set by the Board are effectively communicated and implemented across the business. If the Board is concerned or dissatisfied with any behaviours or actions, it will seek assurance that corrective action is being taken.

Our culture is key to the strength of our business, and our aim is that it aligns with our purpose, strategy and values. The Board reinforces our culture through its decisions, strategy and conduct. As the cultural tone of a business comes from the boardroom, safeguarding our culture is a key factor in the development of the Board's succession plans.

The Board monitors and assesses the culture of the Group via:

- regularly meeting with management and inviting employees to present at Board and Committee meetings;
- updates on culture and employee retention from the Chief People Officer;
- assessing cultural indicators such as: management's attitude to risk; fraud and whistleblowing reporting; compliance with the Group's policies and procedures; and key performance indicators ('KPIs') such as Peakon employee feedback scores and staff retention;
- feedback from the Employee NED on her engagement with employees;
- feedback from our wider stakeholders such as consumers, riders, merchants, investors including ESG commentators (see the Stakeholder statement on page 86); and
- independent assurance is also sought via the external auditor, the Internal Audit function and other advisers.

Embedding our culture throughout our organisation is important. Culture and value 'fit' is a key consideration during our recruitment processes and is reinforced during our induction programme and monitored by our regular Peakon employee surveys and performance reviews. It is also emphasised by the CEO during his monthly 'firmwides' which are all-Company meetings provided to everyone in the organisation, and is echoed by the Executive Team and senior leadership throughout their communications.

Our Senior Management team undertakes training to ensure it is supporting its teams and encouraging the behaviours which align with our culture.

Governance framework and Board resources

Corporate governance is essential to ensuring that our business is run in the right way for the benefit of all our stakeholders. The Board has established terms of reference that set out the reserved matters that it must approve and also the specific responsibilities that it has delegated to its principal Committees: the Audit and Risk Committee; the Remuneration Committee; the Nomination Committee; and the Market Disclosure Committee (see Board roles on page 88). The roles and responsibilities of each Committee are set out in formal terms of reference, which are determined by the Board, and reviewed at least annually. These are available for review on the Company's website at <https://corporate.deliveroo.co.uk>. Reports from our Committees are provided on the following pages.



Governance Report continued

Board leadership and Company purpose continued

Governance framework and Board resources continued

Board meetings are based on structured agendas to enable the Board to focus on key business, strategic, financial and governance topics. Draft board agendas are set by the Chair or relevant Committee Chair with the support of the Company Secretary, based on the annual plan established for the Board and Committees. All Directors are able to request additional information on any of the items to be discussed.

An agenda and accompanying pack of detailed papers are circulated to the Board in advance of each Board meeting. Currently these include reports from the Executive Directors, other members of Senior Management and external advisers. Members of Senior Management may be invited to present relevant matters to the Board. The aim is to ensure that the information shared with the Board is of sufficient depth and quality to facilitate understanding and debate, without becoming unwieldy and unproductive. The Board also receives monthly financial information on the Company and updates on litigation, compliance and other key matters which may arise between meetings.

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

The Chair and the Committee Chairs continue to work with management to improve the approach to agendas and papers, and to discuss the information which would be most useful for the Board and Committees to receive, including between formal meetings.

Stakeholder engagement

Approach to engagement

The Board recognises that our business and our behaviours impact our shareholders and other stakeholders, and that stakeholder engagement is a key element of delivering a sustainable business. This activity is taken across our business at different levels of the organisation with steps taken to ensure that the Board is aware of this activity and can also engage with stakeholders as appropriate. This includes the outcome of engagement with investors, merchants, consumers, riders, employees and other stakeholders.

The Board receives regular updates from the CEO, CFO, Chief Operating Officer, General Counsel, Chief People Officer and VP Investor Relations on these matters, as well as from other members of Senior Management within the business with particular expertise or responsibility for dealing with the stakeholders involved.

Information on our key stakeholders and how the Board has considered stakeholder interests during the year are set out in the Stakeholder statement on page 23 and the Board's Section 172 Statement on page 29.

The three-sided marketplace and local communities

The Board receives regular updates on matters relating to our consumers, riders and merchants, and other significant commercial arrangements, through the CEO and regular presentations from members of the Executive Team. Throughout the year the Board has received deep dive presentations on some of its key markets as well as some members undertaking site visits to our Hop and Editions sites.

The Board also receives regular reports on ESG matters from the CEO and members of the Executive Team. Over the year the Board has approved additional ESG commitments including a target net zero date for our own operations, and linked commitments to reduce our direct emissions and to improve gender representation in our workforce, to our executive remuneration in relation to the 2023 PSP awards. More detail on this can be found in our Directors' Remuneration Report on page 127.

Employees

The Board is committed to a constructive two-way dialogue with our employees, to enable us to better reflect their interests in future Company and strategic decisions, and to help ensure that the Company is a great place to work. As part of the Board's work to better understand the views of our people, Dominique Reiniche acts as the Employee NED, whose role it is to oversee engagement between the Board and our employees. Dominique's wide ranging business expertise in both the UK and Europe enables her to contribute valuable insights as she engages with our global employee base.

Dominique receives reports on monthly feedback from our employees through our Peakon surveys and discusses the outcome with the Chief People Officer. A particular initial focus for Dominique is progress with our diversity, equity and inclusion ('DE&I') initiatives and so she has met with the Director of DE&I and her team several times during the period. More information on the ways in which the Company engages with its employees and other key stakeholders can be found in the Stakeholder statement on page 23 and in the People section on page 44.

Workforce policies and practices

The Executive Directors, with the assistance of members of the Executive Team, review and approve all key policies and practices which could impact on our employees or influence their behaviours, to ensure they support the Group's purpose and reflect our values. The Board approves the Remuneration Policy for the Executive Directors and, via the Remuneration Committee, has oversight of the wider workforce remuneration practices (for further information see page 111).

Policies are published on our intranet (the 'People Portal') and employees are required to confirm their understanding of these policies upon recruitment. To ensure that policies are embedded in our business practices, we communicate with staff to highlight the key messages and notify them of any material changes. We operate a training programme which aims to reinforce key compliance messages such as anti-bribery, modern slavery, conflicts of interest, tax evasion and cyber security.

As a business, we seek to conduct ourselves with honesty and integrity and believe that it is our duty to take appropriate measures to identify and remedy any misconduct within or affecting the Company. Our employees and those we work with are encouraged to embrace high standards of conduct and are encouraged to speak out, including through our whistleblowing 'Speak Up Policy', if they witness any wrongdoing which falls short of those standards.

In 2022, the Speak Up Policy was revised and enhancements were made to the case management and investigation process. The Speak Up Policy is made available to all employees and contractors alongside related guidance on the People Portal for each market. All in-scope reports are independently investigated, as overseen by the Regulatory Compliance team, and appropriate action is taken as necessary. The Audit and Risk Committee receives regular reports on Speak Up activity including investigation outcomes and follow-up actions, with significant findings reported to the Board as necessary. Further information on this is in the Audit and Risk Committee Report on page 98.

Investors

The Board is committed to maintaining good communications with existing and potential shareholders. We hosted webcasts for all reported results and market updates, with the exception of Q1 (12 April 2022), due to the proximity to the full year results on 17 March 2022. During each webcast, Executive Directors took questions from analysts and investors to ensure an open dialogue with the market.

Outside of reported results webcasts, throughout the year, the CEO and CFO have met with investors after each announcement relating to the Company's financial performance, as well as on an ad hoc basis.

In relation to investor relations activity, the CEO, the CFO and the Investor Relations team collectively held over 250 meetings with over 600 individual investors and analysts during the year. The VP Investor Relations provides regular updates to the Board on investor relations activity including investor feedback and other market matters.

Prior to the publication of our first Annual Report on 30 March 2022, Dame Karen Jones DBE, SID and our Remuneration Committee Chair, met with our largest shareholders and with certain proxy advisers to discuss our approach to remuneration including our Remuneration Policy. Claudia Arney, our Chair, has also been available for investor meetings, and met with a number of our largest shareholders around the time of our Annual General Meeting ('AGM') on 20 May 2022.

Presentations were provided to analysts and investors covering the Group's annual and interim results, which are also included on the investor relations section of our website at <https://corporate.deliveroo.co.uk>, along with all results and other regulatory announcements, as well as further information for investors. Further information on our engagement with shareholders is set out in the Stakeholder statement on page 23 and in the next section – Annual and General Meetings of shareholders.

Annual and General Meetings of shareholders

All shareholders may ask questions by contacting us and we encourage participation in our 2023 AGM where they will have the opportunity to interact with board members and ask questions.

The Notice convening the 2023 AGM will be made available to shareholders in advance of the meeting. This will provide shareholders with the appropriate time, as set out in the FRC's Guidance on Board Effectiveness, to consider matters. Separate resolutions will be proposed on each substantially separate matter. The results of the proxy votes on each resolution will be collated independently by the Company's registrar and will be published on the Company's website after the meeting.

The Company's 2022 AGM was held on 20 May 2022, and shareholders had the opportunity to ask questions in advance of the meeting or during the meeting. All of the resolutions put to the meeting were passed, receiving over 96% votes in favour.



Governance Report continued

Division of responsibilities

Board roles

Chair

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

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

Chief Executive Officer ('CEO')

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

Chief Financial Officer ('CFO')

Scilla Grimble is a member of the Executive Team reporting to the CEO. Her role is to lead the Financial Management, Risk and Internal Control teams and to oversee the Company's relationship with the investment community.

Senior Independent Non-Executive Director ('SID')

The Senior Independent Non-Executive Director, Dame Karen Jones DBE, supports the Chair in her role and leads the Non-Executive Directors in the oversight of the Chair. She is available throughout the year, and when required, to meet with other NEDs to act as a sounding board and raise any matters. The SID is also available as an additional point of contact for shareholders.

Employee Non-Executive Director ('Employee NED')

The Employee Non-Executive Director, Dominique Reiniche, provides a mechanism for the Board to engage with its employees and wider Employee Resource Groups to understand their views and ensure these are considered as part of the Board's overall decision-making processes.

Non-Executive Directors

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

The Company Secretary

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

The Executive Team

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

In particular, the Executive Team is responsible for:

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

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

Independence

At the date of this report our Board comprises eight members: the Chair, the CEO, the CFO and five Non-Executive Directors, of whom four are considered independent for the purposes of the Code.

Over half of our Board (excluding the Chair) comprises independent Non-Executive Directors and the composition of all Board Committees complies with the Code. Our Chair, Claudia Arney, was considered independent on appointment. More information about our Directors is set out on pages 80 to 83.

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

External appointments

It is recognised that non-executive directorships can provide a further level of experience for executives that can benefit the Company. As such, Executive Directors may usually take up one non-executive directorship (broadly equivalent in terms of time commitment to a FTSE 350 non-executive directorship role) subject to the Board's approval, as long as there is no conflict of interest. Will Shu, CEO, does not currently hold any non-executive board positions. Scilla Grimble, CFO, is currently a Non-Executive Director of Taylor Wimpey plc.

Directors' conflicts of interest

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

Our Directors must report any changes to their commitments to the Board, immediately notify the Company of actual or potential conflicts or a change in circumstances relating to an existing authorisation, and complete an annual conflicts questionnaire. Any conflicts or potential conflicts identified are considered and, as appropriate, authorised by the Board in accordance with the Company's Articles of Association. The Directors received refresher training on this topic during the year as part of the Board's continuing training programme.

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



Governance Report continued

Key activities of the Board during 2022

The Board has been extremely busy, having met for seven scheduled board meetings and an additional five unscheduled meetings. The Non-Executive Directors also met on five occasions without management present. Board and Committee attendance for regularly scheduled meetings during 2022 is set out on page 91. During this period, the Board has been very mindful of our stakeholders and the possible impacts of events on them. More information on our key stakeholders is on page 23 and the Board's consideration of our stakeholders in its decision-making is in our Section 172 statement on page 29.

Board focus during 2022 and up to the date of this report was on the following key areas/activities:

Company strategy and performance

- Regular reports from the CEO at each meeting detailing the performance of the business against the strategic goals and macroeconomic impact on the business.
- Board strategy day to discuss/agree the strategic objectives of the business and reconfirm the Company's purpose.
- Approval of the exits of Australia and the Netherlands businesses.
- Approval of the 2023 plan and budget.
- Regular reports from the Executive Team on global operations and key areas of the business and competitor context.
- Regular reports from the General Counsel on material litigation, regulatory and other matters impacting the business.

Governance, people and culture

- Approval of the annual calendar and workplan for the Board and Committees.
- Oversee maintenance of sound management and internal control systems and approval of risk appetite.
- Refresher on Directors' conflicts duties and cyber security.
- Consideration of Board succession matters including the appointment of the new CFO.
- Consideration of the Board and organisations gender and wider diversity, including new FCA requirements for wider diversity reporting in annual reports.
- Updates from the Nomination Committee, Chief People Officer and Employee NED on people matters including culture, retention, values, DE&I and gender pay.
- Consideration of the proposals for redundancies in 2023.
- Regular reports from the Chairs of the Audit and Risk, Remuneration and Nomination Committees on the work of those Committees, and from the Company Secretary on governance matters.
- Approval of the share purchase programme by the Employee Benefit Trust.
- Review and approval of the investor relations plan.
- Consideration and approval of various matters relating to the Group's subsidiaries.
- Approval of plans/resolutions for the 2023 AGM.

Financial and investor updates

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

Wider stakeholders

- Consideration of stakeholder impacts of the exits of Australia and the Netherlands businesses.
- Consideration of rider earnings, benefits and conditions and regulatory matters.
- Consideration of impacts on restaurant partners and customers.
- Consideration of shareholder and proxy adviser views on strategy, performance and executive remuneration.
- Approval of our ESG strategy, TCFD disclosures and Modern Slavery statement.
- Engagement at 2022 AGM.

Board and committee scheduled meeting attendance for the year ended 31 December 2022

Director	Board	Audit and Risk	Nomination	Remuneration
Directors as at 31 December 2022				
Claudia Arney (Chair, Chair of Nomination Committee)	7/7	N/A	2/2	N/A
Will Shu (CEO)	7/7	N/A	N/A	N/A
Dominique Reiniche ¹	7/7	5/6	2/2	6/6
Dame Karen Jones DBE (SID, Chair of Remuneration Committee)	7/7	N/A	2/2	6/6
Peter Jackson	7/7	6/6	2/2	N/A
Rick Medlock (Chair of Audit and Risk Committee)	7/7	6/6	2/2	6/6
Tom Stafford ¹	6/7	N/A	N/A	N/A

1. Dominique Reiniche missed one meeting of the Audit and Risk Committee, and Tom Stafford missed one meeting of the Board due to prior commitments which could not be altered.

Composition, succession and evaluation

Board composition

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

Our Board is a diverse and effective team, focused on promoting the long-term success of Deliveroo for the benefit of all stakeholders. The Directors' biographies are available on pages 80 to 82. The Board recognises the recommended diversity targets from the FTSE Women Leaders and Parker Reviews on gender and ethnic diversity. We are pleased that we currently meet these targets as set out, and the Board has agreed its aim to maintain these targets provided this is consistent with the prevailing skills and diversity requirements of the Company as and when seeking to appoint a new Director.

FTSE Women Leaders/ Parker Review requirements	Deliveroo Board (as at 15 March 2023)
• At least 40% of the Board are women	• 50% of the Board are women
• At least one of the Chair, CEO, CFO or Senior Independent Director is a woman	• The Chair, the CFO and the Senior Independent Director are women
• At least one member of the Board is from a minority ethnic background	• The CEO is from a minority ethnic background

We also welcome the FCA's new listing rule requirements around diversity and inclusion reporting and will report on both our Board and Executive Team diversity fully in our 2023 Annual Report.

Further information about Board diversity, including how this will be factored into succession planning and Senior Management development, can be found in the Nomination Committee Report on page 95. Information about the wider Company diversity, equity and inclusion strategy can be found in our People section on page 46.



Governance Report continued

Composition, succession and evaluation continued

Appointment terms and election of Directors

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

The Board considers all Directors to be effective and fully committed to their roles and to have sufficient time to perform their duties. The Board has delegated to the Nomination Committee the responsibility for monitoring the Non-Executive Directors' external roles and commitments to ensure they remain able to devote an appropriate amount of time to their roles at the Company. In line with the recommendation of the Code, all Directors will be offering themselves for election or re-election at the Company's 2023 AGM.

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

Board skills, experience and knowledge

Given the fast-paced nature of our business and the external environment, it is important for our Executive and Non-Executive Directors to remain aware of recent and upcoming developments. Our Non-Executive Directors each received a comprehensive induction plan on joining the Board, including the following:

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

- meetings with the external auditor and advisers as appropriate; and
- visits to our key business sites.

The Directors have ongoing access to Senior Management expertise, receiving regular detailed presentations on key areas of the business during meetings as well as one-to-one discussions between meetings, and the opportunity to visit our key business sites. Our General Counsel, Company Secretary and advisers provide regular updates on regulatory and corporate governance matters. Additionally, Directors have access to independent and professional advice at the Company's expense should they determine that this is necessary to discharge their duties.

Annual Board and Committee evaluation

The Board reflects annually on the continuing effectiveness of its activities and the quality of its decisions, and considers the individual and collective contribution made by each board member and the leadership of the Chair. Although the Code requires that an externally facilitated evaluation takes place at least every three years and so was not required this year, the Board and Committees have conducted an externally facilitated review of their performance with Independent Board Evaluation ('IBE'), including a review of the Chair's performance.

Our aim and the review process

Two years after IPO, our aim was to identify insights to enable us to:

- continue to progress in building an effective and trust-based relationship among board members and between the Board and the Executive Team, including maximising clarity for the Executive of the role of the Board and where it adds most value to the Executive;
- improve our ways of working to ensure sound governance; and
- support the maturation of Deliveroo as a public company underpinned by a strong culture.



Process and timeline



Results

The overall feedback confirmed that the Board as a whole, and each of the Committees, have continued to improve ways of working and are acting cohesively and effectively. The assessment of individual Director performance including skills, time commitment, contribution and independence, confirmed that each Director continues to make a positive contribution to the Board and relevant Committees.

The Board has focused on the right business issues, and has identified and made good progress on key areas of strategic focus. It has also supported the Executive Team in improving the overall governance of the Company and evolving executive leadership. Strategy, risk, talent development, succession planning, and the operating model were identified as key areas of focus for the year ahead.

Each Board Committee was included as part of the effectiveness review and received a detailed report. The Committee Chairs led separate discussions of their review findings with their respective Committees, to agree steps for 2023.

The review identified some opportunities for the Board and the Executive Team including:

- the improvement of communication flows between the Board and Executive Team to provide greater awareness and insights, and to better support effective Board discussions in some areas;
- opportunities for increased NED engagement with the Executive Team and other Senior Management outside of meetings;
- ensuring Board focus for 2023 on the agreed key areas and that agendas provide sufficient balance between the Board's key responsibilities and operations;
- the further improvement of the format/content of board papers; and
- a strengthened Board focus on Company culture.

Governance Report continued

Composition, succession and evaluation continued

Chair performance

The performance of the Chair was also assessed by IBE as part of the external review including receiving feedback from the Directors on her performance. It was confirmed that she has built strong relationships with Board members and the Executive Team, has a positive impact on key areas of the business, devotes sufficient time to the role and in all respects meets the requirements of the Code.

Deliveroo confirms neither the principal consultant nor IBE has any connection with the Company, individual Directors nor the Company Secretary.

Progress against 2021 actions

The 2021 internal board effectiveness review had identified a number of focus areas. Progress on these areas was also assessed as part of IBE's review, with the feedback set out below.

Focus Area	Feedback on progress
Board focus during 2022 should include strategy, the review of key areas of the business, investor engagement and Company culture.	There was good investor engagement throughout the year and an effective Strategy Day took place in June which provided deep dive sessions on key business areas. Company culture was a focus for 2023.
To hold more 'physical' Board meetings and opportunities to engage outside the boardroom, to continue to build trust and a team dynamic.	During the year, the Board had mostly met in person and more engagement had taken place outside of the boardroom setting.
Board papers to be more focused and the information flow between Board meetings to be improved.	Board papers and processes had improved, and momentum should continue during 2023.
More opportunities for NEDs to learn about the business, including site visits.	There has been progress in this area but further opportunities should be considered, including more site visits.

Board responsibility for the Annual Report and Accounts – fair, balanced and understandable

The Annual Report and Accounts is required, as a whole, to be 'fair, balanced and understandable' and to provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy. The Audit and Risk Committee considered, on behalf of the Board, whether the 'fair, balanced and understandable' statement could properly be given on behalf of the Directors. The Committee considered the associated assurance processes (as set out on page 105) and provided a recommendation to the Board that the fair, balanced and understandable statement could be given on behalf of the Directors. Based on this recommendation, our Board is satisfied that it has met this obligation.

A summary of the Directors' responsibilities in relation to the financial statements is set out on page 139. The report of the external auditor on page 141 includes a statement concerning its reporting responsibilities.



Nomination Committee Report



Claudia Arney
Chair, Nomination
Committee

Committee members¹

Claudia Arney (Chair)	Independent
Rick Medlock	Independent
Dominique Reiniche	Independent
Dame Karen Jones DBE	Independent
Peter Jackson	Independent
Lord Wolfson (until 9 August 2022)	Independent

¹ See page 91 for information on Committee attendance.

Roles and responsibilities

The roles and responsibilities of the Committee include:

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

As Nomination Committee Chair, I am pleased to present the Committee's report for the year ended 31 December 2022.

Role of the Committee

The role of the Committee is to ensure that plans are in place for the orderly succession of Board, Committee and senior management positions based on merit and objective criteria, while maintaining an appropriate balance of skills, experience, independence and diversity. The Committee regularly reviews the structure, size and composition of the Board and its Committees and makes recommendations to the Board/ Committees with regard to any changes.

We are fully compliant with the Code in relation to the composition of our Board and Committees. More information on the Committee's responsibilities is set out below. The detail of the composition of our Committees is set out in the relevant Committee reports.

Membership, meetings focus and attendance

In addition to me as Chair, during FY2022 the Committee comprised five independent Non-Executive Directors until Lord Wolfson stepped down from the Board with effect from close of business on 9 August 2022. The Company Secretary is secretary to the Committee and the CEO, the Chief People Officer and other members of the Senior Management team may be invited to attend for all or part of a Committee meeting as appropriate.

During the year the Committee led the process to identify a new Chief Financial Officer for appointment to the Board, reviewed the Company's talent and succession plans for the Executive Team and senior management, and reviewed the Board and senior leadership diversity, with further detail set out below. The Committee met formally twice during the year, with additional regular communications to provide updates on the CFO search and other matters. Meeting attendance can be found on page 91.

Nomination Committee Report continued

Board changes

On 20 June 2022 we announced the appointment of Scilla Grimble as Chief Financial Officer and that Adam Miller would step down from the Board effective from 17 September 2022. David Hancock was also appointed as Interim CFO, but did not join the Board. Scilla took up her role as CFO and joined the Board on 20 February 2023. The Board is confident that Scilla's highly relevant skills and experience will help us to take advantage of the significant opportunities before us and will be invaluable as we continue to build our business.

Scilla was appointed as CFO following a formal search process led by executive search firm Egon Zehnder, who were appointed on 2 February 2022. A clear brief was set and a skills mapping exercise undertaken to ensure that prospective candidates would possess the right skills and experience to act effectively as a leader of the finance function, contribute to strategic and business discussions and support the Company in achieving its ambitions. The brief also ensured that candidates would be the right fit in terms of our organisational culture and to reflect our aim to maintain an accessible and diverse leadership team and Board. A shortlist of suitable candidates was drawn up and interviews were conducted by me and members of the Board. The Committee is satisfied that Egon Zehnder has no other connection with the Company or any of its Directors and that the advice it received is independent.

In addition, we announced that Lord Wolfson had decided to step down from the Board with effect from 9 August 2022 as the time required to continue with his role at Deliveroo was no longer compatible with his executive and other commitments.

Talent and succession planning

The Committee regularly reviews plans for the orderly succession for appointments to the Board so that the right balance of appropriate skills and experience is represented, and diversity characteristics that would enhance Board membership are considered. During the year, the Committee considered the balance of skills, experience, diversity and independence of board members, and Board feedback on this was obtained as part of the Board's effectiveness review.

The Committee also recognises that building a broader talent pipeline for executive succession, particularly for the Executive Team, is a key priority to achieving the Company's strategic plans. During the year, the Committee reviewed the Group's Senior Management pipeline and succession plans. The current focus is to support the Company's path to profitability and to execute the hyperlocal framework which requires strong leadership and an efficient and effective organisation (see the Founder and CEO's Letter on page 4).

Diversity, equity and inclusion

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

In terms of its current composition, we are pleased that the Board meets the recommendations of the FTSE Women Leaders and Parker Reviews on gender and ethnic diversity, as follows:

- 50% of our Board are women (guidance: at least 40%);
- our Chair, CFO and Senior Independent Director are women (guidance: at least one of the Chair, CEO, SFO or SID is a woman); and
- our CEO is from a minority ethnic background (guidance: at least one member of the Board is from a minority ethnic background).

In terms of our Senior Managers as at 31 December 2022, 61% of our leadership was male versus 39% female. Details of gender diversity across the wider business can be found in the People section on page 46. This data shows that there is still much work to be done in this area, particularly in increasing opportunities for women to move into senior roles. The Board remains committed to supporting the efforts of the Executive Team on DE&I matters. This will be an important area of ongoing focus for the Company and will be monitored by the Committee in the coming year, in line with the Board diversity policy. More information about wider diversity, equity and inclusion at Deliveroo and the range of initiatives planned and underway can be found in our People section on page 46. Our Gender Pay Gap Report can be found on our website on <https://corporate.deliveroo.co.uk>.

The Committee considered the new diversity reporting requirements for annual reports published in the Financial Conduct Authority Policy Statement (which confirms amendments to the Listing Rules), and applicable to our FY2023 Annual Report to be published in 2024. As noted above, we have confirmed our Board diversity as against the FTSE Women Leaders and Parker Review targets, and will be considering the other reporting requirements ahead of the publication of our FY2023 Annual Report.

Election and re-election of Directors and Committee effectiveness

In line with the provisions of the Code and the Company's Articles, each Director is required to seek election or re-election annually at the Company's AGM. The effectiveness and commitment of each of the Non-Executive Directors are reviewed annually as part of the Board evaluation. The Committee has satisfied itself as to the individual skills, relevant experience, contributions and time commitment of all Non-Executive Directors, taking into account their external appointments and interests held. The Board is therefore recommending the election or re-election of all continuing Directors at this year's AGM.

The Committee conducted an externally facilitated review of its performance with Independent Board Evaluation, the results of which are set out on page 93.

Claudia Arney

Chair, Nomination Committee

15 March 2023



Audit and Risk Committee Report



Rick Medlock
Chair, Audit and Risk
Committee

Committee members¹

Rick Medlock (Chair)	Independent
Dominique Reiniche	Independent
Peter Jackson (1 January 2022)	Independent

¹ See page 91 for information on Committee attendance.

Focus for 2023

- Continue to monitor plc governance and further improvements in ways of working, including those recommended by the auditor following our first audit as a public company.
- Support the induction of the new Chief Financial Officer.
- Consider the key risks to the business and monitor our risk and internal controls processes as these become further embedded and as we mature as a listed company.
- Monitor the development and progress of the internal audit function.
- Review of cyber security, IT issues and resilience processes including platform security risks and business continuity plans.
- Monitor TCFD compliance.
- Oversee planned accounting process improvements and automation.
- Review the final recommendations arising from the BEIS consultation on 'Restoring trust in audit and corporate governance' and consider and monitor management's implementation plans for the new requirements.

As Chair of the Audit and Risk Committee, I am pleased to present the Committee's report for the year ended 31 December 2022.

The Committee has continued to play a vital role in assisting the Board in its oversight responsibility and monitoring of the integrity of the financial information for the benefit of our shareholders. This included monitoring of the Company's governance framework and providing independent challenge and oversight of the accounting, financial reporting and internal control and risk management processes. The Committee Terms of Reference can be found at <https://corporate.deliveroo.co.uk>. Our key areas of responsibility are set out on page 99.

The Committee met on six occasions during FY2022. Our focus has been on supporting management to continue to improve ways of working and financial/internal control processes, building on progress made since the IPO, as well as approving the Committee's annual work plan to the end of FY2023.

Detailed work has included: the ongoing review of progress against the recommendations set out in the Financial Position Prospects and Procedures ('FPPP') Report; briefings on our key risks, the evolution of our risk management framework and risk appetite; the monitoring of ongoing improvements to accounting, financial, internal control and other processes (such as whistleblowing); regular updates on key litigation and compliance matters, information, platform and cyber security, and the adequacy of engineering and technology resource; and oversight of the work undertaken by our external auditor, Deloitte LLP ('Deloitte'), its independence and approval of associated fees. More detail on the Committee's work during 2022 and up to the date of this report is set out on page 100.

We decided to establish an Internal Audit function and to appoint a Head of Internal Audit, who joined the Company in December 2021. During FY2022 the Head of Internal Audit focused on establishing the internal function and resource, including the guiding principles and scope of the function under the Internal Audit Charter (the 'Charter'), which sets out the nature of services that Internal Audit provides and how Internal Audit will help the organisation to achieve its objectives. A risk-based Internal Audit Plan was adopted for the rest of the year along with the commencement of internal audit review reports, with the findings and actions considered by the Committee. Further information on this is set out on page 104.



Looking forward, the Committee will continue to review the financial reporting of the Group and focus on supporting the continuing evolution of risk management and internal control processes, particularly in view of the changing regulatory landscape and challenging external environment. This includes the BEIS proposals for audit and governance reforms under the consultation paper 'Restoring trust in audit and corporate governance', which the Committee will consider, ensuring compliance with any new requirements.

The remainder of this report contains the work of the Committee and matters addressed by it during the period, which should be read in conjunction with the Independent Auditor's Report from page 141 and the Group's financial

statements from page 149. This includes the significant accounting matters and issues relating to the financial statements that the Committee assessed, which can be found on page 102.

The Committee conducted an externally facilitated review of its performance with Independent Board Evaluation, the results of which are set out on page 93.

Rick Medlock

Chair, Audit and Risk Committee

15 March 2023

Key responsibilities

The Committee's responsibilities include the following:

- monitoring the integrity of the Group's financial statements and any formal announcements relating to the Group's financial performance, including the review of significant financial reporting judgements contained in them;
- consideration of the Group's Viability statement and going concern assessment;
- providing advice on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- establishing the selection and appointment procedures for an external auditor and the conduct of any competitive tender process for the provision of external audit services including making recommendations to the Board about the appointment, reappointment, resignation or removal of the external auditor;
- overseeing the relationship with the external auditor, including: reviewing the findings of the audit and external Auditor's Report as well as management's responsiveness to the external auditor's findings; assessing the effectiveness of the external audit process and quality (taking into consideration relevant UK professional and regulatory requirements); monitoring their effectiveness, independence, qualifications and expertise; and negotiating and approving the terms of engagement and remuneration;
- developing and implementing a policy on the engagement of the external auditor to supply non-audit services and approving such services while considering the impact this may have on auditor independence and reporting to the Board on any improvement or action which may be required;
- reviewing our whistleblowing procedures (known internally as 'Speak Up') which allow employees and other parties to report concerns of potential misconduct in confidence with the aim of allowing independent investigation and appropriate follow-up action;
- monitoring and reviewing the effectiveness of the Group's Internal Audit function;
- overseeing risk management and internal control processes, ensuring that risks are appropriately identified, managed and mitigated and controls are designed and implemented;
- advising the Board on the Group's overall risk appetite, tolerance and strategy and on the current risk exposures and future risk strategy. This includes monitoring the effectiveness of the Group's risk management and internal control framework, including the adequacy and effectiveness of the internal financial controls and whether risk management is embedded within the Group, through regular assurance reports from management, Internal Audit, external audit and others on matters related to risk and control; and
- reporting to the Board on how the Committee has discharged its responsibilities.

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

Audit and Risk Committee Report continued

Committee membership and Code compliance

The Committee comprises three independent Non-Executive Directors: Rick Medlock, Dominique Reiniche and Peter Jackson. The Committee is considered to be independent for Code purposes as it is made up solely of independent Non-Executive Directors. Member biographies can be found on pages 80 to 82.

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

The Code stipulates the following:

- **The Committee, as a whole, shall have competence relevant to the sector in which the Company operates.** All Committee members have past employment experience in either finance or accounting or senior management roles and have knowledge of financial reporting, the tech sector and/or international businesses; and
- **At least one Committee member should have recent and relevant financial experience.** Rick Medlock meets this requirement as he has held a number of CFO positions throughout his career and is a qualified chartered accountant. Rick is also the Audit Committee Chair for Smith & Nephew plc.

As such, the Board is satisfied that the Committee, as a whole, has the relevant business sector competence and complies with the Code. Details of the Committee members' experience can be found in their biographies on pages 80 to 82.

Main activities during 2022 and following the year-end

During the financial period until 31 December 2022 and following the year-end the Committee focused on the following key areas.

Financial and narrative reporting	<ul style="list-style-type: none"> • Review of FY2021 audit/Annual Report processes and recommendations of the external auditor's Management Letter, and agreement of implementation of its recommendations. • Review of financial reporting matters including the approval of market announcements for the interim results, trading updates and the preliminary 2022 year-end results, as well as the review and recommending approval of the 2022 Annual Report. • Review of plans and process for the preparation of the Annual Report and Accounts for FY2022 including timelines, verification and resource. • Review of the UK Corporate Governance Code and other requirements relating to year-end matters including: the review of the Group's accounting policies; significant accounting judgements and financial reporting matters; principal risks; going concern and viability including the underlying assumptions and stress-test analysis in support; the effectiveness of the Group's risk management and internal control systems; and 'fair, balanced and understandable' reporting in the 2022 Annual Report. • Regular updates on general Group accounting processes including the progress of ledger automation and subsidiary financial statement preparation and audit improvements.
Risk management and internal control	<ul style="list-style-type: none"> • Review of the adequacy and effectiveness of the Group's risk management systems and internal control processes through evaluating: risk heatmaps; the risk management framework; Internal Audit reports; and business and financial control updates. • Review of principal and emerging risks including the risk appetite proposal for recommendation to the Board. • Review of information and cyber security, IT issues and resilience processes, platform security risks, business continuity plans, user access controls, and tax and treasury matters through regular updates. • Review of the Group's insurance programme.
Internal audit	<ul style="list-style-type: none"> • Review of plans to establish the Internal Audit function including the guiding principles, team composition and scope of the function and approval of the Internal Audit Charter. • Review and approval of the Internal Audit Plan for FY2022 and review of reports from the Head of Internal Audit on internal audit findings and actions.

Relationship with the external auditor	<ul style="list-style-type: none"> • Approval of the external audit plan for FY2022. • Review of the scope of, and findings from, the external audit for FY2022 undertaken by Deloitte as the external auditor. • Assessment of the effectiveness of the external audit process and the performance, continued objectivity and independence of the external auditor. • Review of the level of fees paid to Deloitte for permitted non-audit services, along with the review of the Non-Audit Services Policy and processes. • Approval of the reappointment of Deloitte as external auditor for FY2023 and associated fees. • Review of the outcome of the FRC's inspection team, the Audit Quality Review ('AQR'), review of Deloitte's audit of the FY2021 financial statements.
Governance, compliance, whistleblowing and fraud	<ul style="list-style-type: none"> • Support and advice to the Interim CFO. • Committee annual calendar and agenda planning. • The review of the Committee's terms of reference and Committee effectiveness. • Corporate governance and regulatory matters including reporting against the TCFD requirements, as well as other regulatory and governance updates. • Ongoing review of progress on the actions contained in the FPPP Report (with most actions completed during the year), including updates on financial integrity assurance, development of a Business Continuity Management System and formulation of an agreed Internal Audit Plan. • Review and approval of new and/or amended policies including the Treasury Policy. • Review of business integrity measures including the Speak Up process, and monitoring investigations and any appropriate follow-up actions. • Review of reports on procedures, monitoring and investigations relating to anti-bribery and corruption, anti-money laundering, sanctions and fraud and loss prevention, as well as other litigation, legal and compliance matters.

The Committee met six times during FY2022 and separately with the external auditor and the Head of Internal Audit. In addition, the Committee Chair holds regular private sessions with the CFO, the senior finance team, the Head of Risk, Control and Compliance and the Company Secretary, to ensure that open and informal lines of communication exist should they wish to raise any concerns outside formal meetings.

Financial reporting and significant financial judgements

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

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

In preparing the financial statements for the period, there were a number of areas requiring the exercise of a high degree of estimation. These areas have been discussed with the external auditor to ensure the Group reaches appropriate conclusions and provides the required level of disclosure. The significant issues considered by the Committee in respect of the Annual Report are set out on page 102.



Audit and Risk Committee Report continued

Significant matters for the year

Significant matters for the year ended 31 December 2022

How the Committee addressed these matters

Valuation of investment in subsidiary	The carrying value of the investment that Deliveroo plc holds in its wholly owned subsidiary, Roofoods Ltd is £3.2 billion (2021: £3.9 billion). The market capitalisation of the Group at year-end was below the carrying value of the investment, constituting an indicator of impairment. Judgement is exercised when assessing whether the investment value should be impaired. Management prepared a discounted cash flow to estimate the future cash flows of the Roofoods Group, based on the long-term financial plan, a long-term growth rate, and a discount rate. The impairment model is sensitive to a change in any of these key assumptions, individually and in combination. An impairment charge of £697 million (FY21: nil) has been recognised in relation to the investment in Roofoods Ltd. Refer to note 6 in the Parent Company financial statements for the related disclosures.
Provisions and contingent liabilities	The Group is subject to various legal and regulatory investigations and challenges across its jurisdictions. Judgement is applied in assessing each matter on a case by case basis, with reference to the criteria set out in IAS 37 Provisions, contingent liabilities and contingent assets and all the available information in relation to each case, including the existence of an obligation, scope of any claims and the likelihood of any associated economic outflow, the availability of reliable data for the quantification of any economic outflow, is reviewed to determine whether a provision or a contingent liability is indicated, and if so the measurement of the amount.
Going concern and viability statement reporting	<p>The Committee discussed the Group's considerations in assessing the appropriateness of adopting the going concern basis of accounting and considered the financial statement disclosures in respect of adopting the going concern basis in preparing the financial information. The Committee concluded that adopting the going concern basis and the disclosures given were appropriate.</p> <p>The Committee discussed the key assumptions used in evaluating the long-term viability of the Group, the time period for the Viability statement and the stress and reverse stress testing used as a basis for conducting the overall assessment. The Committee concluded that the assumptions made and the wording included in the Viability statement were appropriate.</p>
Other matters	<p>Capitalised development costs – judgement is exercised in identifying the development projects which meet the recognition criteria set out in IAS 38 Intangible assets. During 2022, management has adopted and utilised for the year, a new process for the identification and measurement of recognisable costs. This involves the collection of more granular project-by-project information on a quarterly feedback cycle, to ensure that there is a regular review of ongoing projects to assess whether they meet the criteria for capitalisation, and ensure that the measurement of the related costs can be performed reliably.</p> <p>Share options issued to non-employees – in 2021 options were issued to a small number of non-employees in return for services provided in the pre-IP0 period (see note 26). As no share-based payment charge had previously been recorded for these options, a prior year restatement has been made to correct this omission. The Committee considered the accounting impact (as described in note 4) and also the implications of the control deficiency that led to this omission, in particular whether as part of the progress towards a more mature system of internal controls (discussed further on page 103, 'Evaluation of Internal Controls') there were appropriate controls in place to identify such matters following the IPO. The Committee is satisfied that this was an isolated matter and appropriate controls are now in place to prevent the recurrence of such an issue.</p>

External Auditor

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

The Committee reviews annually the appointment of the auditor (taking into account the auditor's effectiveness and independence and all appropriate guidelines) and makes a recommendation to the Board and its shareholders accordingly.

Deloitte was first appointed as auditor of the Group in FY2018, and was reappointed at our AGM held on 20 May 2022. The current external audit engagement partner is Mark Lee-Amies. The Company is required to have a mandatory audit tender after 10 years as a listed company, and so the Audit Committee will continue to monitor auditor tenure.

During the period the Committee approved the terms of engagement with Deloitte for FY2022, the external audit plan and the proposed audit fee. The Committee reviewed the audit process and the quality and experience of the audit partners engaged in the audit, and also considered the extent and

nature of challenge demonstrated by the external auditor in its work and interactions with management. The Committee also assessed the performance of the external auditor in respect of the overseas subsidiary audits. Auditor independence and objectivity were assessed including the nature of other work undertaken for the Group as set out below.

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

A review of the FY2021 audit file by the FRC's inspection team, the AQR, took place during August 2022. The AQR team completed its formal governance processes and wrote to the Chair of the Audit and Risk Committee with its conclusion on the results of its review. The review had been completed with a satisfactory outcome.

Non-audit services

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

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

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

During FY2022 the external auditor was not engaged to provide permitted non-audit services (FY2021: £1.7 million of non-audit services fees were in respect of the IPO). Details of fees to the external auditor during the financial year can be found in note 28 to the financial statements.

Evaluation of internal controls

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

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

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

Details of the Group's risk management process and the management and mitigation of principal risks together with the Group's Viability statement can be found in the Risk management and our principal risks section on page 59 and Viability statement on page 75.

The Board, through the Committee, has carried out a robust assessment of the principal risks facing the Group and agreed the nature and extent of the principal risks it is willing to accept in delivering the Group's strategy (the Board's risk appetite). It has considered the effectiveness of the system of internal controls in operation across the Group for the period covered by the Annual Report and up to the date of its approval by the Board. This review covered the material controls, including financial, operational and compliance controls and risk management arrangements. Since IPO, the Company has continued to mature its systems of internal control to reflect the outcome of the FPPP Report. Management is now focusing on progressing these further to the next level of maturity, which will include the new BEIS requirements, once published.



Audit and Risk Committee Report continued

Control environment

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

The key corporate policies include the following areas:

- Inside Information, Disclosure and Share Dealing;
- Whistleblowing (known internally as the 'Speak Up Policy');
- Conflicts of Interest;
- Anti-Bribery and Corruption;
- Anti-Facilitation of Tax Evasion;
- Anti-Fraud;
- Anti-Money Laundering; and
- Information Security.

There are established procedures for the delegation of authority to ensure that decisions are made at an appropriate level within the business dependent on either the magnitude or nature of the decision. This includes the Matters Reserved for the Board and our internal Delegated Authority Policy.

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

On joining the Group all employees are required to confirm that they have read and understood the key corporate policies, as well as other policies and standards that specifically relate to their role. Employees are also subject to ongoing training on key policies and are required to confirm that they understand their obligations.

The Group continues to strengthen the control environment by embedding the risk management and internal control framework within each function. A summary of the key risk management activities undertaken by the Group is included in the Risk management and our principal risks section on page 59 and Viability statement on page 75.

During FY2022 the Risk, Control and Compliance team, with the help of Risk owners, continued embedding the risk management and internal control framework and reported to the Committee regularly on the status of agreed enhancements to key controls, as well as the remediation of any control deficiencies identified. The Group continues to develop its 'three lines of defence' assurance model with the objective of embedding effective risk management and control throughout the business and providing assurance to the Board and the Committee of the effectiveness of internal control and risk management across the organisation.

This comprises the following:

- first line of defence – functional management which is responsible for embedding risk management and internal controls into its business processes;
- second line of defence – functions that oversee or specialise in risk management and compliance-related activity. They monitor and facilitate the design and implementation of effective risk management and control activities by the first line. These functions include: Risk, Control and Compliance; Regulatory Compliance; Finance; Information Security; Legal; and Company Secretariat; and
- third line of defence – functions that provide independent objective assurance to the Board, the Audit and Risk Committee and Senior Management regarding the effectiveness of the first and second lines of defence.

More information on the three lines of defence model can be found in the Risk management and our principal risks on page 59.

Internal audit

The role of Internal Audit is to provide independent and objective assurance that the Company's risk management and internal control systems are well designed and operate effectively. The Head of Internal Audit reports functionally to the Committee and administratively to the Chief Finance Officer. The purpose, scope and authority of Internal Audit is defined within its Charter which is approved annually by the Committee. The Internal Audit function has unrestricted access to, and communication and interaction directly with, the Committee and the Board, including in private meetings without management present. The function also liaises with the external auditor, discussing relevant aspects of their respective activities which ultimately supports the assurance provided to the Committee and Board.

The Internal Audit function was established following the appointment of the Head of Internal Audit in December 2021. The function uses an Enterprise Risk Assessment to provide a risk-based audit plan for the approval of the Committee. Engagements are selected to provide coverage across the highest-rated principal risks and to address requests from management, the Committee and the Board.

At each Committee meeting, an update on Internal Audit is provided. This includes an update on progress against the Internal Audit Plan, findings arising from audits conducted and the tracking of remedial actions. The Committee routinely meets independently with the Head of Internal Audit to discuss the results of the audits performed and to consider any additional insights obtained on the risk management and control environment across the organisation.

During 2022, the focus was on establishing the Internal Audit team, approval of the Charter and delivery against the Committee approved Internal Audit Plan. The work completed by Internal Audit during the year included areas of internal controls over financial reporting, cyber security, business continuity

and disaster recovery, payroll and people. In 2023, reviews are planned in areas of information security, restaurant lifecycle management and payments, data management, Long-Term Incentive Plans and internal controls over financial reporting.

Whistleblowing (known internally as ‘Speak Up’)

It is important to ensure there is an appropriate mechanism for employees and other parties to report any concerns regarding suspected misconduct and that the Board should routinely review this mechanism and the reports arising from its operation. In 2022, a new whistleblowing platform was launched, the Speak Up Policy was revised and enhancements were made to the case management and investigation process. Communications are issued to the business on how to report concerns and the importance of speaking up. The Speak Up Policy is made available to all employees and contractors on joining the business and is published alongside related guidance on the People Portal for each market. Case management is overseen by the Regulatory Compliance team and reports are independently investigated by subject matter experts in the Finance, Legal, Risk, Control and Compliance or Regulatory Compliance teams.

The Committee receives regular reports on investigation outcomes as well as periodic reporting of trends arising from Speak Up investigations. These reports provide the Committee with perspective on workplace culture and common employee concerns. The Committee assists the Board in ensuring that adequate arrangements remain in place for the proportionate and independent investigation of such matters as well as appropriate follow-up action, with the findings reported to the Board as necessary.

Financial reporting

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

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

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

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

Fair, balanced and understandable assurance framework

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

At its meeting on 13 March 2023, the Committee conducted an assessment on the basis of the assurance framework set out below, and received confirmation from management that the assurance framework had been adhered to for the preparation of the 2022 Annual Report.

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

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

The Committee recommended to the Board that, taken as a whole, the 2022 Annual Report and Accounts (which the Board subsequently approved) is fair, balanced and understandable and provides the necessary information for shareholders to assess the Group and Company's position and performance, business model and strategy. As such the 'fair, balanced and understandable' statement could be given on behalf of the Directors. The Board's confirmation is set out on page 94.



Directors' Remuneration Report

Chair's Annual Statement



Dame Karen Jones DBE
Chair, Remuneration
Committee

Committee members¹

Dame Karen Jones DBE (Chair)	Independent
Dominique Reiniche	Independent
Rick Medlock	Independent

1. See page 91 for information on Committee attendance.

Key sections of this report

Section

Chair's Annual Statement	See p106
Remuneration at a glance	See p112
Link between incentives and strategy	See p114
Summary of the Directors' Remuneration Policy	See p115
Annual Report on Remuneration	See p119
Fairness, diversity and employee considerations	See p128
Other disclosures	See p132

The Remuneration Committee (the 'Committee') comprised three independent Non-Executive Directors during the financial year. The Committee's full terms of reference are available on Deliveroo's corporate website at: <https://corporate.deliveroo.co.uk>. Key responsibilities and focus areas for the year for the Committee are set out on page 111.

This is my second year as Chair of the Remuneration Committee and I am pleased to present our Directors' Remuneration Report covering the financial year to 31 December 2022.

The report is divided into the following sections:

- the Annual Statement which outlines the Committee's work during the year and the decisions taken relating to Directors' remuneration;
- a summary of the Remuneration Policy (the 'Policy'), which is the Group's framework for Directors' remuneration. The full policy can be found on the Deliveroo corporate website; and
- the Annual Report on Remuneration, which sets out the remuneration outcomes for the financial year to 31 December 2022 ('FY2022'), and details how the Committee will seek to implement the Policy for the financial year to 31 December 2023 ('FY2023').

This year the Committee's focus has been on implementing the Policy in line with the Group's long-term business strategy, whilst maintaining our commitment to high standards of corporate governance.

In this Annual Statement, I have set out information on the business context and the wider operating environment, details of executive remuneration outcomes in FY2022, the intended implementation of the Policy for FY2023 and the key focus areas for the Committee during FY2022. The latter included a reassessment of Deliveroo's employee reward philosophy to better align with our strategy going forward.



Business context

The uncertainties and challenges of the past year are set to continue into 2023, and we know that it will be a difficult time for many of our partners and other stakeholders. As set out in detail in the CEO's letter on page 4, despite a difficult environment, Deliveroo has continued to execute on its strategy, particularly making strong gains in profitability. We have grown to take share in key markets hyperlocally, and strengthened the Company and our team. We also had to face some tough choices during the year. Although we expanded in the Middle East, we made the difficult decision to exit the

Netherlands and Australia as we had not been able to build leading positions in those markets. In February 2023, the Company made the extremely difficult announcement that it was starting a redundancy process across the Company, impacting around 9% of our workforce. Post COVID-19 and with the current unforeseen economic headwinds, we felt it was important to right-size the organisation for the opportunities and challenges ahead. Our team members have continued to show resilience, determination and creativity during these challenges and the Board is grateful for their commitment and efforts.

Executive remuneration outcomes in FY2022

Annual bonus outcome for FY2022

The only Executive Director participating in the FY2022 bonus is the former CFO, Adam Miller. The CEO does not participate in the annual bonus and will not for the duration of the current Policy. The payout for FY2022 is based on the following achievement:

Measure	Weighting	Threshold	Target	Maximum	Actual
Growth in GTV* (in constant currency*)	45%	25%	33%	41%	7%
Adjusted EBITDA*	45%	£(136.0)m	£(114.0)m	£(91.0)m	£(45.0)m
Employee engagement score as measured by Peakon	10%	Score at external benchmark of 8.2	Score of +0.2 from external benchmark at 8.4	Score of +0.4 from external benchmark at 8.6	Score of -0.4 from external benchmark at 7.8

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

Full details of the FY2022 performance targets and actual performance against the targets are set out on page 119. The formulaic outcome for the former CFO, Adam Miller, was 45% of his maximum opportunity of 180% of base salary, pro-rated to 17 September 2022 when he stepped down from the Board. See further detail on page 119.

The Committee undertook a robust review of the formulaic outcome for FY2022 and considered a range of reference points as part of its review, including the outcomes relative to the board-approved budget and plan, Deliveroo's progress against its long-term strategic plans, the wider stakeholder experience during FY2022, and the input and effort of the former CFO during the year. It was determined that no discretion should be exercised to adjust the formulaic outcome.

PSP awards granted in FY2022

PSP awards were made for the second time under the Deliveroo Incentive Plan ('DIP') to the CFO and the Senior Management team on 12 April 2022. The CEO, Will Shu, does not currently participate in PSP awards and this will be the case for the duration of the Policy period.

The PSP awards granted are subject to stretching performance targets based on a total shareholder return ('TSR') performance matrix covering both absolute and relative TSR, ensuring that participants receive payouts only where long-term value is delivered to shareholders, and combined with exceptional performance. The Committee reserves its discretion to adjust vesting outcomes if it is felt they are not appropriate in light of the overall underlying Company performance and shareholder experience over the performance period. Page 121 provides full details of the performance targets.

A share price of £3.90 was used to calculate the number of shares granted to the former CFO for the FY2022 PSP award. As a result, the PSP award was reduced to around 170% of salary (as measured using a closing share price on the date of grant of £1.08). This also ensures that the award does not benefit from windfall gains as a result of the share price at grant vs the award made in 2021.

No PSP grant was eligible to vest in FY2022 as the first PSP award was granted in FY2021.

Directors' Remuneration Report continued

Chair's Annual Statement continued

Implementation of the Policy for FY2023

Base salary

There will be no increases to salary in FY2023 for Executive Directors. Will Shu's salary as CEO is £600,000. Scilla Grimbale was appointed as CFO on 20 February 2023 on a salary of £500,000 which matches that of her predecessor.

Annual bonus

The maximum bonus opportunity for Scilla Grimbale will be 180% of salary. One-half of any payout is delivered in cash with the remaining half paid in shares deferred for three years subject to continued employment.

For FY2023, our annual bonus will continue to incorporate GTV growth and adjusted EBITDA measures, each with a 45% weighting, and a stakeholder measure linked to service, with a 10% weighting to support our focus on this critical area for the Group. This service measure will replace the ESG measure related to employee engagement that was part of the 2022 annual bonus. The service measure will target an improvement in customer service outcomes that have the biggest impact on customer retention, such as missing items and cancelled orders. The introduction of a service component into the annual bonus reflects our strategic priorities for 2023. More information on annual bonus measures, including the targets and our performance against them, will be provided in next year's Annual Report.

PSP award

In order to execute our ambitious growth strategy, it is necessary that we apply the tools available to us to attract and retain the best, highly skilled talent we need to be competitive and to build value for shareholders. The PSP is instrumental in aligning the interests of our senior executives and our shareholders. The maximum Policy limit for PSP awards is 600% of salary.

For FY2023, Scilla Grimbale will be granted a PSP award of 500% of salary. The Committee considers that the level of award for FY2023 is appropriate.

Performance will be assessed using three independent measures of relative TSR, absolute TSR and ESG. The relative and absolute TSR measures will each have a weighting of 45% of the maximum opportunity. The ESG component (10%) will contain two measures – one targeting reduction in our Scopes 1 and 2 greenhouse gas emissions, and one focused on improving the representation of women at senior levels – with a combined 10% weighting, to ensure our commitments to sustainability are reflected in the overall pay structure. Challenging performance targets have been set to support Deliveroo's ongoing business expectations, details of which are set out on page 127. Further discussion on implementing our ESG commitments into variable pay is set out later in this letter.

There is a change in the assessment of performance versus the current in-flight PSP awards where vesting for TSR is measured on a matrix or inter-dependent basis of both relative and absolute TSR. Under the current approach, if threshold performance is not achieved on one of the measures, then there will be zero payout regardless of the level of performance against the other measure.

The Committee has reviewed this approach and is of the view that a change to using independent TSR measures is in the best interests of all stakeholders for the following reasons:

- targets should be challenging but realistic and provide an appropriate retention mechanism (as well as one of motivation and alignment) for all participants including incoming executives;
- this will better address the impact of external market volatility on the measures that are outside the control of management; and
- the approach is consistent with market practice and increases the simplicity and transparency of the long-term incentive.

Further details on implementation of the Policy for FY2023 can be found on page 126.



Other key focus areas for the Committee

Shareholder engagement

At the AGM on 20 May 2022, shareholders approved the Policy with 96.24% votes in favour, thus making it binding for three years. We also received overwhelming support for the FY2021 Directors' Remuneration Report with 99.01% votes in favour.

The Committee was pleased with the strong shareholder support received in relation to our Policy and Directors' Remuneration Report. The Committee was also appreciative of the feedback received from proxy advisers in connection with long-term incentive opportunity levels that could be awarded under the Policy and, in particular, on recruitment. However, the Committee wishes to re-emphasise that these tools will be used judiciously in ensuring that we can compete for the best talent with the right skills as we seek to execute a very ambitious and challenging growth strategy.

The Committee has not undertaken any further formal consultation with shareholders and proxy advisers given this is not a Policy year and we continue to implement the Policy in line with commitments that we have made. However, the Committee desires to maintain an open dialogue with our shareholders and the main proxy advisers, and we are always interested to hear feedback on our approach to remuneration. To complement the detail provided in this report, we are also reaching out to major shareholders via letter to inform them of the changes to incentive measures we are intending to implement in 2023. We welcome any feedback, directly or throughout the wider governance engagement being led by the Chair of the Board, Claudia Arney, ahead of the 2023 AGM.

Progress on implementing our ESG commitments into variable pay

The Committee acknowledges the great significance of environmental, social and governance ('ESG') matters to each of the three sides of our marketplace, as well as to our employees and other stakeholders. We have set out in our Sustainability review on page 31 the key pillars of our focus and the actions we are taking against these. The Committee is mindful of the importance of linking executive pay to our sustainability strategy as a direct lever to promote positive change.

We are introducing an ESG component containing equally weighted measures targeting reduction in our Scopes 1 and 2 greenhouse gas emissions, and improving the representation of women at senior levels, with a combined 10% weighting for the FY2023 PSP award. By integrating ESG measures into multi-year executive incentives, we aim to promote long-term change, and demonstrate our commitment to making tangible progress in driving social and environmental sustainability for the business.

Deliveroo employee reward philosophy

Our diverse and talented team members continue to be critical to the delivery of our strategy and our long-term success. We are committed to creating an inclusive working environment and rewarding employees in a fair manner. The Committee is made aware of pay and employment conditions throughout the Group and is mindful of this when making decisions on executive pay. It is also responsible for overseeing wider all-employee pay and ensuring that incentives support our Company purpose, culture and values. The Committee receives regular updates from the Chief People Officer on recruitment and reward matters and how these align with the wider organisation.

As Deliveroo has continued to mature as a public company and given the challenging external environment, during 2022 the Committee reviewed a revised total reward approach. This is designed to provide better support for our strategy going forward and to reflect UK market practice, as well as the shifts observed in the global tech industry. We have reaffirmed our commitment to providing competitive pay to all of our employees to ensure we attract and retain talent capable of delivering our ambitious strategy. The revisions to our reward philosophy mark a transition to utilising previously all-encompassing equity awards in a more targeted way. We are proud of widespread employee equity ownership across the Group, and equity ownership in the business remains critical and culturally important for us, but we recognise that it should be balanced appropriately, taking into account our objectives, costs and the dilutive impact. This shift in the deployment of equity has been important in the context of helping us continue to meet our strategic ambitions in a challenging external environment as we continue to evolve for the future.

The Committee is committed to reviewing the total reward approach on an annual basis to assess its continued fitness. The Board is also committed to a constructive two-way dialogue with our employees, to enable us to better consider their interests and to help ensure that the Company is a great place to work. Information on our total reward approach can be found on page 128 alongside our progress towards fostering an inclusive and engaging working environment. More information on the ways in which we engage with our employees and other key stakeholders can be found in the Stakeholder statement on page 23 and in the People section on page 44.

Gender pay and diversity

Deliveroo is committed to creating an inclusive environment and a diverse organisation where different perspectives are listened to and people of all backgrounds are welcome. The Board reviews matters relating to gender pay and diversity throughout the year and detailed information can be found in the People section on page 46. By introducing a target to improve the representation of women at senior levels as part of our long-term incentive ESG component, we aim to demonstrate our firm commitment to improving representation, particularly in our technical teams within Deliveroo where the number of women at senior levels has been historically lower.

Directors' Remuneration Report continued

Chair's Annual Statement continued

Other key focus areas for the Committee continued Dilution

The Committee is keenly aware of the dilutive effect of share-based compensation and monitors this closely. As set out later in this report on page 128, given the market conditions within which the Company operates, there is a need to manage the dilution of shareholder capital effectively. As already mentioned, a revised approach to equity has been implemented this year. Furthermore, during the year shares were also bought by Deliveroo's Employee Benefit Trust (EBT).

In 2022, the Company granted 98.9 million share awards while 14.3 million awards were forfeited, as detailed in note 26.3. Furthermore, during the year 0.9 million shares were issued to satisfy options exercised and 74.5 million shares were acquired by the EBT to be used to satisfy exercises of employee share-based compensation awards. The net effect of these movements was that the total diluted share count increased in the year by 11.0 million shares or 0.56% (measured as a percentage of the total diluted share count at the end of 2021). The Committee will continue to keep this under review.

The Group's share plans are subject to dilution limits set by the Investment Association in respect of all share plans (10% in any rolling 10-year period) and executive share plans (5% in any rolling 10-year period). Since the 42 days following IPO and across 2021 and 2022:

- the Company has granted 135.6 million share awards;
- 9.1 million shares have been forfeited that would otherwise have counted towards the dilution limits; and
- currently 126.5 million shares are outstanding that potentially count towards the dilution limits.

Riders

As a vital part of the three-sided marketplace, there is a great deal of interest in the rider community. Given their strategic importance to our business and their status as non-employees, matters relating to riders are considered by the Board and are not within the remit of the Committee. For further information on riders please see our Business Model section on page 14, Stakeholder statement on page 23 and Sustainability review on page 31.

CFO change

As announced on 20 June 2022, Adam Miller stepped down as Chief Financial Officer on 17 September 2022. On behalf of the Committee, I would like to thank Adam for his contribution and commitment to Deliveroo over the past four years.

Details of Adam's remuneration arrangements relating to his time on the Board were set out in the Section 430(2B) Statement and can also be found on page 125. A summary relating to key elements of Adam's remuneration is also set out below.

- Adam has been granted 'good leaver' status in respect of his entitlement to a bonus for FY2022. Adam's FY2022 bonus will be paid fully in cash given Adam is a US tax citizen and is subject to the provision of Section 409A of the US Internal Revenue Code. Details of Adam's FY2022 bonus can be found on page 119.

- Adam's deferred share awards from FY2021 will also be paid fully in cash given he is a US tax citizen and is subject to the provision of Section 409A of the US Internal Revenue Code.
- Adam has been granted "good leaver" status in respect of his FY2021 and FY2022 PSP awards. Accordingly, those awards will vest to Adam on their normal vesting date (on a pro-rata basis).
- Adam will not participate in the FY2023 annual bonus and will not receive a 2023 PSP award.
- Adam is subject to a two-year post-employment shareholding requirement and it was agreed that this would cover all shares acquired through Deliveroo share plan awards prior to his final date of employment and, therefore, this would cover his pre-IPO awards. In line with the Policy, the post-employment shareholding requirement equals the lower of Adam's shareholding at the point of him leaving the Company or 800% of his salary.

Scilla Grimbale joined as Chief Financial Officer on 20 February 2023. Scilla has a wealth of experience in senior finance and leadership roles. We are confident that her highly relevant skills and experience will help us to take advantage of the significant opportunities before us and will be invaluable as we continue to build our business. Details of Scilla's core remuneration package were set out earlier under the header 'Implementation of the Policy for FY2023' on page 108.

Scilla Grimbale has also received Deliveroo awards to compensate her for the value of any short and long-term incentive awards she has forfeited on leaving her previous employer, subject to performance conditions where appropriate. Details can be found on page 121.

Concluding remarks

The Committee continues to support the Group's journey as a public company through operating within the Policy while also closely monitoring market conditions and making permitted adjustments where necessary. We are committed to achieving balanced outcomes by providing Deliveroo with the necessary tools to attract, retain and motivate executives in the competitive global marketplace, while also considering the impact for the Company and our shareholders in the context of a volatile economy and continued rebalancing of our strategic priorities.

I look forward to your support for this Directors' Remuneration Report, which is subject to an advisory shareholder vote at the Company's AGM in May 2023.

If you would like to discuss any aspect of this Remuneration Report, I would be happy to hear from you as part of the general governance exercise being led by the Chair of the Board ahead of the AGM, or separately. You can contact me through the Company Secretary, Catherine Sukmonowski. I will also be available at the Company's AGM in May 2023 to answer any questions you might have.

On behalf of the Committee and the Board.

Dame Karen Jones DBE

Chair, Remuneration Committee

15 March 2023

What are the Committee's responsibilities?

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

What are the key areas of focus for the Committee?

Focus areas for FY2022

Shareholder engagement on the Policy ahead of the AGM.

Determining outturn of the FY2021 annual bonus targets.

Setting FY2022 annual bonus structure including targets.

Setting FY2022 PSP award targets.

Consideration of appropriate ESG measures for the FY2022 annual bonus.

Refining and resetting the wider reward philosophy as a response to market changes, and reviewing pay arrangements, including equity awards.

Monitoring developments in market practice.

Oversight on employee pay arrangements including engagement on pay.

Setting remuneration arrangements for the incoming CFO and reviewing exit arrangements for the outgoing CFO.

Focus areas for FY2023

Shareholder engagement on Policy implementation.

Determining outturn of the FY2022 annual bonus targets.

Setting FY2023 annual bonus structure including targets.

Setting FY2023 PSP award structure including targets.

Consideration of appropriate ESG measures for the FY2023 annual bonus and PSP award.

Overseeing the implementation of changes to the wider reward philosophy.

Monitoring developments in market practice.

Continual oversight on and review of employee pay arrangements including engagement on pay.

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Directors' Remuneration Report continued

Remuneration at a glance

Executive Directors' single figure outcomes for FY2022

Director	Salary £'000	Benefits £'000	Pension £'000	Annual bonus £'000	PSP awards vested £'000	Other £'000	Total single figure £'000
Will Shu (CEO)	600.0	15.5	10.0	—	—	—	625.5
Adam Miller (CFO) ¹	356.4	20.2	—	287.4	—	—	664.0

1. Salary and annual bonus figures for Adam Miller represent a pro-rated salary and annual bonus to 17 September 2022, when he stepped down from the Board. Adam Miller opted out of pension contributions for FY2022. No PSP awards vest until 2024.

Find out more information on single figure outcomes on page 119.

Annual bonus outcome for FY2022

FY2022 is the second year of the operation of the annual bonus. The former CFO had a maximum annual bonus opportunity of 180% of salary. The CEO does not participate in the annual bonus and will not for the duration of the current Policy. When assessing the annual bonus outcome, the Committee undertook a review of the formulaic outcome against several factors, including, but not limited to, the Group's progress against its strategic plan and individual performance, and concluded that no adjustments to the formulaic outcome were necessary. The pro-rated annual bonus outcome for the former CFO for his time on the Board until 17 September 2022 is summarised below.

Performance measures	Weighting	Threshold (25%)	Target (50%)	Maximum (100%)	Actual	Outcome as % of maximum	Formulaic outcome £'000	Outcome pro-rated for Board service £'000
Growth in GTV ¹	45%	25%	33%	41%	7%	0%	nil	nil
Adjusted EBITDA ²	45%	£(136.0)m	£(114.0)m	£(91.0)m	£(45.0)m	45%	405.0	287.4
ESG measure: employee engagement score ³	10%	Employee engagement score at external benchmark of 8.2	Employee engagement score of +0.2 from external benchmark at 8.4	Employee engagement score of +0.4 from external benchmark at 8.6	Employee engagement score of -0.4 from external benchmark at 7.8	0%	nil	nil
Outcome for the former CFO						45%	405.0	287.4

1. YoY growth in constant currency.

2. Measured on a statutory basis.

3. Measured against an average employee engagement score in a sector-appropriate peer group as captured by Peakon.

* Alternative performance measure ('APM'), refer to page 192 for further details.

Find out more information on the annual bonus outcome on page 119.

PSP awards granted in FY2022

A PSP award was granted to the former CFO in April 2022. The IPO price of £3.90 was used to determine the number of shares under the PSP award and as a result the award was effectively reduced to c.170% of salary (share price on the date of grant being £1.08). Performance will be measured against a matrix of absolute and relative TSR at the end of the performance period. The CEO does not participate in the PSP and will not for the duration of the current Policy.

Find out more information on the FY2022 PSP award to the former CFO on page 120.

Policy implementation for FY2023

The CEO does not participate in the annual bonus or in the PSP awards and will not for the duration of the current Policy.

Financial year	2023	2024	2025	2026	2027	Implementation for FY2023
Salary						CEO: £600,000; new CFO: £500,000
Pension						Up to 5% of salary in line with employees
Benefits						Normal benefits in line with Policy
Annual bonus	Cash	Deferred bonus shares ('DSP')				180% of salary subject to financial and stakeholder targets
PSP awards	Performance period			Holding period		500% of salary subject to relative TSR, absolute TSR and an ESG component
Shareholding requirement	To be built up over five years and maintained					800% of salary requirement – CEO exceeds requirement

Find out more information on the Policy's implementation for FY2023 on page 126.

Core principles of remuneration and the Policy

Deliveroo's remuneration framework is underpinned by a set of principles designed to ensure that remuneration achieves the following objectives cascaded through the business:

Objective	Rationale
Competition for talent	A key component of our strategy is to innovate and invest to develop our value proposition and to build a durable competitive advantage. This is critically dependent on having the right people to achieve this – particularly in our Engineering, Product and Data Science teams. Although the market for tech talent has become less intense during the year due to the external environment, we continue to compete for skilled talent with well-established online food delivery companies, new market entrants, other online platforms and technology companies, as well as emerging competition from the likes of independent restaurants, grocers and other chains. In addition, as we continue to mature as a publicly listed company, we also compete with other public companies in attracting persons with the right broader, relevant skills to support our organisation as it evolves. Given the challenging external environment during 2022, the remuneration framework has been reviewed to ensure it remains competitive and flexible, supports our strategy going forward and the overall shareholder experience, and also reflects UK market practice as well as the observed shifts in the global tech industry.
Attract, retain and motivate senior executives	It is critical to the Group's success that we attract, retain and motivate talented and experienced senior executives to execute our strategy and to innovate, grow and scale our business for the best interests of our shareholders and wider stakeholders. The remuneration framework is designed to do both by providing highly competitive long-term performance-based rewards, which serve as a retention and motivation tool.
Pay for exceptional performance	The remuneration framework is designed to ensure that there is a clear link between remuneration outcomes, exceptional business performance and the generation of long-term sustainable value. As the overall remuneration structure is heavily weighted towards long-term incentives, this ensures that there is strong alignment between the interests of executives, shareholders and wider stakeholders. Both the annual bonus and long-term incentive awards are subject to stretching performance targets linked to the annual business plan and longer-term strategy.
Acceptability in the UK listed company environment	We are mindful that we are a UK listed company and so the key ongoing components of the executive remuneration structure under the Policy align with best practice and the UK Corporate Governance Code.

Directors' Remuneration Report continued

Remuneration at a glance continued

How our incentive plan framework supports our business strategy

Our principles and remuneration framework are geared to ensure our success in building long-term value for shareholders and we keep our framework under review to ensure it reflects the changing macroeconomic environment in which we operate. The changes we made to the implementation of the Policy in 2022 and for 2023, are intended to ensure continued alignment of the remuneration structure with our strategy and our pathway to profitability. Our strategy is set out in more detail on page 16.

Against this backdrop, to incentivise and reward the delivery of exceptional performance over the short and longer-term, the Committee considers carefully the performance measures for the annual bonus and PSP awards based on our strategy, including the Group's key performance indicators ('KPIs'). Our KPIs are set out in detail on page 18 including a detailed description of each KPI.

Incentives under Policy	Performance measures	Why does this measure support our strategy?
2023 annual bonus	GTV growth	GTV is directly aligned to our growth strategy and focuses our Executive Team on our objectives regarding building the best market proposition in our market, building long-term relationships with customers and merchants and increasing market penetration. It is a widely used measure for understanding the total value spent by consumers on our marketplace.
	Adjusted EBITDA	Adjusted EBITDA is an important profitability measure and we adopt it in our business operations wherever possible amongst other measures and key performance indicators. It is an indicator of the underlying trading performance of the Group and is used, amongst other measures, to evaluate operations from a profitability perspective and our progress along our path to profitability.
	Stakeholder measure	The use of a service measure in the FY2023 bonus is a continuation of our focus on this as a critical area for the success of the Group. We have evolved our approach to include a measure targeting an improvement in customer service outcomes that have the biggest impact on customer retention. This reflects our strategic priorities for 2023 including supporting long-term sustainable growth. We will continue to consider the selection of the most appropriate measures for future years.
2023 PSP awards	TSR	TSR captures the market's expectations of future company growth and as a result is aligned to the financial KPIs; this is measured on both an absolute and relative basis. The absolute TSR measure ensures that the incentive drives an absolute increase in shareholder value creation over the performance period, regardless of the performance of the broader market. The relative TSR measure ensures that the incentive drives long-term outperformance of the market and shareholder value creation.
	ESG measures	ESG measures ensure the incentive drives achievement of our long-term sustainability goals reflected in executive remuneration. The inclusion of ESG measures is intended to act as a lever for the effective implementation of sustainable practices, demonstrating to shareholders our commitment to the wider sustainability agenda of the Company, and incentivising executives to proactively manage ESG commitments.

Other features of our incentive framework which support our strategy

Focus on performance-based pay

A high proportion of Executive Team remuneration is linked to variable, performance-based pay and in particular long-term incentives. This approach is cascaded further down the organisation to employees, where performance-related pay in the form of bonus and restricted stock (where applicable) as a percentage of total pay increases with seniority.

Long-term performance alignment

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

Shareholding requirements

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

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

Approach to performance target setting

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

Summary of the Directors' Remuneration Policy

The current Directors' Remuneration Policy (the 'Policy') was approved at the AGM on 20 May 2022. The following table presents a summary of the current Policy. The complete Policy is available in the 2021 Annual Report and can also be found on our corporate website, <https://corporate.deliveroo.co.uk>.

Summary of the Directors' remuneration policy

Elements of remuneration	Key operation features under current Policy		How the Policy was implemented in FY2022
Fixed pay To attract, retain and motivate executives. Fixed pay consists of salary, benefits and pension.	Salary	Salaries are set on appointment and reviewed annually. Increases will generally be no higher than the average increase for UK employees. A higher increase may be proposed in the event of a role change or promotion, or in other exceptional circumstances.	No increases were awarded to Executive Directors in 2022 or 2023.
	Benefits	Benefits are set at a level appropriate to the individual's role and circumstances. Executive Directors receive benefits which include, but are not limited to, private health cover, UK and home country personal tax advice, filing services, free Deliveroo Plus subscription (which is available to all employees) and the occasional use of corporate private security from time-to-time, as necessary. Other market standard benefits, including (but not limited to) one-off relocation allowances or expatriate benefits, may be provided, as deemed appropriate by the Committee.	No changes were implemented to benefits for the Executive Directors.
	Pension	Executive Directors are entitled to a contribution to the Group's defined contribution pension plan, a cash payment in lieu of pension (subject to normal statutory deductions), or a combination of pension contributions and cash in lieu of pension to a maximum of 5%. This applies to both current and future Executive Directors. If there are any changes to the contribution rates for the majority of the UK employee population, this will also apply to Executive Directors.	Executive Directors were eligible to receive up to 4% of salary contributions until 31 March 2022 and up to 5% of salary contributions from 1 April 2022 – this is aligned to the employer pension contribution available to the majority of the UK employee population. The CEO elected to receive monthly contributions of £833.33 for the full FY2022 and the former CFO opted out of pension contributions.

Directors' Remuneration Report continued

Summary of the Directors' Remuneration Policy continued

Summary of the Directors' remuneration policy continued

Elements of remuneration		Key operation features under current Policy	How the Policy was implemented in FY2022
Short-term variable pay To reward and incentivise the delivery of challenging annual financial and operational targets linked to the delivery of the Board approved budget.	Annual bonus	<p>The annual bonus is subject to stretching financial, strategic and operational performance measures with the majority of the bonus (at least 50%) being linked to financial measures.</p> <p>The maximum bonus opportunity is 180% of salary for Executive Directors. For threshold performance, 25% of the maximum opportunity will pay out. For on-target performance, 50% of the maximum opportunity will pay out. There is a straight-line payout between threshold and target and target and maximum.</p> <p>At the end of the performance period, which lasts for one financial year, the Committee assesses the extent to which the performance targets have been achieved and approves the final outcome. One-half of the bonus earned will be paid in cash and the remainder will be provided as a deferred award of shares that vest after three years subject to continued service.</p> <p>The Committee will have the discretion to adjust bonus outcomes if it believes there is reason to do so, which may result in a downward or upward movement in the amount of bonus earned.</p> <p>Malus and clawback provisions apply.</p>	<p>The former CFO had a maximum opportunity of 180% of salary. The CEO does not participate in the annual bonus for the duration of the current Policy.</p> <p>2022 bonuses were paid based on financial objectives (90%) and an ESG target (10%).</p> <p>Details of the former CFO's bonus outcome are set out in full on page 119.</p>
Long-term variable pay Three-year performance assessed on financial and other relevant measures, set and approved in line with long-term strategic plans.	Deliveroo Incentive Plan (Performance Share Plan)	<p>Long-term incentive awards take the form of annual grants of share awards subject to performance conditions ('PSP awards'), which may be made in the form of conditional awards or nil or nominal cost options.</p> <p>The normal annual maximum grant level of PSP awards for Executive Directors is 600% of salary. The maximum annual value of the PSP awards in exceptional circumstances will be 750% of salary and this will only apply in the case of recruitment of an Executive Director.</p> <p>Vesting of PSP awards is based on challenging performance targets relating to shareholder returns and financial, strategic and/or operational measures linked to the Group's business plan, at least 50% of which are linked to financial measures. The Committee will review and set measures, weightings and targets before each grant to ensure they remain appropriate.</p> <p>No more than 25% of the PSP award will vest for threshold performance. There is straight-line vesting between threshold and maximum and if the threshold level is not achieved, no vesting will occur.</p> <p>The Committee will have the discretion to adjust PSP outcomes if it believes there is reason to do so, which may result in a downward or upward movement in the amount of PSP award earned.</p> <p>Malus and clawback provisions apply.</p>	<p>A 2022 award was granted to the former CFO using the IPO price of £3.90 to calculate the number of shares granted and this effectively reduced the PSP award to c.170% of salary. Further information on the treatment of the award can be found in the Payments to past Directors/payments for loss of office section of this report on page 125. The CEO does not participate in the PSP for the duration of the current Policy.</p> <p>The 2022 PSP measures are based on a TSR matrix with stretching absolute and relative performance targets. Details of the targets can be found on page 121 of this report.</p>
Shareholding requirements Shareholding requirements ensure that executives are aligned with the shareholder experience and have a material stake in the long-term performance of the Company.	Minimum share ownership requirements	<p>Executive Directors are required to build a shareholding of 800% of salary in Company shares in the first five years from joining the Board, and to maintain it for the duration of their employment. Executive Directors are expected to retain all of the net of tax number of shares they receive through the PSP awards and the DSP awards until the shareholding requirement has been met.</p> <p>Executive Directors are expected to retain the lower of the shares held at cessation of employment and shares to the value of 800% of salary for a period of two years (excluding any shares purchased by Executive Directors using their own funds).</p> <p>In the case of newly appointed Executive Directors, the Committee retains its discretion to impose lower in-employment and/or post-cessation shareholding requirements.</p>	<p>The former CFO is subject to a two-year post-employment shareholding requirement. It was agreed that all shares acquired through Deliveroo share plan awards prior to his final date of employment, including pre-IPO awards, would be covered by the requirement. This equates to a holding of c. 220%¹ of salary as at 31 December 2022.</p>

1. Calculated by reference to closing share price as at 31 December 2022 of £0.86.

Alignment with Provision 40 of the UK Corporate Governance Code

The Policy addresses the factors listed in Provision 40 of the Corporate Governance Code as set out below:

Provision 40 (as stated in the Code)	How the Policy aligns
Clarity Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	<p>The Policy is simple and designed to support long-term, sustainable performance. The Policy clearly sets out the performance conditions that will be used for the annual bonus and Long-term Incentive Plans, as well as the maximum potential value of the elements of remuneration and the areas in which discretion can be applied throughout the Policy.</p> <p>The terms of the Policy are in line with UK corporate governance best practice. As a result, it is well understood by participants, employees and shareholders alike.</p> <p>The Committee proactively seeks engagement with shareholders, has processes and mechanisms in place to engage with employees on remuneration matters and is regularly updated on employee pay and benefits across the Group.</p>
Simplicity Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	<p>Deliveroo's remuneration structure comprises fixed and variable remuneration through the use of market standard annual bonus and long-term incentive structures. The performance conditions for variable elements are reviewed regularly to ensure alignment with strategy and are clearly communicated to, and understood by, participants.</p>
Risk Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.	<p>The majority of the Executive Directors' total remuneration is weighted to the long-term and provided in shares and a shareholding requirement is in place (both in employment and post-cessation). These features ensure clear shareholder alignment and discourage unnecessary risk taking. Whilst long-term incentive opportunity levels are highly competitive relative to UK companies of comparable size, significant rewards will be earned only if challenging long-term performance targets are met and Deliveroo maximises shareholder value.</p> <p>The Committee also retains discretion to override formulaic outcomes for incentive plans. Malus and clawback provisions mitigate behavioural risks by enabling payments to be reduced or reclaimed in specific circumstances.</p>
Predictability The range of possible values of rewards to individual Directors and any other limits or discretions should be identified and explained at the time of approving the Policy.	<p>The Policy sets out the maximum potential value for each element of remuneration subject to the achievement of performance conditions. The potential total remuneration outcomes are easily quantifiable and are set out in the illustrations provided in the Policy. The Group's share plans are subject to dilution limits set by the Investment Association in respect of all share plans (10% in any rolling 10-year period) and executive share plans (5% in any rolling 10-year period).</p>
Proportionality The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	<p>Remuneration is appropriately balanced between fixed and variable pay. The annual bonus and Long-term Incentive Plan reward the successful implementation of the Group's strategy over the short and long-term. The annual bonus aligns with the delivery of our annual budget commitments and, through deferral, ensures that a substantial amount of the bonus remains aligned with long-term creation of value for shareholders. Under the long-term incentives, stretching targets ensure payments are made only for strong corporate performance and the successful execution of our strategy. The Committee will have discretion to override formulaic outcomes to ensure that remuneration appropriately reflects overall performance.</p>
Alignment to culture Incentive schemes should drive behaviours consistent with the Company's purpose, values and strategy.	<p>The annual bonus and Long-term Incentive Plans are measured against performance measures which underpin the Group's culture and strategy. The weighting towards long-term remuneration emphasises the Group's long-term sustainable performance, which is a vital part of Deliveroo's culture. Performance measures under the incentive plans will also evolve to ensure they appropriately reflect the Group's ESG strategy; the FY2022 bonus incorporates a component relating to ESG, and from FY2023 performance criteria spanning over a multi-year performance period will be incorporated into the long-term incentive.</p>

Directors' Remuneration Report continued

Summary of the Directors' Remuneration Policy continued

Service agreements and letters of appointment

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

Executive Directors

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

Executive Director*	Date of appointment to role	Date of current contract	Notice from the Group	Notice from the individual
Will Shu	1 February 2013**	31 March 2021	12 months	6 months
Scilla Grimble	20 February 2023***	19 June 2022	12 months	6 months

* Executive Directors' service contracts do not contain an expiry date but are subject to a 12-month notice period from the Group as detailed in the table above.

** This is the date on which Will Shu was appointed as CEO. Will Shu was appointed to the Deliveroo plc Board on 19 March 2021.

***This is the date on which Scilla Grimble was appointed to the Deliveroo plc Board.

External appointments

Executive Directors are permitted to accept external non-executive appointments with the prior approval of the Board where such appointments are not considered to have an adverse impact on their role within the Group. Will Shu does not have any external appointments. Scilla Grimble serves as a Non-Executive Director of Taylor Wimpey plc, where she is a member of the Audit Committee and the Nomination and Governance Committee.

Non-Executive Directors' ('NEDs') terms of appointment

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

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

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

** Each NED is expected to serve on the Board until the end of the AGM following the third anniversary of their appointment. This is subject to election and subsequent annual re-election by shareholders. Subject to mutual agreement, they are each expected to serve a further three years, and up to nine years from appointment in line with the provisions of the 2018 Code, subject to annual re-election.

Annual Report on Remuneration

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

The table below sets out the total single figure of remuneration and breakdown for the Executive Directors for FY2022 and FY2021 (from date of incorporation, 25 February 2021 to 31 December 2021), respectively.

Executive Director single total figure of remuneration

Director	Year ¹	Salary £'000	Taxable benefits ² £'000	Pension ³ £'000	Total fixed £'000	Annual bonus ⁴ £'000	PSP awards vested ⁵ £'000	Other £'000	Total variable £'000	Total single figure £'000
Will Shu (CEO) ^{6,7}	2022	600.0	15.5	10.0	625.5	—	—	—	—	625.5
	2021	519.2	13.8	9.2	542.2	—	—	105,639.3	105,639.3	106,181.5
Adam Miller (CFO) ⁶	2022	356.4	20.2	—	376.6	287.4	—	—	287.4	664.0
	2021	437.5	8.9	—	446.4	720.0	—	—	720.0	1,166.4

- Figures for 2022 represent a full year of remuneration for Will Shu. Adam Miller stepped down from the Board on 17 September 2022. His salary, benefits and pension disclosed in respect of 2022 represent emoluments for his time on the Board. Figures disclosed in respect of 2021 are pro-rated for the period from the date of incorporation (25 February 2021) to 31 December 2021. No salary increases were awarded during 2022 to the Executive Directors.
- The value of benefits is based on the cost to the Company. Benefits include private health insurance, life assurance and provision of tax filing assistance.
- Executive Directors are eligible to participate in the Company defined contribution scheme or, as of 1 April 2022, to receive a monthly supplement in lieu of Company contributions after they have contributed a certain amount into their pension. In FY2022, the CEO and former CFO were eligible to receive up to 4% of salary contributions until 31 March 2022 and up to 5% of salary contributions from 1 April 2022 in line with the changes made to the pension arrangements available to the wider organisation. The CEO elected to receive a monthly pension contribution of £833.33 for the full FY2022. The former CFO opted out of receiving a pension contribution in FY2022. The arrangements for the two Executive Directors were the same for FY2021.
- Adam Miller's annual bonus for FY2022 was pro-rated for his time on the Board. The FY2021 figure represents the annual bonus for the full financial year.
- No PSP awards vested in the period ended 31 December 2022. The 2021 PSP award is expected to vest in spring 2024.
- The CEO and the former CFO both participated in pre-Admission legacy incentives. Vesting under these incentives is not required to be reported under the single total figure of remuneration for FY2022 or FY2021. Further details on these incentives are set out on page 120.
- On 5 March 2021, the Company granted the CEO, Will Shu, 27,087,000 RSUs. As the RSUs were awarded in FY2021, it is a requirement under the Directors' Remuneration Reporting Regulations that they are included in the year of award and, therefore, these RSUs are included within the single figure of total remuneration for FY2021 under 'Other'. The RSUs are included based on the IPO offer price of £3.90.

Annual bonus outcome for FY2022 (audited)

FY2022 is the second year of the operation of the annual bonus plan. The former CFO had a maximum bonus opportunity of 180% of salary. His award was pro-rated to the date of his stepping down from the Board (being 17 September 2022). The CEO does not participate in the annual bonus plan for the duration of the current Policy.

The Committee undertook a robust review of the formulaic outcome for FY2022 and considered a range of reference points as part of its review, including the outcomes relative to the Board approved budget and plan, Deliveroo's progress against its long-term strategic plans, the wider stakeholder experience during FY2022 and the inputs and efforts of the former CFO during the year. It was determined that no discretion should be exercised to the formulaic outcome.

Bonus element	Threshold (25% payable)	Target (50% payable)	Maximum (100% payable)	Weighting	Actual	Outcome as % of maximum
Growth in GTV ¹	25%	33%	41%	45%	7%	0%
Adjusted EBITDA ²	£(136.0)m	£(114.0)m	£(91.0)m	45%	£(45.0)m	45%
ESG measure: employee engagement score	Employee engagement score at external benchmark of 8.2	Employee engagement score of +0.2 from external benchmark at 8.4	Employee engagement score of +0.4 from external benchmark at 8.6	10%	Employee engagement score of -0.4 from external benchmark at 7.8	0%
Total outcome as a percentage of maximum for CFO						45%
Total bonus formulaic outcome for CFO (£)						405,000
Total bonus payable to CFO after pro-ratio (£)						287,383.56

1. YoY growth in constant currency.

2. Measured on a statutory basis.

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Annual bonus outcome for FY2022 (audited) continued

The GTV growth outcome of 7% versus a target of 33% reflects a more challenging consumer environment than assumed in the plan, which negatively impacted new consumer acquisition and retention, and frequency for existing consumers.

However, the adjusted EBITDA outcome of £(45.0) million versus a target of £(114.0) million reflects strong progress on our profitability levers, in spite of the weaker GTV growth. In particular, gross profit margin exceeded our plan as we successfully optimised our consumer fees, and we exercised strong cost control through measures such as pausing hiring in many areas and moderating marketing spend when it was clear that topline progression was below plan.

The negative drivers of the employee engagement score varied; however, the biggest impact was related to the difficult external environment we were operating in, namely the rise of inflation in the UK, and the pressures on the technology sector globally in the second half of 2022. These external factors reflected on employee perception of pay, growth opportunities and overall strategic priorities.

The pro-rated bonus for 2022 will be paid to the former CFO fully in cash without any deferral applied given he is a US tax citizen and is subject to the provision of Section 409A of the US Internal Revenue Code, which creates possible tax compliance complexities if the deferral is enforced. Details of this are set out in the Payments to past Directors/payments for loss of office section later in this report.

Pre-Admission RSU awards (audited)

Many members of our Senior Management hold equity incentives which were in place prior to Admission to ensure ongoing retention, incentivisation and alignment with shareholder interests. For the CEO and former CFO, this includes pre-existing RSUs which are subject to time-based vesting only. These RSUs relate to pre-Admission incentives and are not part of the Group's ongoing remuneration arrangements. Full information about these awards and about the CEO's special pre-Admission one-off RSU award can be found in the 2021 Directors' Remuneration Report.

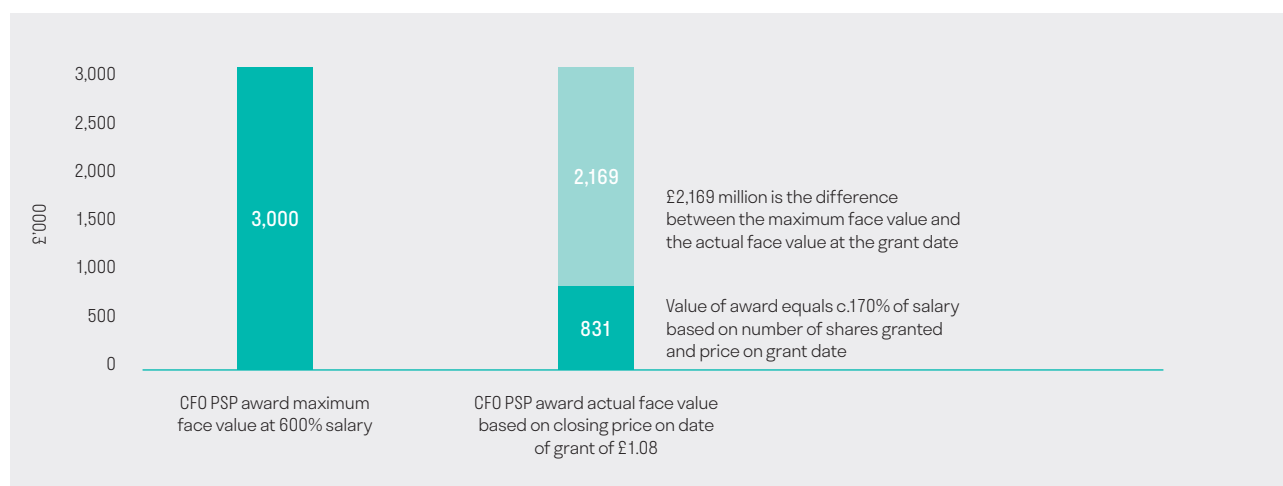
Awards granted in FY2022

PSP award granted in FY2022 (audited)

In FY2022, a PSP conditional share award was granted to the former CFO, Adam Miller. The CEO does not participate in the PSP award and will not for the duration of the current Policy.

Director	Basis of award (% of salary)	Percentage payable at threshold (% of maximum)	Vesting period	Performance period	Number of conditional shares awarded	Face value of award	Share price used to determine number of shares granted ¹
Adam Miller (CFO) ¹	600%	25%	12 April 2022– 11 April 2025	12 April 2022– 11 April 2025	769,230	£3,000,000	£3.90

1. The IPO price of £3.90 was used to determine the number of shares which were granted. On the actual date of grant of the PSP award, the closing share price was £1.08. Therefore, the face value of the PSP award was c.170% of salary. This is illustrated below.



The performance targets for the PSP award granted to the former CFO on 12 April 2022 are set out below. Performance will be measured over a three-year period matching the vesting period. Payouts occur on a straight-line basis between each of the performance points. The Committee has used its discretion to waive the two-year holding period that would normally apply to the vested award given the former CFO's level of shareholding and the operation of the post-cessation shareholding requirement which is considered to provide adequate alignment to the share price post his departure. The targets below were disclosed in an RNS statement on 14 April 2022.

TSR matrix (% of max. payout of TSR element)		Deliveroo's TSR % rank vs FTSE 100 peer group			
		< 50%	50% (threshold)	65% (target)	≥ 80% (maximum)
The Company's TSR calculated based on an absolute share price figure (£)	<£2.90	nil	nil	nil	nil
	£2.90 (threshold)	nil	25%	45%	65%
	£3.90 (target)	nil	45%	63.75%	82.5%
	≥£4.90 (maximum)	nil	65%	82.5%	100%

Deferred bonus plan award granted in FY2022

In FY2022, a time-vesting share award was granted in respect of the deferred portion of Adam Miller's FY2021 bonus, equal to 50% of the £720,000 bonus earned. To this effect, on 12 April 2022, 92,307 shares were awarded to Adam at a share price of £3.90. Upon his departure from the Company, Adam's bonus was settled in cash given he is a US tax citizen and is subject to the provision of Section 409A of the US Internal Revenue Code, which creates possible tax compliance complexities if the deferral is enforced.

Buy-out awards to the new CFO, Scilla Grimble

As set out in the announcement dated 20 June 2022, it was agreed that buy-out awards would be made to Scilla Grimble under the Deliveroo Incentive Plan ('DIP') as compensation for incentives forfeited on leaving her previous employer, Moneysupermarket.com plc. Once made, awards will vest subject to her continued service with Deliveroo and to the satisfaction of the conditions set out below.

As at the date of this report, the awards have not yet been granted. Details will be set out in the relevant RNS announcement and in next year's Director's Remuneration Report. The value of each buy-out award has been designed to be no greater than the value being forfeited under the awards provided by Scilla's prior employer.

- **2021 LTIP award** – this award replaces the forfeited award made to Scilla under Moneysupermarket's Long-term Incentive Plan on 31 March 2021. It is intended that an award over 129,932 Deliveroo plc shares be granted to Scilla, converted from Moneysupermarket.com shares using a 30 dealing day trailing average share price to the date of the announcement of Scilla leaving her previous employer (being 20 June 2022). Given that around two-thirds of the performance period will have elapsed when Scilla joins, an estimated outcome of 30.8% of the maximum opportunity will be applied on conversion of the award, which in the Committee's view represents a fair assessment of the performance of the Moneysupermarket.com award to date, and as such no further performance conditions will apply. The award will vest to its original vesting schedule, on 31 March 2024, subject to the DIP rules. A holding period of two years will apply to the award after vesting in line with the Policy.
- **2022 LTIP award** – this award replaces the forfeited award made to Scilla under Moneysupermarket's Long-term Incentive Plan on 31 March 2022. It is intended that an award over 797,635 Deliveroo plc shares be granted to Scilla, converted from Moneysupermarket.com shares using a 30 dealing day trailing average share price from the date Scilla Grimble forfeited the 2022 LTIP award (being 17 February 2023 when she stepped down from the Moneysupermarket.com board). The award will have the same performance conditions as the PSP awards granted to the Executive Team in 2022, and will vest on the same date as these awards, after which a two-year holding period will apply in line with the Policy. The performance conditions will be measured over a three-year period matching the vesting period, and payout will occur on a straight-line basis between each of the performance points. The date of grant share price of £1.18 is taken as the starting share price. Targets are as follows:

TSR matrix (% of max. payout of TSR element)		Deliveroo's TSR % rank vs FTSE 100 peer group			
		< 50%	50% (threshold)	65% (target)	≥ 80% (maximum)
The Company's TSR calculated based on CAGR per annum	<15% p.a.	nil	nil	nil	nil
	15% p.a. (threshold)	nil	25%	45%	65%
	20% p.a. (target)	nil	45%	63.75%	82.5%
	≥30% p.a. (maximum)	nil	65%	82.5%	100%

Directors' Remuneration Report continued

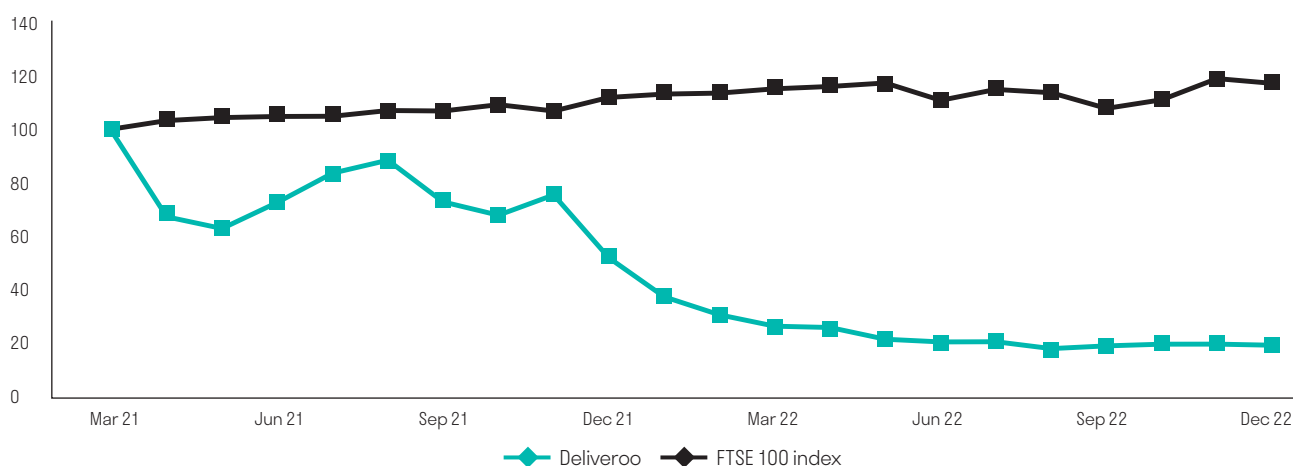
Annual Report on Remuneration continued

Buy-out awards to the new CFO, Scilla Grimble continued

- **2022 annual bonus** – this award replaces the 2022 Moneysupermarket annual bonus, which Scilla is forfeiting. In line with the information disclosed in Moneysupermarket.com's Directors' Remuneration Report for FY2022, the value of Scilla's forfeited annual bonus has been calculated as 117.2% of her maximum opportunity of 135% (outcome of 86.8%). With reference to her 2022 base salary of £434,800, the total value of the award forfeited is £509,499. The payment of the cash element (being two-thirds of the total value, or £339,666) will be made in the first practical payroll run. The equivalent value of the deferred share element (being one-third of the total value, or £169,833) will be converted to Deliveroo plc shares using the 30 dealing day average share price immediately preceding the date on which Scilla would have been granted the deferred share award by Moneysupermarket. The number of shares over which the award is intended to be granted is not yet finalised. The award will vest after three years in line with the Policy.

Performance graph against the FTSE 100

Deliveroo shares began conditional trading on the London Stock Exchange on 31 March 2021. The chart below shows the TSR performance of £100 invested in Deliveroo from 31 March 2021 (using the offer price of £3.90 per share) to 31 December 2022 against the FTSE 100. The FTSE 100 was chosen as the comparator index for the Group given the comparable market capitalisation at the time of Admission.



Chief Executive Officer's historical remuneration

The remuneration for the CEO for the period from incorporation (25 February 2021) to 31 December 2021, and for FY2022 is shown in the table below. In future reports, the table will build up towards 10 years' worth of historical data. Although the pre-Admission one-off RSU award to the CEO was included in the FY2021 single total figure of remuneration, given the one-off nature of this award and to enable a more meaningful comparison, we have presented total remuneration on both a reported basis and excluding the one-off RSU award.

Year ended 31 December	FY2021	FY2022
CEO	Will Shu	Will Shu
Total remuneration (£'000) (reported)	106,181.5	625.5
Total remuneration (£'000) (excluding one-off RSU award)	542.2	625.5
Annual bonus (% of maximum) ¹	—	—
Vesting of PSP awards (% of maximum) ²	—	—

1. The CEO did not participate in the annual bonus for FY2021 and FY2022 and will not participate for the duration of the current Policy.

2. Not applicable as the CEO did not participate in the PSP awards for FY2021 and FY2022 and will not participate for the duration of the current Policy.

Single total figure of remuneration for each Non-Executive Director (audited)

The tables below set out the total remuneration and breakdown for the Non-Executive Directors for FY2022 and FY2021 (from the date of incorporation, 25 February 2021 to 31 December 2021), respectively.

Non-Executive Directors' remuneration

All figures shown in £'000	Year ¹	Fees £'000	Taxable benefits ² £'000	Total remuneration £'000
Claudia Arney	2022	425.0	—	425.0
	Pro-rated 2021	389.6	—	389.6
Dominique Reiniche	2022	110.0	—	110.0
	Pro-rated 2021	73.3	—	73.3
Dame Karen Jones DBE	2022	160.0	—	160.0
	Pro-rated 2021	72.9	—	72.9
Peter Jackson ³	2022	90.0	—	90.0
	Pro-rated 2021	N/A	N/A	N/A
Rick Medlock	2022	125.0	—	125.0
	Pro-rated 2021	114.6	—	114.6
Lord Simon Wolfson ⁴	2022	54.9	—	54.9
	Pro-rated 2021	82.5	—	82.5
Tom Stafford ⁵	2022	—	—	—
	2021	—	—	—

1. Figures for 2022 represent a full year of fees paid. Figures for 2021 are pro-rated for the period from date of incorporation to the end of the financial year (25 February 2021 to 31 December 2021).

2. There were no taxable benefits paid to Non-Executive Directors during the year.

3. Peter Jackson joined the Board on 1 January 2022.

4. Lord Simon Wolfson stepped down from the Board effective close of business on 9 August 2022.

5. Tom Stafford waived all fees and benefits for FY2021 and FY2022.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Statement of Directors' shareholdings and share interests (audited)

The table below summarises the current shareholdings of Directors and the shareholding requirements under which Executive Directors are expected to build and maintain a minimum shareholding of 800% of salary in the Company. The CEO has met the minimum requirement. Since the current CFO, Scilla Grimble, was appointed in 2023, she is not included in the disclosure. In addition, Executive Directors are required to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time) for a period of two years.

Director	Shareholding requirement as % of salary	Shares actually owned ^{1,5}	Unvested shares subject to continued service ²	Unvested shares subject to performance ³	Value of shares held subject to shareholding requirement as % of salary ⁴	Estimated value of shares held subject to shareholding requirement as at 31 Dec 2022 £'000	Estimated change at +/- 50% share price change £'000
Executive Directors⁵							
Will Shu (CEO)	800%	100,299,642	24,608,000	N/A	17,903%	107,420.6	53,710.3
Adam Miller (former CFO) ^{6,8}	800%	1,123,817	1,604,907	1,538,460	469%	2,346.7	1,173.4
Non-Executive Directors⁵							
Claudia Arney		618,800	N/A	N/A	N/A	N/A	N/A
Dominique Reiniche		51,282	N/A	N/A	N/A	N/A	N/A
Dame Karen Jones DBE		51,282	N/A	N/A	N/A	N/A	N/A
Peter Jackson	N/A	8,000	N/A	N/A	N/A	N/A	N/A
Rick Medlock		235,800	N/A	N/A	N/A	N/A	N/A
Lord Simon Wolfson ⁷		2,326,858	N/A	N/A	N/A	N/A	N/A
Tom Stafford		nil	N/A	N/A	N/A	N/A	N/A

- Represents actual shares owned at 31 December 2022. Will Shu currently owns Class B shares only, which contribute towards his current shareholding. He is also a founder shareholder and as a result has a relatively high shareholding. All other Directors own Class A shares only.
- Represents unvested RSU awards made pre-IPO and annual bonus deferred share awards (if applicable), all of which are calculated on a net of tax basis. On 31 December 2022, Adam Miller held 1,512,600 unvested RSUs. Between 31 December 2022 and his last date of employment at the Company a total of 166,800 of these RSUs vested. Any RSU awards unvested as at 17 February 2023 have lapsed. 92,307 shares relating to Adam's 2022 DSP award were cancelled and settled in cash on his departure from the Company.
- Represents the PSP awards which are subject to ongoing performance conditions (if applicable).
- Shareholding requirement is calculated on the basis of: a) vested shares; b) purchased shares; and, if applicable, c) unvested deferred bonus shares; d) PSP shares in the two-year holding period; and e) unvested pre-IPO grants which are subject to time vesting (calculated on net of tax basis). It is calculated with reference to the closing share price of £0.86 at 31 December 2022 and the year-end salaries of the Executive Directors. Values are not calculated for Non-Executive Directors as they are not subject to shareholding requirements.
- No Directors or connected persons (i.e. spouse) currently have any vested shares. In connection with their appointments as Directors of the Company, the Chair and certain Non-Executive Directors were offered the opportunity to acquire Ordinary Shares in Roofoods Ltd ('Roofoods Shares') and receive a matching award of Roofoods Shares. The Chair and Non-Executive Directors each took up this opportunity and the matching awards were granted with effect from 4 February 2021. Under the terms of the awards, the Chair and each of the Non-Executive Directors subscribed for Roofoods Shares at their nominal value on terms that the shares may be forfeited (in whole or in part) if they cease to be a Director of the Company (or Roofoods Ltd) within three years of 4 February 2021. The Chair and Non-Executive Directors may not dispose of the shares for so long as they are subject to forfeiture.
- Adam Miller stepped down from the Board on 17 September 2022.
- Lord Simon Wolfson stepped down from the Board effective close of business on 9 August 2022. In connection with his appointment at the time of the IPO, he acquired Ordinary Shares in Roofoods Ltd ('Roofoods Shares') and received a matching award of Roofoods Shares. Under the terms of the matching award, Lord Simon Wolfson subscribed for Roofoods Shares at their nominal value on terms that the shares may be forfeited (in whole or in part) if he ceased to be a Director of the Company within three years of 4 February 2021. Those Roofoods Shares were exchanged for Deliveroo plc shares in connection with the IPO. Since he ceased to be a Director effective close of business on 9 August 2022, Lord Simon Wolfson has forfeited a total of 767,142 Deliveroo plc shares.
- As at 15 March 2023, no further changes have occurred to the interests stated in the above table, with the notable exception of the changes described in footnote 2 to this table in respect of Adam Miller's shareholding. His post-cessation shareholding as at 16 March 2023 constitutes 1,208,879 shares actually owned. He holds no shares subject to continued service. His unvested shares subject to performance will be appropriately pro-rated on vesting of his 2021 PSP and 2022 PSP awards, respectively, to 451,291 and 218,276 shares.

Payments to past Directors/payments for loss of office (audited)

Lord Wolfson stepped down as a Non-Executive Director effective close of business on 9 August 2022. He received no payments for loss of office.

Adam Miller stepped down as Chief Financial Officer on 17 September 2022. Thereafter, Adam was placed on garden leave until 17 February 2023, during which time he remained accessible to the Group. Details of Adam's remuneration arrangements relating to his time on the Board were set out in the Section 430(2B) Statement and this section further outlines his remuneration treatment. Other than the treatment set out below, no further payments for loss of office will be made to Adam. Payments for loss of office to Adam Miller were consistent with the Policy.

Fixed remuneration

Adam was paid salary and benefits for the duration of his garden leave to a total of £212,334.73. Payment in lieu of basic salary and benefits for the remainder of Adam's 12-month notice period will continue to be paid in monthly instalments after the end of his employment and up to 20 June 2023, to a total of £168,589.74.

Annual bonus

Adam will not participate in the 2023 bonus arrangements.

Adam has been granted 'good leaver' status in respect of his entitlement to a bonus for FY2022. Adam's FY2022 bonus will be paid fully in cash given that Adam is a US tax citizen and is subject to the provision of Section 409A of the US Internal Revenue Code.

Adam Miller's FY2022 bonus was pro-rated to the date he stepped down from the Board on 17 September 2022. Details of the bonus outcome are outlined on page 119. Adam's bonus will be paid at the same time as for Deliveroo's executive management team. Adam's deferred bonus of £360,000 from FY2021 was settled fully in cash given he is a US tax citizen and is subject to the provision of Section 409A of the US Internal Revenue Code, which creates possible tax compliance complexities if the deferral is enforced.

The Remuneration Committee considers that 'good leaver' treatment is appropriate in recognition of Adam's historic contribution to the business and his agreement to assist with a smooth transition of his responsibilities.

Long-term Incentive Plan

For the reasons set out above, Adam has been granted 'good leaver' status in respect of his FY2021 and FY2022 PSP awards. Accordingly, those awards will vest to their normal vesting schedules and subject to their original performance conditions, and will be released on their vesting date on a pro-rata basis to his termination date, being 17 February 2023. The Committee has used its discretion to waive the two-year holding period that would normally apply to the vested awards given the former CFO's level of shareholding and the operation of the post-cessation shareholding requirement which is considered to provide adequate alignment to the share price post his departure. Adam will not participate in the FY2023 PSP award.

Pre-IPO awards

Pre-IPO awards held by Adam Miller in the form of time-vesting RSUs continued to vest until his termination date, being 17 February 2023. The unvested portion of those awards (1,345,800 shares) lapsed on his termination date.

Outstanding PSP awards and pre-IPO awards

The table below illustrates the shares outstanding as at 31 December 2022 after the treatment described above has been applied:

Outstanding shares	Date of grant	Number of shares granted	Outstanding shares after pro-rata (if applicable)	Effective vesting date
2021 PSP ¹	15.05.2021	769,230	451,291	15.05.2024
2022 PSP ²	12.04.2022	769,230	218,276	12.04.2025
Total Performance Share Plan		1,538,460	669,567	
Pre-IPO Restricted Share Unit ('RSU') awards ³	15.02.2019	400,000	16,800	Awards unexercised as at 17.02.2023 have lapsed
	15.01.2020	600,000	162,600	
	15.06.2020	1,000,000	374,800	
	15.11.2020	2,000,000	958,400	
Total Restricted Share Units		4,000,000	1,512,600	
Total		5,538,460	2,182,167	

1. 2021 PSP pro-rated to 58.7% reflecting the number of days of the vesting period that Adam Miller was in employment with the Company.

2. 2022 PSP pro-rated to 28.4% reflecting the number of days of the vesting period that Adam Miller was in employment with the Company.

3. On 31 December 2022, Adam Miller held 1,512,600 unvested RSUs. Between 31 December 2022 and his last date of employment at the Company a total of 166,800 of these RSUs vested, of which 81,738 shares were sold, solely to satisfy tax liabilities and associated dealing costs, resulting in an award of 85,062 shares. Adam Miller did not retain any net proceeds as a result of these sales. Any RSU awards unvested as at 17 February 2023 lapsed. As at the date of this report Adam Miller holds no unvested RSU shares, and 1,208,879 shares actually owned.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Payments to past Directors/payments for loss of office (audited) continued

Post-cessation shareholding requirement

Adam Miller is subject to a two-year post-employment shareholding requirement. It was agreed that all shares acquired through Deliveroo share plan awards prior to his final date of employment, including pre-IP0 awards, would be covered by the requirement. In line with the Policy, the post-employment shareholder requirement equals the lower of the shares held at cessation of employment and 800% of Adam's salary. On cessation Adam had an estimated effective shareholding of c.220% of salary (based on a closing share price of £0.91 as at 17 February 2023) which will be subject to the post-cessation holding requirement.

Contribution to legal and tax costs and D&O insurance

Deliveroo has covered legal fees incurred by Adam for legal and tax advice in connection with his departure arrangements up to a maximum of £20,000 (plus VAT), and has continued to contribute up to £15,000 (plus VAT) towards the filing of his UK and US tax returns for the years in which he was employed by Deliveroo. Adam continued to be covered by the Company's Directors' and Officers' insurance for the duration of his employment.

Statement of implementation of the Policy for FY2023

Element	Summary and implementation for FY2023
Salary	<p>No increase to the salaries for Executive Directors has been awarded for FY2023. Salaries are:</p> <ul style="list-style-type: none"> • CEO: £600,000 • New CFO: £500,000
Pension	<p>The CEO and new CFO are entitled to receive a pension contribution of up to 5% of salary in line with employees in the UK or as cash in lieu.</p>
Benefits	<p>Normal benefit provisions apply and include private health cover, life assurance, UK and home country personal tax advice and tax filing services.</p>
Annual bonus	<p>Maximum annual bonus for Executive Directors is 180% of salary. The CEO will not participate in the annual bonus in FY2023. 50% of total bonus is paid in cash and the remaining 50% is paid in the form of DSP awards deferred for three years.</p> <p>Payout ranges are (as a percentage of maximum opportunity):</p> <ul style="list-style-type: none"> • Threshold performance: 25% • On-target performance: 50% • Maximum performance: 100% <p>There is straight-line vesting between these points.</p> <p>The performance measures and their weighting as a percentage of maximum opportunity will be:</p> <ul style="list-style-type: none"> • Growth in GTV*: 45% • Adjusted EBITDA*: 45% • Stakeholder measure – service metric measuring improvement in customer service outcomes: 10% <p>Actual performance targets are not disclosed prospectively as they are considered to be commercially sensitive. Full disclosure will be published in the FY2023 Directors' Remuneration Report. Malus and clawback provisions apply.</p>

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

Element	Summary and implementation for FY2023			
PSP award	<p>Even though under the Policy the maximum amount that can be awarded to an executive is 600% of base salary (including an exceptional RSU award of up to 750% of salary for new hires), given the current market cap of the Company, it is intended that an award of 500% of salary be made to the new CFO. The Committee considers this is justified and reasonable in order to incentivise the incoming executive.</p> <p>The CEO does not participate in the annual bonus or in the PSP awards for the duration of the current Policy.</p> <p>PSP awards vest over three years from the date of grant and are subject to the achievement of performance measures. A further two-year holding period applies to vested shares.</p> <p>Vesting of the PSP award will be based on a relative TSR measure with a 45% weighting, an absolute TSR measure with a 45% weighting and two ESG measures with a combined 10% weighting. Targets are set out below.</p>			
	Measure	Threshold (25% of max.)	Target (see below)	Maximum (100% of max.)
	Relative TSR performance against the FTSE 100	50th percentile	Straight-line vesting between threshold and maximum	80th percentile
	Absolute TSR	25% p.a. growth from grant	30% p.a. growth from grant	40% p.a. growth from grant
	ESG component		Straight-line vesting between threshold and maximum	
	Reduction in Scopes 1 and 2 greenhouse gas emissions	15% reduction compared to 2022 baseline		25% reduction compared to 2022 baseline
	Representation of women at senior levels	44% women (underpin of 33% in tech)		48% women
	<p>For the reduction in Scopes 1 and 2 GHG emissions target, the Committee will be using 2022's market-based SECR disclosure (see page 42) as the baseline against which performance will be measured in 2025. Reduction in Scope 2 emissions will be considered on a market basis for the purpose of this target.</p> <p>The gender representation target applies to senior levels of the organisation, defined as Level 7 and above. In formulating our target we used a snapshot of data from January 2023 headcount as the baseline – with 39% of senior roles across the Company held by women (26% in tech roles, and 46% in non-tech roles). Payout starts when representation reaches 44% across the Company, with an underpin requiring at least 33% representation of women in tech roles (rounding permitted). This will ensure that representation improves across all parts of the Company before payouts can be generated under the incentive. Stretch payout is achieved by reaching 48% women across the Company.</p> <p>Payout for levels of performance are as follows (as a percentage of maximum opportunity):</p> <ul style="list-style-type: none"> • Threshold performance: 25% • Target performance: 50% • Maximum performance: 100% <p>For relative TSR and the ESG measures, payout is on a straight line from threshold to maximum. For absolute TSR, pay out is on a straight line between threshold and target, and target and maximum.</p> <p>Malus and clawback provisions apply.</p>			
Shareholding requirement	<p>During employment, Executive Directors are expected to build and maintain a minimum shareholding of 800% of salary. Executive Directors are expected to retain the net of tax number of shares they receive through PSP awards until the shareholding requirement has been met.</p> <p>Post-employment, Executive Directors are required to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time of leaving employment) for a period of two years.</p>			

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Statement of implementation of the Policy for FY2023 continued

Element	Summary and implementation for FY2023
NED fees	<p>Non-Executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and Chair of Board Committees (or to reflect other additional responsibilities and/or additional/unforeseen time commitments). The Chair of the Board receives an all-inclusive fee.</p> <ul style="list-style-type: none"> • Chair fee: £425,000 • Non-Executive Director base fee: £90,000 • Senior Independent Director fee: £35,000 • Committee Chair fee: £35,000 • Employee Engagement Non-Executive Director fee: £20,000

Fairness, diversity and wider employee considerations

Overview of the Committee's process

Given the Company's standard listing, there is no requirement to comply with the requirements of the UK Corporate Governance Code. However, the Committee feels it is appropriate to do so given the Company's commitment to high standards of corporate governance. In line with the Code, in particular Provision 41, the Committee seeks to understand why remuneration is appropriate using internal and external measures including pay ratios and pay gaps. The Committee is therefore committed to ensuring the reward framework is applied appropriately across the organisation with a particular focus on Executive Directors and Executive Team members. By maintaining oversight of employee pay, policies and incentives, the Committee ensures that the approach to Executive Director remuneration is aligned with that applied to the wider organisation.

During 2022 the Committee reviewed a revised total reward approach designed to better support our strategy going forward, as well as to reflect current market conditions. The Company remains committed to providing competitive pay to all of our employees to ensure that we attract and retain talent capable of delivering Deliveroo's ambitious strategy. However, having reviewed wider UK market practice and Deliveroo's

current size, it has been decided to transition our broad approach to equity awards to a more targeted strategy within our senior population. Equity ownership in the business is still considered culturally important. However, given the market conditions within which the Company operates and the need to manage effectively the dilution of shareholder capital, the revised approach ensures that available equity is allocated appropriately and with maximum impact. Further detail on our wider reward framework is provided below.

The Committee appreciates that employee hiring and retention is tied to the full Employee Value Proposition and not just reward in isolation. For more information about our approach to the holistic employee experience through our Employee Value Proposition, please see the People section on page 44.

As stated in the Chair's letter, matters relating to our riders, who are a vital part of the three-sided marketplace, are considered by the Board given their strategic importance to our business. As they are not employees, riders do not fall within the remit of the Committee. For further information on riders, please see our Business Model on page 14, Stakeholder statement on page 23 and Sustainability Review on page 31.

Cascade of pay and incentives for employees

The Committee takes steps to ensure that consistent principles are applied to the pay and reward framework for employees across the organisation. The table below summarises Deliveroo's key remuneration elements.

Remuneration element	Details
Salary	Salaries are set to reflect the market value of the role and to aid recruitment and retention. The Committee is kept informed on the peer groups used for benchmarking salary bands as well as target positioning for salaries across different functions.
Benefits	The Group provides benefits to all employees and these align with local market norms and regulatory requirements.
Pension	Pension contributions in the UK are 5% of salary for all employees as of 1 April 2022 (increased from 4%). Outside the UK, we comply with local regulatory requirements.
Annual bonus	The majority of our employees share in the success of the Group by participating in either the annual bonus scheme or a commercial bonus scheme. The annual Company bonus takes into account both individual performance as well as Company performance, and the commercial bonus is tied to individual and team KPIs that directly contribute to Company success.
RSU awards	Our previously all-encompassing approach was revised in 2022 so that only employees above a certain seniority level receive equity awards on appointment. The majority of our senior employees will continue to receive equity, supporting our intention to align their interests to those of shareholders. Our approach is to provide RSU awards on appointment and then to provide any additional performance-based awards as part of the annual performance cycle. Our approach to equity awards across the Company has so far been aligned to the technology sector, where it is common practice for equity ownership to be widespread among employees of all levels, and where equity is awarded on hire and as part of the yearly performance cycle. The revisions implemented have aligned us closer to UK listed company market practice, whereby equity is a remuneration tool reserved for more senior employees only, where it makes the most impact.
PSP awards	PSP awards are provided to our senior executives and reinforce the delivery of long-term creation of value for our shareholders and wider stakeholders. The retention of shares by senior executives post-vesting ensures further long-term alignment. Measures and targets are consistent between participants.
Shareholding requirement	Supports the alignment of executives' interests with shareholders. The Executive Directors have an 800% of salary shareholding requirement and a lower guideline applies for the Executive Team.

Wider employee engagement

In our Corporate Governance Report on page 77, we explain how the Board engages with Deliveroo's employees, and how important this engagement is to our culture and performance as an organisation. Employees have not been directly consulted on Executive Director remuneration; however, the Committee takes into account general employee remuneration and related policies, and the alignment of incentives and rewards with culture when setting and operating the Policy for Executive Directors' remuneration. The Committee also receives regular updates from the Chief People Officer on any changes to the wider Group Remuneration Policy. Dominique Reiniche, our Designated Employee Non-Executive Director, updates the Board on employee engagement matters. More information on the approach to employee engagement is set out in the Stakeholder statement on page 23 and the People section on page 44.

Shareholder engagement

We engaged with shareholders extensively at the start of 2022 to gauge their views on the Policy put forward for their vote at the 2022 AGM and its intended implementation for FY2022. The majority of the feedback we received from our shareholder base was overwhelmingly positive, as evidenced by the high percentage of supporting votes we received for the resolution. Nonetheless, some shareholders expressed concern related to the quantum of the long-term awards available for executives, particularly in light of the share price being lower than at IPO. We assured them that these awards, while high in quantum, are inextricably linked to exceptional Company performance, and, to further ensure we have taken their feedback on board, granted the former CFO a PSP award of c.170% of salary in real terms as described earlier in the report. A letter to our shareholders is underway informing them of the changes to incentive measures we are intending to implement in 2023, and our Chair, Claudia Arney, will be conducting a broader governance engagement exercise with major shareholders ahead of our 2023 AGM.

Directors' Remuneration Report continued

Fairness, diversity and wider employee considerations continued

Diversity and equal opportunities

We are committed to creating an inclusive workplace with gender equality and fairness at the heart of our practices and policies. The Committee recognises there is work to do on Deliveroo's gender pay gap ('GPG'), and the balance of women representation, particularly at senior levels within the Company. Deliveroo's 2021/22 GPG is:

- Mean GPG: 16.0%
- Median GPG: 22.1%
- Mean bonus gap: 82.9%
- Median bonus gap: 14.7%

Our aim is to drive sustainable change through a multi-year action plan led by the Executive Team. For more information about this see the People section on page 44. As a technology company we realise that there is a wider systemic issue of the representation of women in the industry, and we aim to be part of the solution. As a signatory to the Tech Talent Charter ('TTC'), we are committed to driving greater inclusion and diversity in technology roles.

Having a good understanding of the communities we serve (being 'hyperlocal') is integral to how we operate in our marketplace. In the last year, the DE&I team realised over a dozen key initiatives across Deliveroo's workforce, workplace and marketplace to help us continue to diagnose risk areas, refine our focus as needed, and identify new opportunity areas for inclusion, some of which are as set out below:

- facilitating executive-level strategic workshops which enabled our leadership to dedicate over 100 hours to focused learning and DE&I awareness in decision making;
- launching a global LGBTQ+ safety and inclusion programme aimed at ensuring that Deliveroo is a safe place to work for all employees regardless of their location worldwide;
- expanding our understanding of diversity through the collection of voluntarily provided demographic data that will enable us to understand who we are in terms of ethnicity and sexual orientation;
- enabling employee resource groups like Gender Equity and LGBTQ+ to play an active role in shaping Company policy, and empowering the emergence of new employee resource groups like Women in Tech, Black in Roo and Neurodiversity+Allies; and
- becoming a flagship sponsor of Black Tech Fest, the largest gathering of Black tech talent in Europe.

Change in the Directors' remuneration compared with employees'

The table below sets out how the change in reported remuneration for each Director between FY2021 and FY2022 compares to the change in average pay for employees of Roofoods Ltd, where the majority of our UK colleagues are employed.

	Salary ¹ (% change)	Benefits ² (% change)	Bonus ³ (% change)
Executive Directors	nil	49.6	(60.1)
Will Shu	nil	2.6	N/A
Adam Miller ⁴	nil	122.7	(60.1)
Non-Executive Directors	14.3	nil	N/A
Claudia Arney	nil	nil	N/A
Dominique Reiniche ⁵	nil	nil	N/A
Dame Karen Jones DBE ⁶	28.0	nil	N/A
Peter Jackson ⁷	N/A	N/A	N/A
Rick Medlock	nil	nil	N/A
Lord Simon Wolfson ⁸	nil	nil	N/A
Tom Stafford ⁹	N/A	N/A	N/A
Average pay for all employees¹⁰	6.7	17.8	10.5

1. Percentage change based on annualised Executive and Non-Executive Director emoluments in 2021 and 2022, and therefore includes a notional amount for the period of 2021 before incorporation on 25 February 2021. The table reports on full-time equivalent figures for Executive and Non-Executive Directors.

2. The benefits increase for the Executive Directors is reflective of higher fees paid in respect of tax advice received by Will Shu and Adam Miller in 2022. The benefits offered to Executive Directors have not changed in FY2022 versus FY2021. There were no taxable benefits paid to Non-Executive Directors during the year.

3. The bonus decrease from FY2021 to FY2022 is reflective of bonus outcome in FY2021 versus FY2022, respectively, and of the pro-rata applied in respect of Adam's time on the Board. Will Shu does not participate in the annual bonus for the duration of the current Policy. Non-Executive Directors do not participate in the annual bonus.

4. Adam Miller stepped down from the Board on 17 September 2022. His salary and benefits for 2022 have been taken on an FTE basis for the purpose of this comparison. The bonus paid to Adam Miller in respect of FY2021 and FY2022 was reported in full and is an accurate year-on-year representation of the percentage change in his bonus pay.

5. Dominique Reiniche also reflects her joining the Board on 1 May 2021. Her pay for 2021 has been taken on an FTE basis for the purpose of this comparison.

6. Dame Karen Jones DBE joined the Board on 1 June 2021. Her pay for 2021 has been taken on an FTE basis for the purpose of this comparison. The increase in her fees is in respect of her Senior Independent Director ('SID') role from 1 January 2022.

7. Peter Jackson joined the Board on 1 January 2022.

8. Lord Simon Wolfson stepped down from the Board effective close of business on 9 August 2022. His pay for 2022 has been taken on an FTE basis for the purpose of this comparison.

9. Tom Stafford waived all fees and benefits for FY2021 and FY2022.

10. Percentage change by element is calculated based on pay received for the full FY2021 and FY2022, respectively. All benefits costs are included in the benefits percentage change figure. The percentage increase in bonus paid to the population captured reflects Company bonus as well as other one-off bonuses paid, e.g. sign-on and spot bonuses.

The relevant regulations prescribe that the above comparison should include all employees of the Parent Company. However, since there are no individuals employed by Deliveroo plc, a representative comparison has instead been formulated using all UK-based employees of Roofoods Ltd as the basis for this calculation. The average change for all employees has been calculated on a full-time equivalent basis, by reference to pay received for the full FY2021 and FY2022 (excluding any restricted share vesting). The salary increase includes changes made through the annual salary review as well as additional changes made throughout FY2021 and FY2022, i.e. reflecting promotions or role changes. The change to the level of taxable benefits has been driven by higher average take-up of the benefits offering in FY2022 compared to FY2021. The increase in the percentage change to the average bonus paid to all employees is driven by the knock-on effect of the increase in average salary, as well as the effect of workforce growth since the IPO.

CEO pay ratio

The table below sets out the Company's CEO pay ratio disclosure. The data shows how the CEO's single figure of remuneration (as taken from the single figure remuneration table) compares with the single figure of remuneration for full-time equivalent UK employees, ranked at the 25th, 50th and 75th percentiles of total pay.

We have chosen Option A under the Regulations for the calculation as it takes into consideration the full-time equivalent basis of all UK employees and provides a representative result of employee pay conditions across the Company. This option was selected as it was considered to be the most efficient and robust approach in respect of gathering the required data and in particular was considered to be the most accurate way of identifying the best equivalents of the 25th, 50th and 75th percentiles.

The FY2022 data for employees was calculated by reference to full-time equivalent salary, pension, benefits and equity plan data and the annual bonus amounts for employees have been taken on an estimated basis. Total pay and benefits for all have been calculated as at financial year-end in accordance with the single figure methodology and are based on full-time equivalent salaries, pension and benefits. We have not omitted any pay elements from the calculation. The data for the CEO is the single figure of remuneration for FY2022 as taken from the single figure remuneration table.

In last year's Annual Report we set out the CEO pay ratio on the basis of reported FY2021 single figure as well as reported FY2021 single figure excluding the one-off IPO RSU award to the CEO. Furthermore, salary, pension, benefits and equity plan data for employees were taken on a full-time equivalent basis; however, the annual bonus amounts for employees were taken on an estimated basis. The following table presents a restated version of the FY2021 pay ratio using actual FY2021 employee bonus outcomes and elements of pay included on the same basis as in the single figure table for the CEO.

Year	Methodology ¹	25th percentile ratio	50th percentile ratio	75th percentile ratio
FY2022 (reported total single figure)	Option A	14:1	7:1	5:1
FY2021 (excluding CEO's one-off RSU award)	Option A	15:1	7:1	4:1
FY2021 (reported total single figure)	Option A	3,031:1	1,327:1	778:1

1. Total pay for employees includes equity received in the form of restricted share awards as this is part of the ongoing remuneration structure for employees.

The table below sets out the salary and total pay and benefit details for the CEO and the employees at the 25th, 50th and 75th percentiles for FY2022.

Pay data	FY2022	
	Salary £'000	Total pay ¹ and benefits £'000
CEO (reported)	600.0	625.5
UK employee 25th percentile	35.0	43.1
UK employee 50th percentile	68.0	88.6
UK employee 75th percentile	81.0	135.2

1. Total pay for employees includes equity received in the form of restricted share awards as this is part of the ongoing remuneration structure for employees.

The median CEO pay ratio outcomes for FY2021 were largely driven by the one-off RSU award granted to our CEO in FY2021, which was inherently different to the structure of restricted shares for our employees. The Committee notes that the marked decrease in the median CEO pay ratio for FY2022 as the CEO does not participate in the annual bonus and PSP awards for the duration of the current Policy. Therefore, the ratio of 7:1 reflecting median employee total pay and benefits compared to total single figure number for the CEO is an accurate representation of total pay received in FY2022. The Committee reviews information about employee pay, reward and progression policies of the Group and is comfortable that the median pay ratio is consistent with these policies and the need to ensure the Group can attract the best talent to achieve its strategic objectives.

Directors' Remuneration Report continued

Fairness, diversity and wider employee considerations continued

Relative importance of spend on pay

The table below shows the expenditure of the Company on staff costs against dividends paid to shareholders in 2022 and 2021.

Relative importance of spend on pay	FY2021 £m	FY2022 £m	% change
Employee costs ¹	284.7	382.0	34%
Dividends	—	—	nil
Share buyback	—	66.0	nil

1. Employee costs as taken from note 26.1 to the financial statements.

Other disclosures

Fees paid to advisers in the year

During the financial year, PwC advised the Committee on all aspects of remuneration after formally being appointed by the Remuneration Committee as adviser in 2021. PwC is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees. Other PwC teams provide certain non-audit services to the Company in areas of tax and consulting. The Committee is satisfied that no conflicts of interest exist in the provision of these services and that the advice provided is independent and objective. Fees of £162,500 were paid to PwC during the financial year in respect of remuneration advice received. Fees were determined via a combination of fixed fees and time and expenses.

The Committee receives support from Caleb Merkl (Chief People Officer) and Catherine Sukmonowski (Group Company Secretary).

Statement of shareholding voting

The Policy was approved by shareholders at the AGM on 20 May 2022. Shareholders were also asked to vote on the 2021 Directors' Remuneration Report. Each of these resolutions received a significant vote in favour by shareholders and the Committee is grateful for this support and endorsement by our shareholders. The votes received were:

Resolution	Votes FOR	FOR (% of shares voted)	Votes AGAINST	AGAINST (% of shares voted)	Votes withheld
To approve the Directors' Remuneration Report	2,760,537,032	99.01	27,534,979	0.99	60,061
To approve the Directors' Remuneration Policy	2,658,210,587	96.24	103,818,401	3.76	26,103,084

This Directors' Remuneration Report has been prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the revised provisions of the Code and the Listing Rules. This report was reviewed and approved by the Remuneration Committee.

Directors' Report

The Directors of Deliveroo plc (the 'Company') present their Annual Report together with the audited consolidated financial statements for the year ended 31 December 2022. The Directors' Report, prepared in accordance with the requirements of the Companies Act 2006 and the UK Listing Authority's Listing Rules, and Disclosure and Transparency Rules, comprises the Governance section (pages 77 to 132), the Directors' Report (pages 133 to 138) and the Shareholder Information section at the back of this report. Other information that is relevant to the Directors' Report, and which is incorporated by reference into the Directors' Report, is set out in the table on page 138.

Strategic Report

Deliveroo plc is required by the Companies Act 2006 to prepare a Strategic Report that includes a fair review of the Company's business, the development and performance of the Company's business during the period, the position of the Company at the end of the year ended 31 December 2022, and a description of the principal risks and uncertainties faced by the Company. The Strategic Report on pages 1 to 76 is incorporated by reference and shall be deemed to form part of this Directors' Report.

Results and dividend

Loss for the year from continuing operations amounted to £(242.5) million (2021: £(289.2) million). Loss for the year attributable to the owners of the Company amounted to £(294.1) million (2021: £(330.5) million). A review of the Group's consolidated results is set out from page 54.

No dividend has been declared or paid in the current or comparative periods. Given the early stage of maturity of the online food category, Deliveroo remains focused on investing to maximise long-term free cash flow per share, believing that this is the best way to drive long-term shareholder value. The dividend policy will be reviewed on an ongoing basis, but the Company does not expect to declare or pay any dividends for the foreseeable future. Consequently, the Directors do not recommend the payment of a dividend for FY2022.

The Board

Board of Directors and their interests

Details of the Directors who held office at the end of the year and their biographical details are set out on pages 80 to 82 and also on our website at <https://corporate.deliveroo.co.uk>. Changes to the Board during the year and up to the date of this report are set out on page 82. The Directors' interests in the Ordinary Shares and options of the Company are disclosed within the Directors' Remuneration Report on page 124.

Appointment and retirement of Directors

The Board may from time-to-time appoint one or more Directors. Any such Director shall hold office only until the next Annual General Meeting ('AGM') and shall then be subject to reappointment by the Company's shareholders. It is the current intention that at the Company's forthcoming AGM all continuing Executive and Non-Executive Directors will retire and offer themselves for reappointment in compliance with the 2018 UK Corporate Governance Code.

Directors' conflicts of interest

Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of Deliveroo, unless that conflict is first authorised by the Board. The Company has in place procedures for managing conflicts of interest. The Company's Articles of Association (the 'Articles') also contain provisions to allow the Board to authorise potential conflicts of interest so that a Director is not in breach of his or her duty under company law. Should a Director become aware that he or she has an interest, directly or indirectly, in an existing or proposed transaction with Deliveroo, he or she should notify the Board in line with the Company's Articles. Directors have a continuing duty to update any changes to their conflicts of interest.

Directors' insurance and indemnities

The Company maintained Directors' and Officers' liability insurance cover throughout the period, providing appropriate cover for legal action brought against the Directors. The Directors are also able to obtain independent professional advice at the Company's expense, as necessary, in their capacity as Directors. The Company has entered into deeds of indemnity with each Director, which provide that the Company shall indemnify the Directors to the fullest extent permitted by law, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries.

Employees

Diversity and equal opportunities

Deliveroo's objective is to have a diverse workforce and our long-term aim is that the composition of our workforce should broadly reflect that of the communities within which we operate. We fundamentally believe it's right to give all people, regardless of their background, the opportunity to contribute and succeed at Deliveroo. We believe that individuals should be treated on their merits and that any employment-related decisions should be based on objective job-related criteria such as aptitude, performance and skills. Read more about our approach to diversity, equity and inclusion in our People section on page 46.

Directors' Report continued

Employees continued

Employment policies and employment of disabled persons

The Company has in place a number of policies covering important issues including diversity, equity and inclusion, equal opportunities and wellbeing. We are committed to creating an environment where our people can all be happy, proud to work and excel. To do this, we are an equal opportunity employer. Subject to local laws, all qualified job applicants will receive consideration for employment without regard to their race, religion or belief, sex, gender reassignment, sexual orientation, marriage and civil partnership, pregnancy and maternity, disability or age. We take all reasonable steps to ensure equality of opportunity in recruitment, as well as in training and development opportunities and conditions and terms of work and pay. Persons with disabilities are given full and fair consideration for available roles and we are committed to providing reasonable adjustments for individuals with disabilities throughout our job application process and their career with the Company. We place a responsibility on our employees to comply with these policies.

Employee communication and engagement

Management regularly communicates and engages with employees and provides them with information on matters relevant to them as employees. This supports employees' collective understanding of the financial and economic factors that affect the performance of the Company as well as other matters which may impact employees (such as diversity and inclusion initiatives) and provides the Company with an insight into employee views which can then be taken into account. Details on how the Board and management have communicated and engaged with employees while taking into account their interests in decision making during the year can be found in the Section 172 statement on page 29, Stakeholder Engagement section on page 86 and in the People section on page 45.

The Company recognises the importance of employee share ownership and incentivises employee involvement in the Company's performance through the award of share options to certain employees. Further details of the Company's share schemes are set out in the Directors' Remuneration Report on page 106.

Shares

Share capital and rights attaching to shares

Details of the issued share capital, together with details of movements in the issued share capital of the Company during the year, are shown in note 24. This is incorporated by reference and deemed to be part of this report.

As at 31 December 2022, the Company had two classes of Ordinary Shares namely, Class A and B Ordinary Shares. The Class A Ordinary Shares are listed on the standard listing segment of the FCA's Official List and traded on the Main Market for listed securities of the London Stock Exchange. The Class B Ordinary Shares are not admitted to listing and trading and are held by the Company's CEO and Founder, Will Shu. As at 31 December 2022, the Company's issued share capital consisted of 1,755,425,173 Class A Ordinary Shares of £0.005, and 100,299,642 Class B Ordinary Shares of £0.005. The Company does not hold any Class A or Class B Ordinary Shares in treasury.

Save as provided in the Company's Articles, in particular Articles 49 and 71, Class B Ordinary Shares rank *pari passu* with Class A Ordinary Shares in all respects. The rights and obligations attaching to the Company's Class A and Class B Ordinary Shares are set out in the Company's Articles of Association and are summarised on the tables below and adjacent.

Specific rights attaching to Class B Ordinary Shares

General Holders of Class A and B Ordinary Shares have the rights accorded to them under UK company law, including the rights to receive the Company's Annual Report and Accounts, attend and speak at General Meetings, appoint proxies and exercise voting rights.	For as long as any Class B Ordinary Shares are in issue, no consolidation and/or sub-division of Class A Ordinary Shares shall be effected without simultaneous consolidation and/or sub-division of the Class B Ordinary Shares (and vice versa). No admission to listing or admission to trading shall be sought for Class B Ordinary Shares while they remain Class B Ordinary Shares.
Income Subject to the provisions of the Companies Act, the Company may declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.	On a distribution of profits, whether by cash dividend or otherwise (Article 49), Class B Ordinary Shares shall rank <i>pari passu</i> with the rights to distributions of profits attached to Class A Ordinary Shares.
Capital On a return of capital, whether on a winding-up or otherwise, distributions will be divided among members in specie as detailed in Article 50.	Class B Ordinary Shares shall rank <i>pari passu</i> with the rights to the assets of the Company attached to Class A Ordinary Shares as stated in Article 50.



Specific rights attaching to Class B Ordinary Shares	
<p>Convening General Meetings and voting</p> <p>Class A Ordinary shareholders at a General Meeting are entitled to one vote when voting on a resolution on a show of hands or by poll.</p>	<p>For so long as Class B Ordinary Shares remain in issue and are held by the Founder or any Permitted Transferee, the Founder (or, if the Founder is no longer a B Ordinary Shareholder, the B Ordinary Shareholder that holds the largest number of B Ordinary Shares then in issue) shall be entitled to requisition a General Meeting of the Company.</p> <p>On a vote on a resolution on a show of hands, a Class B Ordinary Shareholder shall have one vote. When voting on a poll, if the Class B Ordinary Shares are held by the Founder or any Permitted Transferee, the Founder or Permitted Transferee is entitled to 20 votes for every B Ordinary Share of which they are a holder; otherwise, a Class B Shareholder other than the Founder or Permitted Transferee is entitled to one vote for every B Ordinary Share held on a poll vote.</p>
<p>Variation of rights</p> <p>Subject to the Companies Act 2006, rights attached to any class of shares may be varied with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate General Meeting of such class.</p>	<p>The rights attached to Class B Ordinary Shares may also be varied or abrogated in accordance with Article 13 or with the prior written consent of the Founder.</p> <p>Class B Ordinary Shares shall not be, and shall not be deemed to be, varied or abrogated in any respect by the purchase by the Company or cancellation of any Class A Ordinary Shares. Class B Ordinary Shares shall be deemed varied in the event of the creation, allotment or issue of another class of Shares and as detailed in Articles 53 (a) and 53 (b).</p>
<p>Restrictions on transfer or conversion of Ordinary Shares</p> <p>The Articles do not contain any restrictions on the transfer of Class A or Class B Ordinary Shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share.</p> <p>All issued share capital of the Company at the date of this Annual Report is fully paid.</p> <p>Certain restrictions are also imposed by laws and regulations (such as insider dealing and marketing requirements relating to closed periods) and requirements of the Market Abuse Regulation whereby Directors and certain employees of the Company require prior approval to deal in the Company's securities.</p>	<p>A Class B Ordinary Shareholder that is the Founder or a Permitted Transferee is entitled, by giving notice, to require the Company to convert some or all of the Class B Ordinary Shares held into Class A Ordinary Shares, on a one-for-one basis.</p> <p>Upon a transfer of Class B Ordinary Shares to a person who is not the Founder or a Permitted Transferee, such Class B Ordinary Shares shall convert into Class A Ordinary Shares, on a one-for-one basis.</p> <p>If a person other than the Founder or a Permitted Transferee has any interest in any Class B Ordinary Shares the Board shall serve a notice on the holder or holders of such Affected Shares and the Affected Shares will convert into Class A Ordinary Shares, on a one-for-one basis automatically.</p> <p>All issued and outstanding Class B Ordinary Shares shall convert into Class A Ordinary Shares, on a one-for-one basis, automatically at 11.59pm on the date falling on the third anniversary of the date on which the Class A Ordinary Shares were admitted for trading on the London Stock Exchange, or in any event as detailed in Article 60(b).</p> <p>Conversion of any Class B Ordinary Shares pursuant to Articles 54 to 60 (inclusive) shall be effected by re-designation of the relevant Class B Ordinary Shares as Class A Ordinary Shares.</p> <p>After the conversion of all issued and outstanding Class B Ordinary Shares into Class A Ordinary Shares, no further Class B Ordinary Shares will be allotted or issued by the Company.</p>
<p>Issues of shares pursuant to employee share schemes</p> <p>The allotment of Class A Ordinary Shares pursuant to an employee share scheme may occur without any equivalent allotment of Class B Ordinary Shares (and such an allotment shall not be or be deemed to be a variation or abrogation of the rights attached to the Class B Ordinary Shares).</p>	

Directors' Report continued

Shares continued

Substantial interests

The Company has received notifications of major interests in its issued Class A Ordinary Share capital in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules ('DTR'). As only the Class A Ordinary Shares are admitted to listing and trading, these notifications are based on the total number of voting rights attributable to the Class A Ordinary Shares only (and not the aggregate of voting rights attributable to both the Class A and Class B Ordinary Shares).

The table below shows the holdings in the Company's issued share capital which had been notified to the Company pursuant to Chapter 5 of the DTR:

Shareholder	31 December 2022		15 March 2023	
	% of total voting rights*	Shares held	% of total voting rights*	Shares held
Amazon.com NV Investment Holdings LLC	12.39%	215,286,288	12.39%	215,286,288
DST Global V, L.P.	7.91%	137,360,328	7.91%	137,360,328
FMR LLC	6.04%	106,087,005	6.04%	106,087,005
Morgan Stanley	—	—	5.37%	94,280,399
Fidelity International Limited	5.40%	94,823,371	5.27%	92,443,794
Delivery Hero SE	5.09%	87,376,470	5.09%	87,376,470
T. Rowe Price International Ltd	4.81%	84,453,547	4.81%	84,453,547
Ocorian Limited as trustee of the Rooffoods Ltd Employee Benefit Trust	4.04%	70,970,905	4.04%	70,970,905
Index Ventures VII (Jersey), L.P.	3.93%	68,936,397	3.93%	68,936,397
Greenoaks Capital Partners LLC	—	—	2.99%	52,645,465
Accel London Management Limited	2.98%	52,393,018	2.98%	52,393,018

* Percentages are shown as a percentage of the Company's total voting rights as at the date the Company was notified of the change in holding.

The Company

Articles of Association

The Company's Articles set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of Directors and the conduct of the Board and general meetings. Copies are available from the Company Secretary. The Company's Articles may only be amended by a special resolution at a General Meeting of the shareholders.

Branches

The Group, through various subsidiaries, has established branches in Spain and the UAE.

Financial instruments

Details of the Group's use of financial instruments, together with information on our financial risk management objectives and policies, hedging policies and exposure to financial risks, can be found in note 29 of the consolidated financial statements.

Going concern

The Company's Going Concern statement for the Group and the Company is set out on pages 154 and 184 of the financial statements and are incorporated by reference and shall be deemed to be part of this Report.

In assessing going concern and viability, the Directors have considered the impact of climate change risks. Whilst no material risks have been identified in the short to medium term that are expected to have an impact on the Group's cash flow forecasts (including those used for impairment assessment), the Directors will continue to monitor the risks, with particular reference to those that might impact the going concern assumption or viability assessment.

Independent auditor and disclosure of information to the auditor

Each person who is a Director at the date of approval of this report and the financial statements confirms that:

- such Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information; and
- so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint it will be proposed at the forthcoming Annual General Meeting.



Political donations and expenditure

It is the Company's policy not to make political donations and no such political donations were made during the period since the IPO. In line with 2022 and reflecting the practice of many other London-listed companies, the Board will be seeking shareholder approval for political donations at the forthcoming AGM. This is a precautionary measure, for the Company and its subsidiaries to be able to make donations and/or incur expenditure which may be construed as "political" by the wide definition of that term included in the relevant legislation. Further details are provided in the Notice of this year's AGM.

There were no political donations made or political expenditure incurred during the 2022 financial year.

Related party transactions

Company processes are in place to ensure that all related party transactions involving Directors, or their closely associated persons, are conducted on an arm's length basis and are properly recorded and disclosed where appropriate.

Research and development

Expenditure on the research phase of projects to develop new customised software for our app is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets. During the year, development costs of £50.3 million have been capitalised (2021: £34.6 million).

Significant contracts and change of control

The following significant agreements, which were in force at 31 December 2022, take effect, alter or terminate on a change of control of the Company:

- **Revolving credit facility** On 7 April 2021, Roofoods Ltd (as borrower and guarantor), Deliveroo France SAS, Deliveroo Ireland Limited and Deliveroo Italy SRL (as guarantors) entered into a revolving credit facility ('RCF') agreement with a small group of lenders, providing Sterling and Euro denominated revolving credit facilities of £75 million and €87.5 million for general and working capital purposes of the Group. The key terms of the RCF include: (i) Roofoods Ltd as initial borrower; (ii) an initial term of 36 months which can be extended by an additional 24 months; (iii) provision of information covenants and financial covenants; (iv) the provision of guarantees by certain Group companies in respect of certain obligations under the RCF; and (v) springing security if a minimum liquidity level is breached for multiple testing periods. To date, no drawdowns have been made pursuant to the RCF.

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control on takeover or merger.

There are provisions in the Company's share plans which could result in options or awards vesting or becoming exercisable on a change of control. For further information on the change of control provisions in the Company's share plans refer to the Directors' Remuneration Report on page 106.

Subsidiaries and principal activities

The Company is the holding company of the Deliveroo Group of companies, the principal activities of which are described in this Annual Report. The Group's subsidiaries and their locations are set out on pages 187 and 188 of the financial statements.

Tax strategy

The Group is committed to complying with its statutory obligations in relation to the payment of tax including full disclosure of all relevant facts to the appropriate tax authorities. In managing its tax affairs, the Group recognises its responsibilities as a taxpayer and the need to protect the corporate reputation inherent in the brand. Further information on the Group's tax strategy is available on the Company's website.

The Board has ultimate responsibility for the Group's tax strategy although the day-to-day management rests with executive management. The Chief Financial Officer ('CFO') has ultimate responsibility for tax matters. The VP Finance is the named Senior Accounting Officer of the Group. The CFO, the VP Tax and Treasury and other Senior Management personnel advise the Board on the tax affairs and risks to the Group.

Environmental disclosures

TCFD

The Company's compliance with the TCFD recommendations and recommended disclosures pursuant to UK Listing Rule 9.8.6R can be found on pages 68 to 74 of the Strategic Report.

Greenhouse gas emissions and energy consumption

Details of the Company's greenhouse gas emissions, energy consumption, energy efficiency action and Group disclosures required by the Streamlined Energy and Carbon Reporting ('SECR') regime can be found on pages 42 and 43 of the Strategic Report.

The Strategic Report (from pages 1 to 76) and the Directors' Report (as described on page 133) have been approved by the Board on 14 March 2023.

By order of the Board:

Scilla Grimble

Chief Financial Officer

15 March 2023

Registered office address: The River Building, Level 1, Cannon Bridge House, 1 Cousin Lane, London, United Kingdom EC4R 3TE

Registered in England and Wales. Registered number 13227665

Directors' Report continued

The Company continued

Required disclosures under LR 9.8.4

The information to be included in the 2022 Annual Report and Accounts under LR 9.8.4, where applicable, can be located as set out below:

Interest capitalised by the Group	N/A
Unaudited financial information	N/A
Long-term incentive schemes	See p127
Directors' waivers of emoluments	See p123
Directors' waivers of future emoluments	N/A
Allotment for cash on equity shares (issuer)	N/A
Allotment for cash on equity shares (major subsidiaries)	N/A
Listed company is a subsidiary of another company	N/A
Contracts of significance involving a Director	N/A
Contracts of significance involving a controlling shareholder	N/A
Waivers of dividends	N/A
Waivers of future dividends	N/A
Agreement with a controlling shareholder	N/A

Other information that is relevant to this report, and which is incorporated by reference is also listed below:

Board of Directors during 2022 financial year	See p80
Directors' service contracts and letters of appointment	See p118
Directors' share interests	See p124
Events arising after the reporting period	See p182
Future developments of the business of the Group	See p16
Greenhouse gas emissions, energy consumption and energy efficiency	See p42
Non-Financial Information statement	See p76
Section 172 statement	See p29
Stakeholder engagement	See p86
TCFD disclosures	See p68



Directors' Responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ('IFRS'). The financial statements also comply with International Financial Reporting Standards as issued by the IASB. The Directors have also chosen to prepare the Parent Company financial statements in accordance with International Accounting Standards (Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland, ('FRS 102')) in conformity with requirements of the Companies Act 2006.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRS have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such

steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed on pages 80 to 82, confirm that, to the best of their knowledge:

- the consolidated financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

These statements were approved by the Board on 14 March 2023 and signed on its behalf by:

Will Shu

Chief Executive Officer
15 March 2023

Scilla Grimble

Chief Financial Officer
15 March 2023



COLLECT HERE

ONCE WE'VE PICKED AND PACKED YOUR ORDER

Independent Auditor's Report

To the members of Deliveroo Plc

Report on the audit of the financial statements

1 Opinion

In our opinion:

- the financial statements of Deliveroo plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement and statement of comprehensive loss;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the parent company balance sheet;
- the parent company statement of changes in equity; and
- the notes 1 to 32 to the consolidated financial statements and notes 1 to 9 to the parent company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2 Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 28 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3 Summary of our audit approach

Key audit matters	<p>The key audit matters that we identified in the current year were:</p> <ul style="list-style-type: none"> Rider classification: Uncertain legal and tax positions Valuation of investment in subsidiaries
Materiality	<p>The materiality that we used for the Group financial statements was £15.8m which was determined on the basis of 0.8% of revenue from continuing operations.</p>
Scoping	<p>The scope of our Group audit includes full scope audits for significant components in the UK and France. In addition, consistent with the prior year, audit of specified balances was performed at all other trading entities, where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those components.</p>
Significant changes in our approach	<p>In the prior year we identified the accounting for negative revenue arising from consumer vouchers as a key audit matter. We concluded in the prior year the accounting treatment to be acceptable, therefore this is not considered to be a key audit matter in the current year.</p> <p>We identified a new key audit matter in relation to valuation of investments in subsidiaries in the parent company balance sheet in the year. The market capitalisation of the Group at year-end was below the carrying value of the parent company's investment in subsidiaries and therefore judgement is required as to whether the investment carrying value should be impaired.</p>

Independent Auditor's Report continued

to the members of Deliveroo plc

Report on the audit of the financial statements continued

4 Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- understanding the detailed steps of the forecasting process through enquires with the entity and inspection of underlying models;
- assessing the arithmetic accuracy of the models used to prepare the Group's base case forecast and related scenarios;
- assessing the adequacy of the funds held by the Group;
- reviewing the Group's facility agreements to understand principal terms and the related financial covenants;
- challenging the Directors on the appropriateness of forecast assumptions by:
 - assessing key assumptions underpinning the Group's forecast with reference to external data where possible;
 - comparing and assessing the historical accuracy of forecasts against previous performance;
 - performing additional sensitivity scenario analysis linking to the Group's principal risks disclosed on pages 62 to 66 of Annual report.
- assessing the appropriateness of the Group's disclosure concerning going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements that the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5 Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Report on the audit of the financial statements continued

5 Key audit matters continued

5.1 Rider classification: Uncertain legal and tax positions

Key audit matter description	<p>The Group is subject to various legal and regulatory investigations and challenges across the territories it operates in. Judgement is applied in assessing each matter on a case by case basis, with reference to the criteria set out in IAS 37 “Provisions, contingent liabilities and contingent assets”.</p> <p>Riders for the Group are self employed, other than in countries where they are engaged by an agency. As regulators and legislatures consider the on-demand economy, companies operating in the gig economy will be subject to regulatory scrutiny and possible investigations. The Director’s view, taking into account consultation with independent employment law experts in each territory where there is challenge, is that the underlying facts and circumstances support the position taken in the respective territories. However, this is an area of significant judgement and open to challenge whilst the law and the political landscape is evolving. The legal status of the Group’s riders potentially has implications for taxation, VAT, and pension payments.</p> <p>This is an area of significant judgement which is open to challenge in certain territories, therefore, we identified the completeness, valuation and allocation of legal and tax provisions in respect of riders classification as a key audit matter.</p> <p>The Group recognised legal provisions of £129.3 million (2021: £81.7 million) (see note 23) and disclosed contingent liabilities of £24.6 million (2021: £37.3 million), with an additional contingent liability in relation to a regulatory challenge for which the entity has assessed a range from £50.0 million to £200.0 million representing their best estimate in the event of a potential adverse outcome (see note 31).</p> <p>See note 3 of the consolidated financial statements for further detail on the accounting policies for the recognition of provisions and contingent liabilities and see page 102 of the Audit and Risk committee report.</p>
How the scope of our audit responded to the key audit matter	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <ul style="list-style-type: none"> • obtained an understanding of the relevant controls over the entity’s assessment of legal compliance and determination of provisions and contingent liabilities in respect of these matters; • made enquiries of members of the entity who have responsibility for understanding and evaluating the political landscape and risk within each country; • conducted inquiries with the Group’s legal counsel and their external legal advisors to assess the current position of all existing legal and tax investigations and claims and any potential new matters which may exist; • challenged the Director’s judgements and assumptions in relation to the recognition of a provision or contingent liability for each legal or tax matter identified. Our work incorporated our own employment tax and legal specialists in designing our audit approach, to evaluate the entity’s judgements against our expectation of the quantum and likelihood of liabilities, including consideration of any contradictory evidence; • performed a review of the historical legal provisions, to assess whether positions are consistently applied from the prior year and evaluate any potential changes in position; • engaged with our risk advisory specialists in assessing completeness by legal issues through media and social media searches; and • assessed the adequacy of the disclosures made in relation to rider classification in the Group’s financial statements.
Key observations	<p>Based on our audit procedures we were satisfied with the judgements taken by the entity and that the resulting provisions and contingent liabilities are reasonable, including the related disclosures.</p>

Independent Auditor's Report continued

to the members of Deliveroo plc

Report on the audit of the financial statements continued

5 Key audit matters continued

5.2 Valuation of investment in subsidiaries

Key audit matter description	<p>The carrying value of the parent company investment in subsidiaries is £3.2bn (2021: £3.9bn) held on the parent company balance sheet have been assessed for impairment in the year. The market capitalisation of the Group at year-end was below the carrying value of the parent company's investment in subsidiaries. Judgement is therefore required as to whether the investment value should be impaired.</p> <p>The entity prepares an impairment review for the PLC investment in subsidiaries based on its estimated value-in-use. The assessment estimates the future cash flows of the Group, based on the five year long-term financial plan, a long-term growth rate, and a discount rate. The impairment model is sensitive to a change in any of these key assumptions, individually and in combination.</p> <p>An impairment charge of £697m (FY21: nil) has been recognised in relation to the investment in subsidiaries. Refer to notes 2 and 6 in the parent company financial statements for the assessment undertaken, the resulting impairment recorded, and sensitivity disclosures.</p>
How the scope of our audit responded to the key audit matter	<p>In responding to the identified key audit matter, we have completed the following audit procedures:</p> <ul style="list-style-type: none"> • obtained an understanding of the relevant controls in relation to the entity's setting of the discount rate, three-year plan forecasts, long-term growth rate, and review of the overall impairment model; • assessed the mechanical accuracy of the impairment model and functioning in line with the requirements of the financial reporting framework; • engaged our valuation specialists to assess whether the weighted average cost of capital ("WACC") and long-term growth rate used in the entity's impairment model are appropriate; • assessed the key inputs and assumptions within the entity's forecasts and impairment model, considering the wider business environment, taking into account both corroborative and contradictory evidence and assessing the sufficiency and appropriateness of evidence obtained; • considered the consistency of the entity's forecasts with other areas of the audit, including going concern, and deferred tax asset recoverability; • assessed the entity's sensitivity analysis in relation to the key assumptions used in the cash flow forecasts; and • evaluated the appropriateness of the Group's disclosures regarding the PLC investment in subsidiaries and in notes 2 and 6 of the parent company financial statements.
Key observations	<p>Based on the audit procedures performed, we are satisfied that the impairment recorded and carrying value of the parent company investments in subsidiaries and related disclosures are appropriate. The carrying value of the parent company investment in subsidiaries reflects the present value of the Board-approved forecasts although remains significantly higher than the current market capitalisation of the Group.</p>

6. Our application of materiality

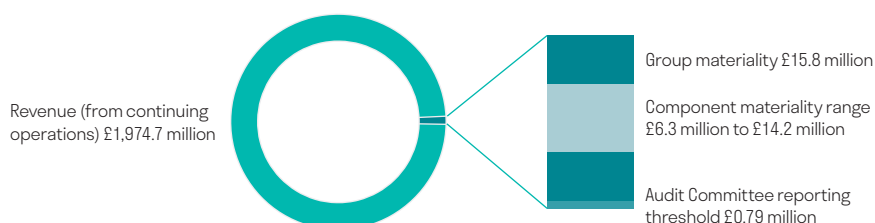
6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£15.8 million (2021: £14.9m)	£14.2 million (2021: £14.1m)
Basis for determining materiality	We determined materiality based on 0.8% (2021: 0.8%) of revenue from continuing operations.	Parent company materiality is determined based on 1.0% (2021: 1.0%) of net assets and capped at 90% (2021: 90%) of Group materiality.
Rationale for the benchmark applied	We determined materiality based on revenue from continuing operations given the importance of this as a measure of overall performance of the Group.	The parent company's principal activity is to hold investments in other Group companies. As a result, we considered net assets to be the most relevant benchmark on which to base materiality.

Report on the audit of the financial statements continued



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% (2021: 65%) of group materiality	65% (2021: 65%) of parent company materiality
Basis and rationale for determining performance materiality	We determined performance materiality with reference to factors such as the quality of the control environment and the historical error rate.	

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £790,000 (2021: £743,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7 An overview of the scope of our audit

7.1 Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, and assessing the risks of material misstatement at the Group level.

The scope of our Group audit includes full scope audits for significant components in the UK and France. In addition, consistent with the prior year, audit of specified balances was performed at all other trading entities, where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those components.

The results for these entities accounted for 99% of the Group's revenue (2021: 99%), 96% of cost of sales (2021: 97%) and 94% of the Group's total assets (2021: 96%).

For the entities not subject to full scope audits or audit of specified balances, we tested the consolidation process and conducted analytical procedures to confirm our conclusion that there were no material misstatements in the aggregated financial information. All entities are currently managed in the UK and all audit work relevant to the Group audit was conducted by the Group and audit team based in London.

7.2 Our consideration of the control environment

In order to evaluate business cycle controls, we performed walkthrough procedures over key cycles, including, financial reporting, uncertain legal and tax positions, order to cash and purchase to pay, to understand whether controls were effectively designed to address the related risk. We then assessed the design and implementation of the key controls identified within the above processes across the audit period. We also performed operating effectiveness testing over the key controls within the order to cash and purchase to pay processes to determine whether the controls had operated effectively in the financial year.

We involved IT specialists to test the general IT controls ("GITCs") over key financial reporting systems, relevant automated controls within those systems, and key controls over interfaces between the systems. In relation to GITCs, we performed an independent risk assessment of the systems used to support business processes and reporting to determine those which are of greatest relevance to the Group's financial reporting. We performed testing of GITCs across our in-scope applications, and their supporting infrastructure (database and operating system) covering controls surrounding access security and change management, as well as testing over relevant interfaces and automated controls. We reported findings from our controls work to Audit and Risk Committee.

Independent Auditor's Report continued

to the members of Deliveroo plc

Report on the audit of the financial statements continued

7 An overview of the scope of our audit continued

7.3. Our consideration of climate-related risks

As noted on page 70 the Group has assessed the risk and opportunities relevant to climate change and whilst the Group has not identified a separate principal risk in relation to the potential risk of climate change, it is incorporated into several existing principal risks.

We obtained an understanding of the entity's process for considering the impact of climate-related risks at both a Group and operating company level. We evaluated these risks to assess whether they were complete and consistent with our understanding of the entity and our wider risk assessment procedures.

Our procedures to address the identified risks included considering their impact on the financial statements overall, including the application of individual accounting standards. We further reconciled the disclosures made to underlying supporting evidence. We assessed the TCFD recommended disclosures within the Annual Report and considered whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8 Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9 Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10 Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11 Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.



Report on the audit of the financial statements continued

11 Extent to which the audit was considered capable of detecting irregularities, including fraud continued

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the Directors, internal audit and external legal counsel; and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including legal, tax, valuations, IT and forensic specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: uncertain legal and tax positions related to rider classification. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Listing Rules, local employment and relevant tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2 Audit response to risks identified

As a result of performing the above, we identified the following key audit matter related to the potential risk of fraud: uncertain legal and tax positions related to rider classification. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Directors, the Audit and Risk Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, internal audit reports, and reviewing correspondence with relevant regulatory authorities;
- reviewing the disclosures in the Audit and Risk Committee Report; and
- in addressing the risk of fraud through management override of controls testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.



Independent Auditor's Report continued

to the members of Deliveroo plc

Report on other legal and regulatory requirements

12 Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13 Corporate Governance Statement

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 58, 154 and 184;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 75;
- the directors' statement on fair, balanced and understandable set out on page 94;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 103;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 103; and
- the section describing the work of the Audit and Risk Committee set out on page 99.

14 Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15 Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 7th of December 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 5 years, covering the years ending 31 December 2018 to 31 December 2022.

15.2 Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16 Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.14R, these financial statements form part of the European Single Electronic Format (ESEF) prepared Annual Financial Report filed on the National Storage Mechanism of the UK FCA in accordance with the ESEF Regulatory Technical Standard ('ESEF RTS'). This auditor's report provides no assurance over whether the annual financial report has been prepared using the single electronic format specified in the ESEF RTS.

Mark Lee-Amies FCA (Senior Statutory Auditor)

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

15 March 2023

Consolidated income statement and statement of comprehensive loss

For the year ended 31 December 2022

	Note	2022 £m	2021 (restated) [^] £m
Continuing operations			
Revenue	6	1,974.7	1,735.0
Cost of sales		(1,331.5)	(1,239.9)
Gross profit		643.2	495.1
Administrative expenses		(884.0)	(771.2)
Other operating income		7.8	3.1
Other operating expenses		(12.6)	(17.1)
Operating loss		(245.6)	(290.1)
Finance income	8	17.8	9.4
Finance costs	9	(2.8)	(1.1)
Loss before income tax		(230.6)	(281.8)
Income tax charge	10	(11.9)	(7.4)
Loss for the year from continuing operations		(242.5)	(289.2)
Discontinued operations			
Loss for the year from discontinued operations	11	(51.6)	(41.3)
Loss for the year attributable to the owners of the Company	7	(294.1)	(330.5)
	Note	2022 £	2021 (restated) £
Loss per share			
From continuing operations			
– Basic	13	(0.13)	(0.17)
– Diluted	13	(0.13)	(0.17)
From continuing and discontinued operations			
– Basic	13	(0.16)	(0.19)
– Diluted	13	(0.16)	(0.19)
		2022 £m	2021 £m
Loss for the year	7	(294.1)	(330.5)
Other comprehensive income/(loss)			
Items that may be reclassified subsequently to profit or loss:			
Currency translation		5.2	(8.5)
Total comprehensive loss for the year		(288.9)	(339.0)

[^] Results for the year ended 31 December 2021 have been restated to reflect the reclassification of Deliveroo Netherlands BV and Deliveroo Australia Pty Ltd as discontinued operations, which are described in more detail in note 11 and to account for a charge in relation to the non-employee options granted in February and March 2021 as discussed in note 4.

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 153 to 182.

Consolidated statement of financial position

As at 31 December 2022
(Registration number: 13227665)

	Note	2022 £m	2021 (restated)^ £m
Non-current assets			
Property, plant and equipment	14	49.3	33.7
Right-of-use assets	16	73.5	39.8
Intangible assets	15	72.9	52.8
Deferred tax asset	18	4.1	10.7
Investments in financial assets	19	2.9	2.9
Trade and other receivables	17	22.6	17.3
Total non-current assets		225.3	157.2
Current assets			
Inventory	21	19.4	18.2
Trade and other receivables	17	109.6	103.7
Other treasury deposits		50.5	—
Cash and cash equivalents	20	949.1	1,290.9
Total current assets		1,128.6	1,412.8
Total assets		1,353.9	1,570.0
Non-current liabilities			
Lease liabilities	16	(61.5)	(36.4)
Provisions	23	(143.2)	(81.7)
Total non-current liabilities		(204.7)	(118.1)
Current liabilities			
Trade and other payables	22	(332.8)	(368.0)
Lease liabilities	16	(12.3)	(10.2)
Total current liabilities		(345.1)	(378.2)
Total liabilities		(549.8)	(496.3)
Net assets		804.1	1,073.7
Equity			
Share capital	24	9.3	9.3
Share premium		—	1,013.0
Own shares	25	(66.0)	—
Merger reserve		1,288.5	1,288.5
Share option reserve		183.2	183.2
Accumulated losses		(604.5)	(1,408.7)
Foreign currency translation reserve		(6.4)	(11.6)
Total equity		804.1	1,073.7

^ The comparative information has been restated to account for a charge in relation to the non-employee options granted in February and March 2021 as discussed in note 4.

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 153 to 182.

The financial statements on pages 149 to 152 were approved and authorised for issue on behalf of the Board of Directors on 15 March 2023 and were signed on its behalf by:

Scilla Grimble
Director

Consolidated statement of changes in equity

For the year ended 31 December 2022

	Note	Share capital (note 24) £m	Share premium £m	Own shares (note 25) £m	Merger reserve £m	Share option reserve £m	Accumulated losses £m	Foreign currency translation reserve £m	Total £m
At 1 January 2021		7.1	—	—	1,153.5	153.3	(1,135.7)	(3.1)	175.1
Loss for the year [^]		—	—	—	—	—	(330.5)	—	(330.5)
Other comprehensive loss		—	—	—	—	—	—	(8.5)	(8.5)
Total comprehensive loss		—	—	—	—	—	(330.5)	(8.5)	(339.0)
Issue of share capital		2.2	1,013.0	—	135.0	—	—	—	1,150.2
Share-based payment awards [^]		—	—	—	—	35.6	57.5	—	93.1
Deferred tax	18	—	—	—	—	(5.7)	—	—	(5.7)
At 31 December 2021		9.3	1,013.0	—	1,288.5	183.2	(1,408.7)	(11.6)	1,073.7
Loss for the year		—	—	—	—	—	(294.1)	—	(294.1)
Other comprehensive income		—	—	—	—	—	—	5.2	5.2
Total comprehensive (loss)/income		—	—	—	—	—	(294.1)	5.2	(288.9)
Own shares acquired during the year		—	—	(66.0)	—	—	—	—	(66.0)
Reduction of share premium		—	(1,013.0)	—	—	—	1,013.0	—	—
Share-based payment awards	26	—	—	—	—	—	85.3	—	85.3
Deferred tax	18	—	—	—	—	—	—	—	—
At 31 December 2022		9.3	—	(66.0)	1,288.5	183.2	(604.5)	(6.4)	804.1

[^] The comparative information has been restated to account for a charge in relation to the non-employee options granted in February and March 2021 as discussed in note 4.

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 153 to 182.

Consolidated statement of cash flows

For the year ended 31 December 2022

	Note	2022 £m	2021 £m
Cash flows from operating activities			
Net cash used in operating activities	27	(144.2)	(171.5)
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(30.1)	(21.4)
Acquisition of intangible assets	15	(50.3)	(34.6)
Purchase of financial asset	19	—	(2.9)
Purchase of other treasury deposits		(50.5)	—
Interest received	8	11.0	0.5
Net cash used in investing activities		(119.9)	(58.4)
Cash flows from financing activities			
Net proceeds from issue of share capital		—	1,150.2
Payments of lease liabilities	16	(15.7)	(10.0)
Interest on lease liabilities	16	(2.8)	(1.2)
Purchase of own shares	25	(66.0)	—
Net cash (used in)/from financing activities		(84.5)	1,139.0
Net (decrease)/increase in cash and cash equivalents		(348.6)	909.1
Cash and cash equivalents at the beginning of the year		1,290.9	379.1
Net foreign exchange differences on cash and cash equivalents		6.8	2.7
Cash and cash equivalents at the end of the year	20	949.1	1,290.9

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 153 to 182.

Notes to the consolidated financial statements

For the year ended 31 December 2022

1 General information

Deliveroo plc (the 'Company') and its subsidiaries (together, the 'Group') is a public limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006 (registration number 13227665). The Group's ultimate controlling party is Will Shu.

The address of its registered office is: The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE.

2 Application of new and revised International Financial Reporting Standards (IFRS)

New and amended IFRS that are effective for the current year

There was no material impact on the adoption of new standards during the year.

New and revised IFRS in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS that have been issued but are not yet effective:

IFRS 17 (including amendments to IFRS 17)	Insurance Contracts	Effective for an annual period that begins on or after 1 January 2023
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date deferred indefinitely, to a date to be determined by the IASB
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	Effective for an annual period that begins on or after 1 January 2023
Amendments to IFRS 4	Extension of the Temporary Exemption from Applying IFRS 9	Effective for an annual period that begins on or after 1 January 2023
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies	Effective for an annual period that begins on or after 1 January 2023
Amendments to IAS 8	Definition of Accounting Estimates	Effective for an annual period that begins on or after 1 January 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	Effective for an annual period that begins on or after 1 January 2023

The Directors do not expect the adoption of the standards listed above to have a material impact on the financial statements of the Group in future periods. The Directors expect to apply these standards from their effective dates.

3 Summary of accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the International Financial Reporting Standards Interpretations Committee ('IFRS IC') interpretations as adopted by the United Kingdom, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom-adopted International Accounting Standards and IFRSs as issued by the International Accounting Standards Board ('IASB'). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all years presented.

Basis of consolidation

The consolidated financial statements of the Company incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December each year. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group operates in the UK, Ireland, Hong Kong, Singapore, France, Belgium, Italy, Kuwait, Qatar and the UAE. Legal entities have been incorporated in each of the countries noted.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

3 Summary of accounting policies continued

Basis of consolidation continued

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 31 December 2022. The undertakings listed below are 100% owned, either directly or indirectly by Deliveroo plc.

Company name	Company number
Deliveroo International Ltd	11465966
Deliveroo SP Ltd	10970586
Roorestaurant Ltd	13944490
Roofoods Management 1 Ltd	13787537

Discontinued operations

A discontinued operation is a component of the Group for which operations and cash flows can be clearly separated from the rest of the Group and which represents a major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement. Comparatives are re-presented accordingly.

Going concern

The Group's loss for the financial year amounted to £294.1 million (2021: £(330.5) million). The Group had net assets of £804.1 million (2021: £1,073.7 million) at year-end, including cash and cash equivalents of £949.1 million (2021: £1,290.9 million). The Group also has access to a revolving credit facility of £75 million (2021: £75 million) and €87.5 million (2021: €87.5 million), which is available until 7 April 2026. This is undrawn at the date of signing, and is therefore available to draw down in full as required.

In assessing whether to adopt the going concern basis of accounting, management has considered whether there are any material uncertainties surrounding the Group's and Company's ability to continue operating on normal terms over a period of at least 12 months from the date of approval of this report. Management has prepared detailed forecasts which have been approved by the Board. Assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook for an extended period to the end of December 2025. Appropriate sensitivities have been applied in order to stress test the model, considering situations in which future costs are substantially higher than forecast and future trading is less than forecasted (as detailed in the Viability Statement). Management has also considered available undrawn bank facilities, which are not included in our forecasts as we do not currently anticipate needing to draw on these over the forecast period. We have been in compliance with all associated covenants throughout the year, and do not anticipate any breaches over the forecast period.

Based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities and obligations as they fall due over the forecast period, and accordingly are satisfied that the adoption of the going concern basis of preparation is appropriate.

In assessing going concern and viability, the Directors have considered the impact of climate change risks. Whilst no material risks have been identified in the short to medium term, which are expected to have an impact on the Group's cash flow forecasts (including those used for impairment assessment), the Directors will continue to monitor the risks, with particular reference to those that might impact the going concern assumption or viability assessment.

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in British Pounds (GBP), which is the functional currency of Deliveroo plc.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group entity, using the exchange rates prevailing at the dates of the transactions (spot rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised through profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation. The functional currency of the entities within the Group has remained unchanged during the reporting period.

On consolidation, monetary assets and liabilities have been translated into GBP at the closing exchange rate as at the reporting date. Income and expenses have been translated into GBP at an average exchange rate over the reporting period. Exchange differences are charged/credited to other comprehensive income and recognised in the currency translation reserve in equity.

3 Summary of accounting policies continued

Revenue

Revenue arises from commissions, consumer fees, restaurant sign-up fees, Hop sales, packaging sales and advertising. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received for goods and services provided in the normal course of business, net of discounts, rebates, refunds, the delivery fee portion of certain consumer credits utilised, VAT and other sales-related taxes.

Commissions

The Group is considered to be an agent with respect to the food and beverage ordered on the platform, as it is not materially subject to inventory risk or pricing risk, but instead receives a commission as remuneration from merchants. Payment for the food, beverages and other products is collected by the Group from the end consumer, and funds are remitted to the merchant, net of the commission fee.

Revenue from commissions is earned and recognised at the point of order fulfilment when all performance obligations are fulfilled.

Consumer fees

Consumer fees are paid per order, as well as on a subscription basis for Deliveroo Plus. Fees payable on an order-by-order basis are recognised at the point of order fulfilment, when the performance obligation is fulfilled. Subscription fees are recognised on a straight-line basis over the period of the subscription.

In situations where customers are dissatisfied with the quality of the service provided, and the Group is at fault, customers may be offered a refund or credit for future orders. Due to the nature of the service, refunds are typically processed and recorded almost immediately as a deduction to revenue. Credit for future orders is added to a customer's account, and this is applied to the next order. A corresponding adjustment to revenue is recognised for the expected utilisation of credits in issue at the end of the financial year. This is based on actual data in respect of available credit, as well as historical usage patterns.

Restaurant sign-up fees

Sign-up fees are payable when a new restaurant joins Deliveroo. Fees comprise set-up on the platform and payment for restaurant equipment, enabling restaurant partners to receive orders. These fees are split, and the portion that relates to the restaurant equipment is recognised on receipt of the assets. The remainder is deferred and recognised over the assumed life of the customer. Certain restaurant partners receive rebates, and revenue is adjusted by the expected rebates which are realised on a case-by-case basis.

Hop sales

Revenue from Hop is recognised when the grocery has been delivered, and performance obligations are fulfilled.

Packaging sales

Revenue from the sale of packaging is recognised when the packaging has been delivered, and performance obligations are fulfilled.

Advertising

Revenue arising from advertising services is recognised when Deliveroo's obligations under the advertising contract are fulfilled, being either when the positioning is delivered, or clicks or actions are generated.

Cost of sales

Expenses are recognised as cost of sales in the period in which they are incurred, on an accruals basis. The largest element of cost of sales is the cost of delivery from merchants to consumers.

Other operating income and other operating costs

Other operating income and costs are recognised in the period in which they are incurred, on an accruals basis. The largest element of other operating income and costs relates to the sale, and related cost, of equipment and clothing provided to riders.

Administrative expenses

Expenses are recognised in the income statement in the period in which they are incurred, on an accruals basis. The two largest elements of administrative expenses are staff costs and sales and marketing costs. Within marketing costs, we recognise the cost of new customer acquisition and customer retention credits, net of the delivery fee associated with each credit used where this is reasonable according to the specific facts and circumstances. Marketing costs principally comprise the cost of marketing campaigns on various media. Such costs are expensed as the campaign is delivered.

Finance income and expense

Interest income and expense are reported on an accruals basis using the effective interest method.

Government grants

Government grants are recognised in the income statement in the period in which they have been earned. These grants are recognised when there is reasonable assurance that the conditions associated with the grants have been complied with and the grants will be received.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

3 Summary of accounting policies continued

Government grants continued

Grants for the reimbursement of administrative expenses are deducted from the related category of costs in the income statement. Where grants do not relate to reimbursement of costs, they are recognised as other income. Once a Government grant is recognised, any related deferred income is treated in accordance with IAS 20 'Accounting for Government Grants and Disclosure of Government Assistance'.

Exceptional items

Exceptional items are separately identifiable income and expenditure arising from activities or events outside the normal course of business, and which are deemed material to the understanding of the accounts. They are items of income or expense that are qualitatively or quantitatively material and are significant or unusual in nature or amount.

Exceptional items include market exit costs, proposed 'deal' (mergers and acquisitions related) costs and other project costs, settlements and professional fees in relation to legal and regulatory investigations and restructuring costs.

Income taxes

Any tax expense or credit recognised in the income statement is based on the results for the period as adjusted for items which are disallowed or not taxed. It is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is calculated using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not recognised if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

Intangible assets

Initial recognition

Capitalised development costs

For internally-developed customised software, expenditure on the research phase of projects to develop new software for IT is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to, and has sufficient resources to, complete the project;
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

For 'Software as a Service' ('SaaS') arrangements, we capitalise costs only relating to the configuration and customisation of SaaS arrangements as intangible assets where Deliveroo has control of the software.

Acquired software relates to assets purchased as part of the acquisition of assets from Omakase Inc. and was developed in-house prior to acquisition by Roofoods Ltd. It was valued by an external valuation company and is allocated to the cash-generating unit 'Roofoods Ltd' which is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount, then the impairment loss is allocated first to reduce the carrying amount of goodwill, and then to the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the unit.

3 Summary of accounting policies continued

Intangible assets continued

Subsequent measurement

All intangible assets, including internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The useful life applied for all internally generated software is three years and for the acquired software is ten years. Amortisation of intangible assets is recorded within 'administrative expenses' in the consolidated income statement.

Subsequent expenditure on maintenance of computer software is expensed as incurred.

Goodwill

Goodwill is not amortised but is instead reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount, then the impairment loss is allocated first to reduce the carrying amount of goodwill, and then to the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the unit.

Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, driver, restaurant and store equipment, IT and office equipment and assets under construction.

Property, plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is subsequently measured at cost less subsequent accumulated depreciation and impairment losses. Assets under construction are not depreciated as they are not yet in use. Once construction is completed, the assets are transferred to the relevant fixed asset category.

Depreciation is recognised on a straight-line basis to write down cost to estimated residual value. The following useful lives are applied:

- leasehold improvements: the shorter of the lease term or 10 years;
- driver, restaurant and store equipment: 2-5 years; and
- IT and office equipment: 3 years.

Material residual value estimates and estimates of useful life are updated as required and reviewed at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised through profit or loss.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

Inventory

Inventory has been valued using the first-in-first-out ('FIFO') method. Inventory is stated at the lower of cost and net realisable value ('NRV'). Cost includes expenditure on bringing inventories to their current location and condition. NRV represents the estimated selling price less all estimated costs of completion.

An inventory provision is recognised in situations where NRV is likely to be less than cost. When calculating the provision, management considers the nature and condition of the inventory together with any other conditions existing at the end of the reporting period.

Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Either the timing or the amount of the outflow will be uncertain.

Provisions are measured at the estimated cost required to settle the present obligation, based on the most reliable evidence available at the reporting date, including risks and uncertainties associated with the present obligation.

Provisions are discounted where the time value of money is considered to be material. No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote, in which case no disclosure is included.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

3 Summary of accounting policies continued

Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs directly attributable to the issuing of new shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- share premium – comprises the difference between the value of the shares on issue and their nominal value;
- share options reserve – comprises equity-settled share-based remuneration;
- foreign currency translation reserve – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into Sterling;
- accumulated losses – comprises all current and prior period retained losses;
- merger reserve – comprises the difference between the fair value of Roofoods Ltd as at 6 April 2021 and the nominal value of shares acquired by Deliveroo plc as part of the share-for-share exchange which took place prior to Admission; and
- own shares – comprises the shares of Deliveroo plc that are held by the Roofoods Ltd Employee Benefit Trust. Own shares are recorded at cost and deducted from equity.

All transactions with owners of the Parent are recorded separately within equity.

Capital management

The Group's capital structure consists solely of equity. The equity represents funds raised from shareholders. The primary objective of the Group's management of equity is to ensure that it is able to finance the Group's activities, both now and in the future. To maintain an appropriate capital structure in order to meet this objective, the Group may issue further shares to investors, make use of external financing as required or adjust its dividend policy.

Details of capital held can be seen in the consolidated statement of financial position and in note 24. The Group is not subject to any externally imposed capital requirements.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other short-term (three months or less) highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Other treasury deposits

Other treasury deposits comprise financial assets recognised on the consolidated statement of financial position when the Group becomes a part to the contractual provisions of the instrument. Other treasury deposits are held at amortised cost.

Trade and other receivables

Trade and other receivables include amounts due from corporate customers and payment service providers for services provided in the normal course of business, prepaid amounts, deposits, amounts due from related parties and other amounts due from third parties. They are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

A provision for impairment of trade receivables is recognised when there is a risk of non-recovery. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

Trade and other payables

Trade and other payables include obligations to pay for goods and services acquired in the normal course of business, amounts outstanding on purchases and other amounts due to third parties, including merchants. They are recognised as current liabilities if payment is due in one year or less. If payment is due in over a year, they are presented as non-current liabilities.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The incremental borrowing rate is determined by reference to financing quotes available to the Group.

3 Summary of accounting policies continued

Leases continued

The Group as a lessee continued

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying right-of-use asset. If a lease transfers ownership of the underlying right-of-use asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying right-of-use asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as required.

The Group used the practical expedient as a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement, as permitted by IFRS 16.

Employee benefits

Short-term employee benefits

Short-term employee benefits are those that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The Group operates defined contribution pension plans. Contributions to the plans are charged to administrative expenses in the period in which they relate. Any contributions unpaid at the balance sheet date are included as an accrual at that date. At 31 December 2022 there were £1.8 million of accrued contributions (2021: £2.1 million).

Share-based payments

The Group operates share-based compensation plans for employees. Equity instruments granted are measured at fair value of the equity instrument at grant date. This is recognised as an expense in the statement of comprehensive income, with a corresponding credit to equity. The expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Vesting conditions may have market or non-market criteria, and are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates, and taking into account the number of equity instruments which have been cancelled, modified or forfeited in the period.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

3 Summary of accounting policies continued

Employee benefits continued

Share-based payments continued

The Group recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if the equity instruments expected to vest differ from previous estimates. Upon exercise of equity instruments the proceeds received net of any directly attributable transaction costs are allocated to share capital and share premium.

The Group maintains an Employee Benefit Trust ('EBT') which holds shares on behalf of the Company, which can be used to settle obligations under employee share-based compensation plans.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

Financial assets

Financial assets within the scope of IFRS 9 are measured at amortised cost, or fair value through profit and loss ('FVTPL') depending on the nature of the item.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Investments

Investments in equity instruments are classified as at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss is recognised in profit or loss.

Impairment of financial assets

In accordance with IFRS 9 the simplified approach to measuring expected credit losses ('ECL'), which permits the use of lifetime ECL on trade and other receivables, has been applied.

Loss allowance for trade receivables due from corporate customers has been measured at an amount equal to lifetime ECL. All impairment losses in the accounts arise from contracts with customers. This is recorded within 'administrative expenses' in the income statement. The ECL is estimated by reference to past default experience of these debtors. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3 Summary of accounting policies continued

Financial liabilities and equity continued

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables include obligations to pay for goods and services acquired in the normal course of business, amounts outstanding on purchases and other amounts due to third parties, including restaurants. The trade and other payables are considered to be short term, non-interest bearing and have no security attached. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'finance income' line item in the income statement (note 8) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the income statement for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the income statement.

4 Significant accounting judgements, estimates and prior period adjustment

When preparing the financial statements, management has made a number of estimates and assumptions regarding the future and has made some significant judgements in applying the Group's accounting policies. Accounting estimates are reviewed on an ongoing basis, and revisions to such estimates are recognised in the current and future periods as applicable.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Provisions and contingent liabilities

The independent contractor status of riders, which applies in most of the jurisdictions in which we operate, has been and is likely to continue to be the subject of challenge in certain markets, including some of our key markets. We have been and are involved in legal proceedings, under which the independent contractor status of our riders is under review. The recognition of legal provisions (note 23) and associated contingent liabilities (note 31) arising from such matters involves management estimates of the present value of the potential costs required to settle obligations. Provisions are calculated based on the information available at the time of signing these accounts. Key inputs to the calculations of such provisions include the likelihood of receiving claims, the scope of those claims, the likelihood of making payments, an assessment of the time value of money and the risks specific to each potential obligation. A change in the assessment of these assumptions could materially change the measurement of a provision or contingent liability. In rare circumstances, where there are too many variables, the Directors may conclude it is not possible to estimate a contingent liability and disclose the fact. It is expected that the resolutions to these matters may extend over several years.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately above), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The recognition of a provision requires judgement as to the likelihood of economic outflow. Where the Group has a possible obligation as a result of a past event, it will disclose a contingent liability. Changes to circumstances or the assessed likelihood of success or the quantification of the amount that the Company would rationally be willing to pay to settle the obligation may result in a contingent liability becoming a provision, or the remeasurement of a provision, and such judgements are reviewed in accordance with the recognition criteria set out in IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' on a regular basis. See notes 23 and 31 for detail of the amounts provided and disclosed as a contingent liability.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

4 Significant accounting judgements, estimates and prior period adjustment continued

Discontinued operations

The identification of the closure of Deliveroo's Netherlands and Australia businesses in 2022 (and Spain in 2021) as discontinued operations required judgement in interpreting IFRS 5 'Discontinued Operations'. IFRS 5 states that a discontinued operation comprises a component of an entity that either has been disposed of, or is classified as held for sale and represents a separate major line of business, or geographical area of operations.

The Directors have concluded that Deliveroo Netherlands BV and Deliveroo Australia Pty Ltd are separate entities and separate geographical areas of operations for which the results of these businesses are quantitatively and qualitatively significant. As such, the Netherlands and Australia have been classified as discontinued operations in accordance with IFRS 5.

Consumer acquisition and retention costs

The Group invests in marketing specifically to drive consumer acquisition and retention. Some of this spend is in the form of credits that can be applied to the consumer's account for an order on the Deliveroo platform, where those orders are placed in accordance with the terms and conditions of the credit. The customer for the provision of the delivery service is the consumer, with Deliveroo being the principal. IFRS 15 'Revenue from Contracts with Customers' does not specify requirements or guidance on the treatment of such costs where the consideration payable to the customer exceeds the transaction price (i.e. the delivery fee revenue from that consumer), since the consumer is Deliveroo's customer in the delivery relationship. As such, judgement is applied in the classification of such costs. For the delivery fee element of the associated order, the cost of the credit is recognised as a debit to revenue. The excess of the cost of the credit is recognised as a marketing cost, having first offset any historical cumulative delivery fee revenue, reflecting the nature of the cost as a consumer acquisition and retention tool, and the nature of the marketplace business, where Deliveroo is the agent for the provision of food and beverage. Any subsequent sales to that consumer are recognised as revenue in the usual way (i.e. without adjusting the amount previously reflected as a marketing cost). Our judgement is that this better reflects the nature of these costs and the understanding of the Group's financial performance, rather than treating the entire amount as negative revenue. This has contributed to the overall increase in sales and marketing expenses in the year, and comprises £28.3 million (2021: £41.3 million) of sales and marketing costs.

Prior period adjustment

The 2021 share-based payments charge has been restated to account for a charge in relation to the non-employee options granted in February and March 2021; and this impacts continuing operations only.

	2021 £m
Consolidated income statement and statement of comprehensive loss	
Increase in administrative expenses	(22.0)
Increase in loss for the year attributable to the owners of the Company	(22.0)
Consolidated statement of financial position	2021 £m
Increase in share option reserves	22.0
Increase in accumulated losses	(22.0)
Net change in equity	—

Basic and diluted loss per share for the prior year have also been restated. The amount of the correction for basic and diluted loss per share for continuing operations was an increase of £0.01. The amount of the correction for basic and diluted loss per share for continuing and discontinued operations was an increase of £0.01.

5 Segment information

Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker ('CODM')) for the purposes of resource allocation and assessment of segment performance focuses on a geographical split of the Group between 'UK and Ireland' and 'International' (being overseas jurisdictions other than UK and Ireland). 'UK and Ireland' and 'International' are reportable segments with the 'International' segment comprising eight operating segments (France, Italy, Belgium, Hong Kong, Singapore, UAE, Kuwait and Qatar).

All operating segments primarily generate revenue through the operation of an on-demand food platform and have similar economic characteristics. As such, it is appropriate to aggregate all 'International' operating segments as one reportable segment under IFRS 8 paragraph 22.

The CODM primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA, see below) to assess the performance of the operating segments.

The segments primarily generate revenue through the operation of an on-demand food delivery platform.

In the presentation of segment information, the heading 'Other', which is not a reportable operating segment, is included to facilitate the reconciliation of segmental revenue and adjusted EBITDA with the Group's revenue and adjusted EBITDA. 'Other' primarily represents head office and Group services.

5 Segment information continued

Finance income and costs are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

The Netherlands and Australia operations were discontinued during 2022. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more detail in note 11.

The following is an analysis of the Group's revenue and results by reportable segment:

2022	UK and Ireland £m	International £m	Segments total £m	Other £m	Total £m
Total revenue	1,119.4	855.3	1,974.7	—	1,974.7
Cost of sales	(713.9)	(617.6)	(1,331.5)	—	(1,331.5)
Other operating income	6.7	1.1	7.8	—	7.8
Administrative expenses	(249.0)	(183.3)	(432.3)	(251.1)	(683.4)
Other operating expenses	(5.3)	(7.3)	(12.6)	—	(12.6)
Adjusted EBITDA*	157.9	48.2	206.1	(251.1)	(45.0)
Share-based payments charge and accrued National Insurance on share options	—	—	—	(68.8)	(68.8)
Exceptional costs*	(6.9)	(8.0)	(14.9)	(55.5)	(70.4)
Depreciation and amortisation					(61.4)
Finance income					17.8
Finance costs					(2.8)
Loss before income tax					(230.6)
Income tax charge					(11.9)
Loss for the year from discontinued operations					(51.6)
Loss after tax and discontinued operations					(294.1)
2021 (restated)^	UK and Ireland £m	International £m	Segments total £m	Other £m	Total £m
Total revenue	980.7	754.3	1,735.0	—	1,735.0
Cost of sales	(650.4)	(589.5)	(1,239.9)	—	(1,239.9)
Other operating income	0.2	2.3	2.5	—	2.5
Administrative expenses	(229.8)	(187.6)	(417.4)	(163.1)	(580.5)
Other operating expenses	(9.6)	(7.5)	(17.1)	—	(17.1)
Adjusted EBITDA*	91.1	(28.0)	63.1	(163.1)	(100.0)
Share-based payments charge and accrued National Insurance on share options	—	—	—	(109.5)	(109.5)
Exceptional income*	—	0.6	0.6	—	0.6
Exceptional costs*	(18.0)	(6.3)	(24.3)	(14.9)	(39.2)
Depreciation and amortisation					(42.0)
Finance income					9.4
Finance costs					(1.1)
Loss before income tax					(281.8)
Income tax charge					(7.4)
Loss for the year from discontinued operations					(41.3)
Loss after tax and discontinued operations					(330.5)

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

^ Results for the year ended 31 December 2021 have been restated to reflect the reclassification of Deliveroo Netherlands BV and Deliveroo Australia Pty Ltd as discontinued operations, which are described in more detail in note 11 and to account for a charge in relation to the non-employee options granted in February and March 2021 as discussed in note 4.

No single customer contributed 10% or more to the Group's revenue in either 2022 or 2021.

Revenues presented by reporting segment are in respect of transactions with external customers only.

The measurement of current assets and liabilities by reportable segment is not included in this note disclosure as this information is not regularly reviewed by the CODM for decision-making purposes.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

5 Segment information continued

Geographical information

The Group's non-current assets, excluding trade and other receivables, financial instruments, deferred tax assets and other financial assets, split by geographical location are detailed below:

	2022 £m	2021 £m
UK and Ireland	147.0	97.7
Rest of the World	48.7	28.6
Total non-current assets	195.7	126.3

6 Revenue

The Group's revenue is analysed as follows:

	2022 £m	2021 £m
UK and Ireland	1,119.4	980.7
Rest of the World	855.3	754.3
Total revenue	1,974.7	1,735.0

	2022 £m	2021 £m
Point in time	1,909.6	1,671.9
Over time	65.1	63.1
Total revenue	1,974.7	1,735.0

Contract balances are immaterial to the Group and therefore no disclosure is provided. There have been no significant changes to the contract balances in the current financial year.

7 Loss for the year

Loss for the year for continuing and discontinued operations is stated after charging:

	2022 £m	2021 £m
Depreciation of plant, property and equipment (see note 14)	12.8	8.9
Depreciation of right-of-use assets (see note 16)	18.7	10.7
Amortisation expense (see note 15)	30.3	23.7
Loss on disposal of property, plant and equipment (see note 14)	2.6	1.3
Auditor's remuneration (see note 28)	2.5	4.4
Sales and marketing costs	225.8	281.2
Staff costs (see note 26)	382.0	284.7
Exceptional items* (see note 12)	92.4	43.0
Impairment of right-of-use assets (see note 16)	3.7	0.2

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

Staff costs are shown gross of capitalised development costs.

During the year, the Group has recognised £77.5 million in research and development costs (2021: £42.0 million).

8 Finance income

	2022 £m	2021 £m
Bank interest received	11.0	0.5
Foreign exchange gains	6.8	8.9
Total finance income	17.8	9.4

9 Finance cost

	2022 £m	2021 £m
Interest expense on lease liabilities	2.8	1.1
Total finance cost	2.8	1.1

10 Income tax expense

	2022 £m	2021 £m
Current tax charge for the year	6.4	3.4
Current tax charge relating to prior year adjustment	2.8	0.3
Deferred tax charge relating to the current year	2.9	4.0
Deferred tax credit relating to prior year adjustment	(0.2)	(0.3)
Total	11.9	7.4

The standard rate of corporation tax applied to the reported loss in the UK is 19.00% (2021: 19.01%). Taxation for other jurisdictions is calculated at the prevailing rates in the respective jurisdictions.

The reconciliation between the tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31 December 2022 and 2021 is as follows:

	2022 £m	2021 (restated) £m
Loss before income tax	(230.6)	(281.8)
Loss before tax multiplied by the tax rate of 19.00% (2021: 19.01%)	(43.8)	(53.6)
Losses not recognised	42.4	64.0
Recognition of tax losses – deferred tax	7.3	(1.1)
Permanent differences	3.9	3.2
Movement in other unrecognised temporary differences	(1.8)	(5.7)
Adjustment in respect of prior years	2.8	0.2
Effect of changes in tax rates	(0.2)	(0.3)
Other taxes	1.3	0.7
Total	11.9	7.4

In the UK, a corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will impact the Group's future tax charge accordingly.

The Group operates across a number of different jurisdictions, which results in various cross-border transactions arising between Group companies. In line with the Organisation for Economic Co-operation and Development ('OECD') guidelines, the Group bases its transfer pricing policy on the 'arm's length principle'. In certain situations, different tax authorities may seek to attribute further profit to activities being undertaken in their jurisdiction which could lead to double taxation, which the Group will seek to mitigate if it arises.

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the OECD released a draft legislative framework, followed by detailed guidance released in March 2022, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. At 31 December 2022, none of the jurisdictions in which the Group operates had enacted or substantively enacted the tax legislation related to the top-up tax. Based on the information available on 31 December 2022, management does not expect this to have a material financial impact on the Group. Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

11 Discontinued operations

During 2022, the Group ended operations in the Netherlands and Australia (and Spain in 2021). The Group has determined that achieving and sustaining a top-tier market position in these countries would require a disproportionate level of investment with highly uncertain long-term potential returns and the expected return on such investment is not commensurate with Deliveroo's risk/reward thresholds.

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows:

	2022 £m	2021 £m
Revenue	66.2	113.7
Expenses	(113.7)	(156.4)
Loss before tax	(47.5)	(42.7)
Attributable tax (expense)/credit	(4.1)	1.4
Net loss attributable to discontinued operations (attributable to owners of the Company)	(51.6)	(41.3)

12 Exceptional items

The following have been recognised as exceptional items where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business that are deemed material to the understanding of the accounts. Exceptional items for the year include market exit costs, proposed mergers and acquisitions ('M&A') and other project costs, settlements and professional fees in relation to legal and regulatory investigations, restructuring costs and costs associated with preparation for the Initial Public Offering.

	2022 £m	2021 £m
From continuing operations		
Coronavirus relief grants	—	(0.6)
Coronavirus-related costs	0.5	1.3
Legal and regulatory costs	62.6	10.8
Initial Public Offering and deal costs	0.8	27.1
Restructuring costs	6.5	—
Total exceptional items* from continuing operations	70.4	38.6
From discontinued operations	22.0	4.4
Total exceptional items*	92.4	43.0

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

13 Loss per share

The calculation of the basic and diluted loss per share is based on the following data.

	2022 £m	2021 (restated) £m
Loss		
Loss for the year from continuing operations	(242.5)	(289.2)
Loss for the year from continuing and discontinued operations	(294.1)	(330.5)
	2022 No.	2021 No.
Weighted average number of Ordinary Shares outstanding	1,836,841,624	1,707,650,646

13 Loss per share continued

	2022 £	2021 (restated) £
From continuing operations		
Loss per share		
– Basic	(0.13)	(0.17)
– Diluted	(0.13)	(0.17)
From continuing and discontinued operations		
Loss per share		
– Basic	(0.16)	(0.19)
– Diluted	(0.16)	(0.19)

There was no difference between basic and diluted loss per share for the year ended 31 December 2022 and the year ended 31 December 2021, since the effect of all potentially dilutive shares outstanding was anti-dilutive. Total outstanding share awards as at the year ended 31 December 2022 and 31 December 2021 are set out in note 26.3 Employee benefits, Share-based payments.

14 Property, plant and equipment

	Leasehold improvements £m	IT and office equipment £m	Driver, restaurant and store equipment £m	Assets under construction £m	Total £m
Cost					
At 1 January 2021	25.0	8.0	13.2	2.1	48.3
Additions	1.6	0.7	1.8	17.3	21.4
Disposals	(1.5)	—	(2.1)	(0.9)	(4.5)
Transfers between categories	11.3	—	3.1	(14.4)	—
Currency translation	(0.2)	(0.2)	(0.2)	(0.1)	(0.7)
At 31 December 2021	36.2	8.5	15.8	4.0	64.5
Additions	1.7	2.6	2.9	22.9	30.1
Disposals	(1.0)	(0.2)	(0.5)	(1.8)	(3.5)
Transfers between categories	16.2	—	4.0	(20.2)	—
Currency translation	1.4	(0.3)	0.3	(0.1)	1.3
At 31 December 2022	54.5	10.6	22.5	4.8	92.4
Accumulated depreciation					
At 1 January 2021	(11.6)	(6.1)	(7.7)	—	(25.4)
Charge for the year	(5.1)	(1.4)	(2.4)	—	(8.9)
Eliminated on disposal	1.2	0.1	1.9	—	3.2
Currency translation	0.1	0.1	0.1	—	0.3
At 31 December 2021	(15.4)	(7.3)	(8.1)	—	(30.8)
Charge for the year	(8.1)	(1.0)	(3.7)	—	(12.8)
Eliminated on disposal	0.4	—	0.5	—	0.9
Currency translation	(0.6)	0.2	—	—	(0.4)
At 31 December 2022	(23.7)	(8.1)	(11.3)	—	(43.1)
Net book value					
At 31 December 2022	30.8	2.5	11.2	4.8	49.3
At 31 December 2021	20.8	1.2	7.7	4.0	33.7

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

15 Intangible assets

	Goodwill £m	Acquired software £m	Capitalised development expenditure £m	Total £m
Cost				
At 1 January 2021	4.9	9.8	70.0	84.7
Additions	—	—	34.6	34.6
At 31 December 2021	4.9	9.8	104.6	119.3
Additions	—	—	50.3	50.3
Currency translation	—	0.2	(0.1)	0.1
At 31 December 2022	4.9	10.0	154.8	169.7
Accumulated amortisation				
At 1 January 2021	—	(3.4)	(39.4)	(42.8)
Amortisation charge for the year	—	(1.3)	(22.4)	(23.7)
At 31 December 2021	—	(4.7)	(61.8)	(66.5)
Amortisation charge for the year	—	(1.1)	(29.2)	(30.3)
At 31 December 2022	—	(5.8)	(91.0)	(96.8)
Net book value				
At 31 December 2022	4.9	4.2	63.8	72.9
At 31 December 2021	4.9	5.1	42.8	52.8

Goodwill was recognised on the acquisition of assets from Omakase Inc. It has been allocated to the cash-generating unit ('CGU') 'Roofoods Ltd'. The recoverable amount of the group of CGUs is determined from value-in-use calculations. The key assumptions in these calculations comprise discount rates, growth rates, pricing fluctuations and changes to direct costs. These assumptions are consistent with available external information sources. Discount rates are estimated rates that reflect current market assessments of the time value of money. The discount rate used was 15%. A terminal growth rate of 2.5% was used to extrapolate cash flow beyond the forecast period.

For the purpose of the goodwill impairment review, management prepares cash flow forecasts for a period of five years. Thereafter a growth rate is applied that does not exceed the long-term average growth rate for the industry and geography. There is no reasonably possible change in any key assumptions that would cause the carrying amount to exceed the recoverable amount.

16 Leases**Right-of-use assets**

	Buildings £m	Equipment £m	Total £m
Cost			
At 1 January 2021	45.7	1.6	47.3
Additions	21.0	—	21.0
Disposals	(2.3)	(0.7)	(3.0)
Impairment	(0.3)	—	(0.3)
Currency translation	(0.5)	—	(0.5)
At 31 December 2021	63.6	0.9	64.5
Additions	57.4	—	57.4
Disposals	(9.0)	—	(9.0)
Impairment	(6.2)	—	(6.2)
Currency translation	2.2	—	2.2
At 31 December 2022	108.0	0.9	108.9
Accumulated depreciation			
At 1 January 2021	(16.1)	(1.0)	(17.1)
Depreciation charge for the year	(10.5)	(0.2)	(10.7)
Disposals	2.0	0.7	2.7
Impairment	0.1	—	0.1
Currency translation	0.3	—	0.3
At 31 December 2021	(24.2)	(0.5)	(24.7)
Depreciation charge for the year	(18.5)	(0.2)	(18.7)
Disposals	7.0	—	7.0
Impairment	2.5	—	2.5
Currency translation	(1.5)	—	(1.5)
At 31 December 2022	(34.7)	(0.7)	(35.4)
Carrying amount			
At 31 December 2022	73.3	0.2	73.5
At 31 December 2021	39.4	0.4	39.8

Amounts recognised in profit and loss

	2022 £m	2021 £m
Depreciation expense on right-of-use assets	18.7	10.7
Interest expense on lease liabilities	2.8	1.2
Expense relating to short-term leases	—	0.5

Total cash outflow for leases in 2022 was £18.5 million (2021: £11.2 million) for the Group.

The Group holds a number of property leases in association with the Editions and Hop businesses, together with one or more offices leased in most countries in which we trade. Contracts vary in length from less than 12 months up to 15 years. There are also a smaller number of leases held in relation to equipment, primarily at our Editions sites.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

16 Leases continued

Lease liabilities

	2022 £m	2021 £m
Current	12.3	10.2
Non-current	61.5	36.4
Total	73.8	46.6

The carrying amount of the lease liabilities and movements during the period are as follows:

	Buildings £m	Equipment £m	Total £m
At 1 January 2021	35.5	0.5	36.0
Additions	21.0	—	21.0
Disposals	(0.2)	—	(0.2)
Accretion of interest	1.2	—	1.2
Payments	(10.9)	(0.3)	(11.2)
Currency translation	(0.2)	—	(0.2)
At 31 December 2021	46.4	0.2	46.6
Additions	43.5	—	43.5
Disposals	(2.0)	—	(2.0)
Accretion of interest	2.8	—	2.8
Payments	(18.5)	—	(18.5)
Currency translation	1.4	—	1.4
At 31 December 2022	73.6	0.2	73.8

Maturity analysis

	2022 £m	2021 £m
Year 1	18.7	11.4
Year 2	17.1	9.6
Year 3	13.3	8.2
Year 4	10.8	6.7
Year 5	10.0	5.8
Onwards	13.0	8.4
Total cash flow	82.9	50.1
Less interest	(9.1)	(3.5)
Total	73.8	46.6

17 Trade and other receivables

	Current		Non-current	
	2022 £m	2021 £m	2022 £m	2021 £m
Trade receivables	80.6	65.7	—	—
Lifetime expected credit loss	(4.0)	(2.5)	—	—
Net trade receivables	76.6	63.2	—	—
Prepayments	15.6	29.1	—	—
Other receivables	12.4	9.5	22.6	17.3
Corporation tax receivable	5.0	1.9	—	—
Total receivables	109.6	103.7	22.6	17.3

The net carrying value of receivables is considered a reasonable approximation of fair value. Long-term other receivables relate to rental deposits for leased property not due for at least 12 months and bank guarantees disclosed in note 31. No customer accounts for more than 5% of the total trade receivables balance.

In accordance with IFRS 9 the simplified approach to measuring expected credit losses ('ECL'), which permits the use of lifetime ECL on trade and other receivables, has been applied.

For trade receivables due from our payment service providers and other receivables the ECL is £nil.

The following table details the risk profile of trade receivables for the Group:

2022	Not past due £m	<30 days £m	31-60 days £m	61-90 days £m	>90 days £m	Total £m
ECL rate	—	5%	10%	23%	51%	
Estimated gross carrying amount at default	66.9	4.2	2.1	1.3	6.1	80.6
Lifetime ECL	(0.2)	(0.2)	(0.2)	(0.3)	(3.1)	(4.0)
Total						76.6
2021	Not past due £m	<30 days £m	31-60 days £m	61-90 days £m	>90 days £m	Total £m
ECL rate	—	5%	10%	20%	38%	
Estimated gross carrying amount at default	55.6	3.2	1.7	0.8	4.4	65.7
Lifetime ECL	(0.1)	(0.2)	(0.2)	(0.1)	(1.9)	(2.5)
Total						63.2

The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Concentration of credit risk with respect to trade receivables is minimal due to the broad customer base across regions.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

18 Deferred tax

	2022 £m	2021 £m
Deferred tax assets		
Deferred tax assets relating to tax losses	2.5	8.0
Deferred tax assets relating to fixed asset temporary differences	0.8	1.3
Deferred tax assets relating to share-based payments	—	—
Deferred tax assets relating to other temporary differences	0.8	1.4
Net deferred tax assets	4.1	10.7

	1 January 2022 £m	Recognised in income* £m	Recognised in equity £m	Foreign exchange differences £m	Total £m
Tax value of loss carry-forwards utilised	8.0	(5.5)	—	—	2.5
Fixed asset temporary differences	1.3	(0.5)	—	—	0.8
Share-based payments	—	—	—	—	—
Other	1.4	(0.6)	—	—	0.8
Net deferred tax asset	10.7	(6.6)	—	—	4.1

	1 January 2021 £m	Recognised in income* £m	Recognised in equity £m	Foreign exchange differences £m	Total £m
Tax value of loss carry-forwards utilised	9.3	(0.4)	—	(0.9)	8.0
Fixed asset temporary differences	0.7	0.6	—	—	1.3
Share-based payments	8.1	(2.4)	(5.7)	—	—
Other	1.4	—	—	—	1.4
Net deferred tax asset	19.5	(2.2)	(5.7)	(0.9)	10.7

* This amount includes tax attributable to discontinued operations.

All deferred tax liabilities are expected to be settled more than 12 months after the reporting period.

The recognition of deferred tax assets is based on the Group's forecast of future operating results which is adjusted for significant permanent differences and specific limits to the use of any unused tax loss or credit. The Group has unrecognised tax losses of £1,549.6 million (2021: £1,425.9 million) available for offset against future taxable profits. There are also unrecognised temporary differences of £62.5 million (2021: £90.7 million) across other items including fixed assets and share-based payments. No deferred tax asset has been recognised in relation to these temporary differences on the basis that their future economic benefit is uncertain given the unpredictability of future profits. The significant portion of the unrecognised temporary differences arises in the UK where there is no expiry for utilisation.

19 Investments in financial assets

Financial assets measured at FVTPL	2022 £m	2021 £m
Shares	2.9	2.9
Total investments in financial assets	2.9	2.9

The Group holds 10% of the Ordinary Share capital of OrderGrid Holdings Inc, an entity involved in e-commerce fulfilment solutions. The Directors of the Group do not consider that the Group is able to exercise significant influence over OrderGrid Holdings Inc, with no involvement in the day-to-day operations of that entity. The fair value of the investment was £2.9 million (2021: £2.9 million).

20 Cash and cash equivalents

	2022 £m	2021 £m
Cash at bank	225.0	183.1
Money market fund	52.5	560.6
Short-term deposit	671.6	547.2
Total cash and cash equivalents	949.1	1,290.9

21 Inventory

	2022 £m	2021 £m
Restaurant equipment	4.2	5.1
Rider clothing and equipment	14.4	12.7
Food and packaging	0.8	0.4
Total inventories	19.4	18.2

At a Group level, the cost of inventories recognised as an expense in the year is £30.5 million (2021: £21.8 million). Of this, £25.3 million (2021: £10.8 million) is included within 'cost of sales' with £8.9 million (2021: £7.8 million) relating to restaurant equipment. £3.3 million (2021: £9.7 million) relating to rider clothing and equipment is within 'other operating expenses' in the consolidated income statement. The write down of inventory to net realisable value recognised as an expense in the year is £1.9 million (2021: £1.3 million). This is recorded within 'administrative expenses' in the consolidated income statement.

22 Trade and other payables

	2022 £m	2021 £m
Trade payables	25.7	25.2
Accruals and deferred income	140.7	165.6
Other tax and social security payables	62.1	99.3
Other payables	22.6	15.1
Amounts due to restaurants	77.4	62.8
Corporation tax payable	4.3	—
Total payables	332.8	368.0

The trade and other payables are considered to be short term, non-interest bearing and have no security attached. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

23 Provisions

	2022 £m	2021 £m
Legal provision	129.3	81.7
Dilapidations	13.9	—
Total provisions	143.2	81.7

The movement in the provisions during the year is reconciled below:

	Legal provisions £m	Dilapidations £m
At 1 January 2022	81.7	—
Foreign currency translation	(0.1)	—
Additional amounts provided for	54.9	13.9
Amounts utilised	(6.3)	—
Amounts released	(0.9)	—
At 31 December 2022	129.3	13.9

The Group is involved in a number of ongoing legal and arbitration proceedings with third parties, primarily across its European territories. The amounts provided in the legal provision represent our best estimate of associated economic outflows based on the status of proceedings at the time of approval of these financial statements, and are based on current claims from regulators, even where we dispute the amounts claimed. Court proceedings and investigations are expected to extend for at least 12 months. Depending on the outcomes, the total economic outflow could be different to that currently provided. The Directors will review and revise the amounts of such provisions, as necessary, as and when new information becomes available. Provisions assessed during the period are for various regulatory challenges, including markets that we have exited. We are participating in ongoing discussions with relevant authorities as part of official processes. Whilst it is difficult at this time to quantify the probable economic outflow in the event of an adverse outcome, the provision represents our best estimate of the amount that the entity would rationally be willing to settle for, based on the information available to us at this time and taking into account the range of potential outcomes currently apparent. We will continue to refine our assessment as further information is available.

Further to the amounts provided above, the challenges of the new on-demand economy mean that, like other companies in this industry, some subsidiary companies may eventually be subject to further inspections or litigation of the same nature in the future. The Group would assess any such future challenges on a case-by-case basis. We continue to defend ourselves robustly against challenges of this nature, but we recognise that there are jurisdictions which may seek to regulate the on-demand economy and as a result the risk may be heightened. The Directors are confident in the operating model and practices, and will take all reasonable steps to defend its position if so challenged. In addition, the Company and its subsidiaries are engaged with relevant stakeholders to seek to bring greater certainty, together with flexibility, for individuals who work within the on-demand economy.

In addition to proceedings where the Company has assessed there to be a probable economic outflow and for which a corresponding provision has been made, there are other in-country proceedings where the Company has assessed the likely outflow is possible but not probable at this time. These are disclosed as contingent liabilities and are discussed in note 31.

The Group is required to perform dilapidation repairs to restore properties to agreed specifications prior to the properties being vacated at the end of their lease term. These amounts are based on estimates of repair and restoration costs at a future date and therefore a degree of uncertainty exists over the future outflows, given that these are subject to repair and restoration cost price fluctuations and the extent of repairs to be completed.

24 Share capital

Shares issued, allotted and fully paid:	2022 shares	2021 shares	2022 £	2021 £
Ordinary A	1,755,425,173	1,754,496,973	8,777,126	8,772,485
Ordinary B	100,299,642	100,299,642	501,498	501,498
Total shares issued	1,855,724,815	1,854,796,615	9,278,624	9,273,983

The Company's share premium account of £1,013.0 million was cancelled and the amount credited to retained earnings, following High Court approval of the share premium cancellation on 13 September 2022.

All shares have a nominal value of £0.005.

25 Own shares

	2022 £m	2021 £m
Balance at 1 January	—	—
Acquired in the year	66.0	—
Exercise of share options	—	—
Balance at 31 December	66.0	—

The own shares reserve represents the cost of shares in Deliveroo plc issued or purchased in the market and held by the Roofoods Ltd Employee Benefit Trust to satisfy options under the Group's share options plans (see note 26). The number of Ordinary Shares held by the Employee Benefit Trust at 31 December 2022 was 77,269,638 (2021: 14,858,894).

26 Employee benefits

26.1 Employee benefits expense

	2022 £m	2021 £m
Wages and salaries	266.3	169.1
Social security costs	20.9	38.2
Contributions to defined contribution plans	9.5	6.3
Share-based payment charge	85.3	71.1
Total employee benefits	382.0	284.7

Total employee benefits include discontinued operations and are shown gross of capitalised development costs.

26.2 Average monthly employee numbers

	2022 No.	2021 No.
Sales, marketing and operations	2,646	1,887
Technology	842	383
Administration	460	309
Directors and global management	32	33
Total employee numbers	3,980	2,612

Total employee numbers include discontinued operations.

No distinction is made between full-time and part-time employees in the above analyses.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

26 Employee benefits continued

26.3 Share-based payments

The Company operates share schemes for all employees of the Group. The terms of the main current schemes from which the Group's employees benefit are set out below.

Post-IP0 Employee Share Plans

Since the Company's Admission on the London Stock Exchange on 7 April 2021, the Company has operated new share incentive plans, under the umbrella of the Deliveroo Incentive Plan:

(i) Restricted Share Plan: Nominal Cost Options

These are stock options that are granted to employees following the IP0. They give an award holder the right to acquire Deliveroo Class A shares upon exercising the option at a nominal cost of £0.005 per share. Nominal Cost Options are granted to the majority of employees who do not fall under the criteria for alternative plans. The options vest subject to the award holder remaining employed with Deliveroo at the relevant vesting dates and the rules of the Deliveroo Incentive Plan ('DIP'). Awards granted under this scheme vest over four years, with a one-year cliff. Options which remain unexercised after a period of 10 years from the date of grant will expire. Unvested options are forfeited if the employee leaves the Group before the options vest.

(ii) Restricted Share Plan: Conditional Share Awards (US)

Conditional Share Awards (sometimes referred to as RSUs or restricted stock units) are awards that are granted following the IP0, and are only applicable to US taxpayers. They provide the award holder the right to acquire Class A shares upon vesting/settlement of the award. The grant is 'restricted' as the award must vest, and the award holder must remain employed at the time of vesting before they can receive the underlying Class A shares. Award holders are required to pay the nominal value of £0.005 per share at the time the award vests. Awards granted under this scheme vest over four years, with a one-year cliff. Unvested awards are forfeited if the employee leaves the Group before the conditional shares vest.

(iii) Restricted Share Plan: Conditional Share Awards (France)

Conditional Share Awards (France) are awards that are granted following the IP0, and are only applicable to employees based in France. They provide the award holder the right to acquire Class A shares upon vesting/settlement of the award. The grant is 'restricted' as the award must vest, and the award holder must remain employed at the time of vesting before they can receive the underlying Class A shares. Award holders are required to pay the nominal value of £0.005 per share at the time the award vests. Awards granted under this scheme vest over four years, with a two-year cliff. Unvested awards are forfeited if the employee leaves the Group before the conditional shares vest.

(iv) Performance Share Plan: Nominal Cost Options

These are stock options that are granted to a subset of employees following the IP0. They give an award holder the right to acquire Deliveroo Class A shares upon exercising the option at a nominal cost of £0.005 per share. Nominal Cost Options are granted to the majority of employees who do not fall under the criteria for alternative plans. The options vest subject to the award holder meeting certain performance criteria, and the award holder remaining employed with Deliveroo at the relevant vesting dates. Awards granted under this scheme vest following a three-year cliff, and are subject to an additional two-year holding period. Options which remain unexercised after a period of 10 years from the date of grant will expire. Unvested options are forfeited if the employee leaves the Group before the options vest.

(iv) Performance Share Plan: Conditional Share Awards (US)

These awards (sometimes referred to as RSUs or restricted stock units) are granted to a subset of employees following the IP0, and are only applicable to US taxpayers. They provide the award holder the right to acquire Class A shares upon vesting/settlement of the award. The award holder must remain employed at the time of vesting, and the award holder must meet certain performance criteria before they can receive the underlying Class A shares. Award holders are required to pay the nominal value of £0.005 per share at the time the award vests. Awards granted under this scheme vest following a three-year cliff, and are subject to an additional two-year holding period. Unvested awards are forfeited if the employee leaves the Group before the shares vest.

Pre-IP0 Employee Share Plans

The Group maintains the following equity-settled share-based payment schemes for employees:

- EMI Scheme;
- unapproved option scheme;
- French free share plan; and
- restricted stock units ('RSUs').

26 Employee benefits continued**26.3 Share-based payments** continued**Pre-IP0 Employee Share Plans** continued

Where plans are substantially similar, they are disclosed in aggregate below.

The following table sets out the movement in share awards during the year:

	Employee share options	Employee share options (France and US)	Performance Share Plans	Total	Weighted average exercise price (£)
Outstanding at 31 December 2020	89,126,600	73,617,800	—	162,744,400	0.04
Granted	23,554,040	49,931,841	5,608,972	79,094,853	0.00
Forfeited	(7,616,896)	(7,215,887)	—	(14,832,783)	0.03
Exercised	(45,429,616)	(60,015,490)	—	(105,445,106)	0.03
Outstanding at 31 December 2021	59,634,128	56,318,264	5,608,972	121,561,364	0.02
Granted	70,837,326	16,574,325	11,468,387	98,880,038	0.00
Forfeited	(11,293,784)	(2,644,925)	(352,681)	(14,291,390)	0.03
Exercised	(4,422,710)	(7,659,480)	—	(12,082,190)	0.02
Outstanding at 31 December 2022	114,754,960	62,588,184	16,724,678	194,067,822	0.02
Exercisable at 31 December 2022	31,049,260	230	—	31,049,490	0.07
Exercisable at 31 December 2021	19,216,576	4,593,600	—	23,810,176	0.03
Exercisable at 31 December 2020	51,555,355	31,728,845	—	83,284,200	0.04
Valuation method	Black Scholes	Intrinsic value	Monte Carlo		

The weighted average share price for share options exercised during the year was £1.00 (2021: £3.76).

The share options outstanding as at 31 December 2022 had a weighted average remaining contractual life of 8.4 years (2021: 8.4 years) and the range of exercise prices was £0.00-£0.08 (2021: £0.00-£0.08).

In addition to the totals above, there are 4,331,600 non-employee share options outstanding at 31 December 2022 (2021: 5,259,800).

The non-employee share options were issued in respect of an equity settled share-based payment transaction in which the Group received services prior to the IPO. Due to the nature of the services provided, the Group considered that a reliable estimate of the fair value of the services could not be made and therefore the appropriate way to value the expense was by reference to the fair value of the equity instruments granted, using grant date values consistent with those in the table above. Services were provided before the IPO therefore the full expense has been recognised in 2021.

The fair value of employee share options granted was determined using a Black Scholes model, taking into account the terms and conditions under which the options were granted. The following table lists the principal assumptions used in the valuation:

	2022	2021
Vesting period	1 month – 4 years	1 month – 4 years
Volatility	48%	43%
Option life	9.9 years	9.5 years
Risk-free investment rate	2.354%	0.762%
Weighted average share price	£0.90	£2.83
Weighted average exercise price at grant date	£0.00	£0.00

The underlying expected volatility was determined by reference to historical data of a peer group of similar companies' shares.

Employee share options (France and US) are accounted for using the intrinsic value method with the key assumptions as follows:

	2022	2021
Grant price	£0.01	£0.00
Weighted average market price	£0.92	£3.56
Attrition rate	43%	52%

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

26 Employee benefits continued

26.3 Share-based payments continued

Pre-IPO Employee Share Plans continued

The Performance Share Plans are valued using the Monte Carlo method with the assumptions as follows:

	2022	2021
Exercise price	£0.005	£0.005
Volatility	48%	43%
Expected life	3 years	3 years
Risk-free investment rate	1.5142%	0.0177%
Dividend yield	0%	0%

The underlying expected volatility was determined by reference to historical data of a peer group of similar companies' shares.

In total, the charge shown in the table in note 26.1 relating to the equity-settled share-based payment plan has been included within 'administrative expenses' in the income statement and credited to equity.

27 Reconciliation of cash used in operations

	2022 £m	2021 (restated) £m
Cash flows from operating activities		
Operating loss for the year	(295.7)	(330.8)
Depreciation and amortisation	61.8	43.3
Loss on disposal of fixed assets	2.6	1.3
Loss on disposal of right-of-use asset	—	0.3
Impairment of right-of-use asset	3.7	0.2
Gain on disposal of lease liability	—	(0.2)
Share-based payments charge	85.3	93.1
Net foreign exchange differences	7.5	(3.8)
Increase in inventories	(1.2)	(10.0)
Increase in trade and other receivables	(11.2)	(12.2)
(Decrease)/increase in trade and other payables	(39.5)	83.9
Increase/(decrease) in legal provisions	44.5	(30.6)
Corporation tax paid	(2.0)	(6.0)
Cash used in operations	(144.2)	(171.5)

28 Auditor's remuneration

	2022 £m	2021 £m
Remuneration for audit of the 2022 financial statements	2.1	—
Remuneration for audit of the 2021 financial statements	0.3	2.0
Remuneration for audit of the 2020 financial statements	0.1	0.5
Remuneration for audit of the 2019 financial statements	—	0.1
Audit-related assurance services	—	0.1
Tax advisory services	—	0.6
Other assurance services	—	1.1
Total auditor's remuneration	2.5	4.4

The Parent Company incurred £0.3 million (2021: £0.3 million) in relation to UK statutory audit fees for the year.

29 Financial instruments

29.1 Categories of financial instruments

	2022 £m	2021 £m
Financial assets at amortised cost		
Trade and other receivables (excluding prepayments)	111.6	90.0
Other treasury deposits	50.5	—
Cash and cash equivalents	949.1	1,290.9
Total	1,111.2	1,380.9
	2022 £m	2021 £m
Financial assets at FVTPL		
Shares	2.9	2.9
Total	2.9	2.9
	2022 £m	2021 £m
Financial liabilities at amortised cost		
Trade and other payables (excluding social security and corporation tax)	(266.4)	(268.7)
Total	(266.4)	(268.7)

The carrying value of the financial instruments is considered to be a reasonable approximation of fair value.

29.2 Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments, the most significant of which are market risk, credit risk and liquidity risk. The Group's risk management is co-ordinated at its headquarters, in close co-operation with the Board, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets. Long-term financial investments are managed to generate lasting returns.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described from pages 180 to 181.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

29 Financial instruments continued

29.3 Market risk

The Group is exposed to market risk through its use of financial instruments, and specifically to currency risk and interest rate risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Group's transactions are carried out in Sterling. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US Dollars, Euros, Australian Dollars, Hong Kong Dollars, Singapore Dollars, United Arab Emirates Dirham and Qatari Riyal as well as funds held in US Dollars. To mitigate the Group's exposure to foreign currency risk, non-Sterling cash flows are monitored in accordance with the Group's risk management policies.

The carrying amounts of the Group's cash balances held in foreign currency at the reporting date were as follows:

	2022 £m	2021 £m
USD	14.5	55.4
EUR	117.2	69.8
AUD	2.1	4.2
HKD	5.5	3.4
SGD	10.0	6.1
KWD	7.1	3.7
AED	55.2	39.4
INR	1.1	—
QAR	0.7	—
PLN	0.8	—

The following table illustrates the sensitivity of exchange rate movements in regard to the Group's financial assets and liabilities, all other things being equal. It assumes a +/- 10% change of the exchange rates for the year ended at 31 December 2022.

	Cash increase/(decrease)			
	10% strengthening		10% weakening	
	2022 £m	2021 £m	2022 £m	2021 £m
USD	(1.3)	(5.2)	1.6	6.0
EUR	(10.7)	(6.3)	13.0	7.9
AUD	(0.3)	(0.3)	0.1	0.5
HKD	(0.4)	(0.3)	0.7	0.4
SGD	(0.9)	(0.6)	1.1	0.6
KWD	(0.7)	(0.3)	0.8	0.4
AED	(5.0)	(3.7)	6.2	4.3
INR	(0.1)	—	0.2	—
QAR	(0.1)	—	0.1	—
PLN	(0.1)	—	—	—

The Group's sensitivity to fluctuations in foreign currencies is the result of holdings in foreign currency due to fundraising in USD and the growth of overseas entities. The sensitivity performed is a reasonable approximation of possible future changes. Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

29 Financial instruments continued

29.4 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2022 £m	2021 £m
Trade and other receivables (excluding prepayments)	111.6	90.0
Other treasury deposits	50.5	—
Cash and cash equivalents	949.1	1,290.9
Total financial assets	1,111.2	1,380.9

The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

The Group considers that £4.0 million (2021: £2.5 million) of trade and other receivables included within the above financial assets are impaired, with the remainder not impaired. Impairment is calculated based on an age analysis of receivables as well as awareness of individual receivable balances.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk in relation to any single counterparty or any group of counterparties having similar characteristics. The Group holds no financial assets that are past due as at the end of the reporting date but not impaired.

The credit risk for cash and cash equivalents is considered negligible, since the counterparties are reputable banks with investment grade (with weighted average investment grade A) external credit ratings.

29.5 Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business.

The Group's objective is to maintain cash to meet its liquidity requirements. This objective was met for the reporting periods by keeping all cash as readily available. Funding for long-term liquidity needs is additionally secured by the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables are considered sufficient for the current cash outflow requirements.

On 7 April 2021, Roofoods Ltd (as borrower and guarantor), Deliveroo France SAS, Deliveroo Ireland Limited and Deliveroo Italy S.R.L (as guarantors) entered into a revolving credit facility ('RCF') agreement with a small group of lenders, providing Sterling and Euro denominated revolving credit facilities of up to £150 million for general and working capital purposes of the Group. The key terms of the RCF include: (i) Roofoods Ltd as initial borrower; (ii) an initial term of 36 months which can be extended for up to an additional 24 months; (iii) provision of information covenants and financial covenants; (iv) the provision of guarantees by certain Group companies in respect of certain obligations under the RCF; and (v) springing security if a minimum liquidity level is breached for multiple testing periods. To date, no drawdowns have been made pursuant to the RCF.

The Group's financial liabilities measured at amortised cost are all made up of trade and other payables (excluding social security and corporation tax). They have contractual maturities as follows:

	2022 £m	2021 £m
Within one year	(266.4)	(268.7)
Total	(266.4)	(268.7)

The above amounts reflect the contractual undiscounted cash flows, which are in line with the carrying values of the liabilities at the reporting date.

Notes to the consolidated financial statements continued

For the year ended 31 December 2022

30 Related party transactions

Transactions with key management personnel

	2022 £m	2021 £m
Wages and salaries	12.0	27.2
Post-retirement benefits	0.1	0.1
Termination payments	3.8	—
Share-based payment charge	43.2	47.9
Total remuneration	59.1	75.2

31 Contingent liabilities and guarantees

As regulators consider the new on-demand economy, from time-to-time companies operating in the gig economy will be subject to regulatory inspections and investigations. Certain companies in the Group are currently subject to such investigations regarding elements of our operating model. Whilst we defend ourselves robustly in such cases, we recognise the inherent uncertainty connected to regulatory inspections and investigations. Due to the stage of completion of such discussions, it is not possible to predict – with any reasonable certainty – the likely outcome. However, whilst we consider that the chance of economic outflow is not probable at this stage, it is possible that economic outflow could be needed to settle all or some of these claims at the eventual conclusion of such matters. Such matters where we consider the likelihood of economic outflow are probable are discussed in note 23.

Depending on the outcomes, the total economic outflow in relation to the quantifiable contingent liabilities is estimated to be £24.6 million (2021: £37.3 million).

In addition to this, there is a regulatory challenge where it is difficult at this time to quantify the potential economic outflows. We are participating in ongoing discussions and engaging with the relevant authorities as part of official processes, and we will continue to refine our assessment, as we have done during this period. At the time of signing of the financial statements, we have assessed a range of economic outflows representing our best estimate in the event of a potential adverse outcome which could range from £50 million to £200 million. The Directors will review the amounts of such contingent liabilities as necessary throughout the duration of the relevant proceedings and revise amounts accordingly as and when new information is available.

The Group has issued guarantees totalling £8.1 million (2021: £7.6 million). Of this, £7.2 million (2021: £6.8 million) relates to guarantees provided to tax authorities. The remainder primarily relates to office rental guarantees.

32 Events after the reporting period

Deliveroo announced a share purchase programme on 16 March 2023 of up to £50 million to acquire Class A Ordinary Shares. The programme is expected to commence shortly after 16 March 2023 and be completed during 2023.

Parent Company balance sheet

As at 31 December 2022
(Registration number: 13227665)

	Note	2022 £m	2021 £m
Fixed assets			
Investments	6	3,225.4	3,922.4
Intercompany loan	3	1,053.1	1,035.5
		4,278.5	4,957.9
Current assets			
Debtors	4	141.0	48.1
Cash and cash equivalents	5	0.2	0.2
		141.2	48.3
Net assets		4,419.7	5,006.2
Capital and reserves			
Called up share capital	7	9.3	9.3
Share premium reserve		—	1,013.0
Merger reserve		3,218.0	3,915.2
Profit and loss account		1,192.4	68.7
Shareholders' funds		4,419.7	5,006.2

As permitted by Section 408 of the Companies Act 2006, the Company's statement of profit or loss has not been included in these financial statements. The Company recorded a (loss)/profit for the period to 31 December 2022 of £(671.8) million (2021: £11.0 million).

Approved and authorised by the Board on 15 March 2023 and signed on its behalf by:

Scilla Grimble

Director

Parent Company statement of changes in equity

For the year ended 31 December 2022

	Share capital (note 7) £m	Share premium £m	Merger reserve £m	Profit and loss account £m	Total £m
Profit for the period and comprehensive income	—	—	—	11.0	11.0
Share-based payment awards	—	—	—	57.7	57.7
Issue of share capital	9.3	1,013.0	3,915.2	—	4,937.5
At 31 December 2021	9.3	1,013.0	3,915.2	68.7	5,006.2
Loss for the year and comprehensive income	—	—	—	(671.8)	(671.8)
Share-based payment awards	—	—	—	85.3	85.3
Transfer from merger reserve	—	—	(697.2)	697.2	—
Reduction of share premium	—	(1,013.0)	—	1,013.0	—
At 31 December 2022	9.3	—	3,218.0	1,192.4	4,419.7

Notes to the financial statements

For the year ended 31 December 2022

1 General information

The Company is a public company limited by share capital, incorporated in England and Wales.

The Company's principal activity is that of a holding company.

The address of its registered office is: The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Amounts are presented in GBP and to the nearest million pounds (to one decimal place), unless otherwise noted.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions permitted by FRS 102:

- the requirements of Section 7 'Statement of Cash Flows' and Section 3 'Financial Statement Presentation', paragraph 3.17(d);
- the requirements of Section 11 'Financial Instruments', paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- the requirements of Section 33 'Related Party Disclosures', paragraph 33.7.

Name of Parent of Group

These Parent Company only financial statements are consolidated in the Group financial statements of Deliveroo plc.

The consolidated financial statements of Deliveroo plc may be obtained from <https://corporate.deliveroo.co.uk/>.

Going concern

These financial statements have been prepared on the going concern basis, which assumes continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At the reporting date, the Company's current assets exceed its current liabilities by £141.2 million (2021: £48.3 million) and it has net assets of £4,419.7 million (2021: £5,006.2 million).

Tax

Any tax expense or credit recognised in the income statement is based on the results for the period as adjusted for items which are disallowed or not taxed. It is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is calculated using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not recognised if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Company's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Company has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

2 Accounting policies continued

Investments

Investments in subsidiaries are stated at cost less cumulative impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Debtors

Debtors include amounts due from related parties and other amounts due from third parties. They are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

Intercompany receivables

Intercompany receivables are amounts due from related parties. They are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

Share capital

Share capital represents the nominal value of shares that have been issued. Any transaction costs directly attributable to the issuing of new shares are deducted from share capital, net of any related income tax benefits.

Other components of equity include the following:

- share premium – comprises the difference between the value of the shares on issue and their nominal value;
- profit and loss account – comprises accumulated profit/(loss); and
- merger reserve – comprises the difference between the fair value of Roofoods Ltd as at 6 April 2021 and the nominal value of shares acquired by Deliveroo plc as part of the share-for-share exchange which took place prior to Admission.

Share-based payments

The Group operates share-based compensation plans for employees. Equity instruments granted are measured at fair value of the equity instrument at grant date. This is recognised as an expense in the statement of comprehensive income, with a corresponding credit to equity. The expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Vesting conditions may have market or non-market criteria, and are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates, and taking into account the number of equity instruments which have been cancelled, modified or forfeited in the period.

It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if the equity instruments expected to vest differs from previous estimates. Upon exercise of equity instruments the proceeds received net of any directly attributable transaction costs are allocated to share capital and share premium.

The Group maintains an Employee Benefit Trust ('EBT') which holds shares on behalf of the Company, which can be used to settle obligations under employee share-based compensation plans.

Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

Notes to the financial statements continued

For the year ended 31 December 2022

2 Accounting policies continued

Impairment of investments in subsidiary undertakings

The carrying value of the investment in the Company's wholly owned subsidiary is reviewed for impairment on an annual basis. The recoverable amount is determined based on a value-in-use calculation derived from the Group's Long-Term Plan. The assessment of the recoverable amount requires the determination of appropriate assumptions, which comprise key sources of estimation uncertainty. The principal assumptions relate to the performance of the subsidiary over the forecast period, the discount factor (which is derived from the Group's weighted average cost of capital ('WACC')) and the long-term growth rate applied beyond the forecast period. Estimation uncertainty arises due to changing economic and market factors, and fluctuations in forecasted revenue and cost growth. See note 6 for further details on the assumptions and associated sensitivities.

The Company's financial risk is managed as part of the Group's strategy and policies as discussed in note 29 of the Group financial statements.

Judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies.

3 Intercompany loan

	2022 £m	2021 £m
Intercompany loan – Roofoods Ltd	1,053.1	1,035.5

4 Debtors

	2022 £m	2021 £m
Current		
Amounts owed by related parties	140.4	48.0
Other debtors	0.4	0.1
Prepayments	0.2	—
	141.0	48.1

5 Cash and cash equivalents

	2022 £m	2021 £m
Cash and short-term deposits	0.2	0.2

6 Investments

	2022 £m	2021 £m
Investments	3,225.4	3,922.4

On 6 April 2021, the Company issued Ordinary Shares in a share-for-share exchange with the shareholders of Roofoods Ltd. Consequently, Deliveroo plc directly owns 100% of Roofoods Ltd.

Impairment of investments in subsidiary undertakings

The Company evaluates its investments in subsidiary undertakings annually for any indicators of impairment or impairment reversal. The Company considers the relationship between its market capitalisation and the carrying value of its investments, among other factors, when reviewing for indicators of impairment. As at 31 December 2022 the market capitalisation of the Group was below the carrying value of its investment in Roofoods Ltd ('Roofoods'), indicating a potential impairment.

The recoverable amount of the investment in Roofoods has been determined based on a value-in-use calculation, using the Long-Term Plan, approved by the Board, with a terminal growth rate applied to year five. The WACC was 15% and the TGR 2.5%. When comparing the recoverable amount of £3,225.4 million with the investment carrying value of £3,922.4 million, management has determined that the recoverable amount of the investment is impaired by £697 million. The carrying value of Roofoods was the result of decisions taken during the restructuring exercise alongside the IPO, when the new Parent Company, Deliveroo plc, was incorporated and acquired the Roofoods Group. The impairment principally derives from the increased interest rates as a result of the broader macroeconomic circumstances.

6 Investments continued

Management has performed a sensitivity analysis on the inputs which are reported sources of estimation uncertainty (see note 2). A reasonably possible change in the discount rate of an increase of 2.0%-points would result in an additional impairment charge of £567 million; and a decrease of 0.5%-points in TGR would result in an additional impairment charge of £110 million and a 2%-point reduction in revenue CAGR over the period of the Long-Term Plan would result in an additional impairment charge of £733 million; should these sensitivities occur together, this would result in an additional impairment charge of £1.2 billion.

Details of undertakings

Investments in subsidiaries of the Company consist of the following, all of which are included in the Group consolidated results for the year:

Undertaking	Registered office	Holding	Proportion of Ordinary Shares held
Roofoods Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Deliveroo Australia Pty Ltd*	Level 2, 161 Collins St, Melbourne VIC 3000, Australia	Ordinary	100%
Deliveroo Belgium SPRL	WeWork Botanic, Botanic Building, Boulevard Saint-Lazare 4, 1210 Saint-Josse-ten-Noode, Brussels, Belgium	Ordinary	99.9%
Deliveroo Consulting LLC	Office No. G33, Piazza Lever, QQ05A, Qanat Quartier, Regus Al Jaidah, Business Centre No. 18, Doha, Qatar	Ordinary	100%
Deliveroo DMCC	Unit No 123, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates	Ordinary	100%
Deliveroo Editions DMCC	Unit C05, Swiss Tower, Plot No. JLT-PH2-Y3A, Jumeirah Lakes Towers, Dubai, United Arab Emirates	Ordinary	100%
Deliveroo France SAS	36 rue Lafayette, Paris, 75009, France	Ordinary	100%
Deliveroo Germany GmbH**	c/o Cormoran GmbH, Am Zirkus 2, 10117, Berlin, Germany	Ordinary	100%
Deliveroo Hong Kong Ltd	Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay Hong Kong	Ordinary	100%
Deliveroo Hop DMCC	Unit No: R-04 Gold Crest View, Plot No: JLT-PH2-V2A, Jumeirah Lakes Towers, Dubai, United Arab Emirates	Ordinary	100%
Deliveroo Hop Italy S.R.L.	Deliveroo c/o Il Parallelo via Carlo Bo, 11 20143 Milano, Italy	Ordinary	100%
Deliveroo Hop Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Deliveroo Hop Trading LLC	Plot Number 674/289 – Control Tower Retail – R#4 PO Box 24980, Dubai, United Arab Emirates	Ordinary	100%
Deliveroo International Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Deliveroo Ireland Limited	2 Dublin Landings, North Dock, Dublin 1, Ireland	Ordinary	100%
Deliveroo Italy S.R.L.	Deliveroo c/o Il Parallelo via Carlo Bo, 11 20143 Milano, Italy	Ordinary	100%
Deliveroo LLC	Office No.G33, Piazza Level, QQ05A, Qanat Quartier, Regus AL Jaidah Business Centre No. 18, Doha, Qatar	Ordinary	100%
Deliveroo Netherlands BV***	Raamplein 1, 1016 XK Amsterdam, Netherlands	Ordinary	100%
Deliveroo Singapore Pte Ltd	135 Cecil Street, #10-01, Philippine Airlines Building, 069536, Singapore	Ordinary	100%
Deliveroo sp Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Deliveroo sp. z o.o.	ul. Aleje Ujazdowskie, nr 41, Warszawa, 00-540, Warszawa, Poland	Ordinary	100%
Roofoods Management 1 Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Roofoods Management 2 Ltd	2 Dublin Landings, North Dock, Dublin 1, Ireland	Ordinary	100%
Roofoods Private Limited	2nd Floor, Skyview 10, The Skyview, Sy no 83/1 Raidurgam, Hitech City Main Rd Hyderabad, Telangana, 500081, India	Ordinary	100%
Roofoods Spain S.L.U****	Calle Velazquez 64, 4th floor, Madrid, 28001, Spain	Ordinary	100%

Notes to the financial statements continued

For the year ended 31 December 2022

6 Investments continued

Details of undertakings continued

Undertaking	Registered office	Holding	Proportion of Ordinary Shares held
Roorestaurant Ltd	The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Roofoods (USA) Inc.	251 Little Falls Drive, Wilmington, New Castle County, United States of America	Ordinary	100%
Roofoods Editions Kitchen Centre LLC	Shop 07, Majestic Tower, Business Bay, Dubai, United Arab Emirates	Ordinary	49%
Roofoods Food Delivery LLC	Unit 3201-3204, API Trio Towers, Commercial Tower, Sheikh Zyed Road, Barsha First, United Arab Emirates	Ordinary	49%
Roofoods Restaurant LLC	Unit 3201-3204, API Trio Towers, Commercial Tower, Sheikh Zyed Road, Barsha First, United Arab Emirates	Ordinary	49%
Deliveroo Editions Food Preparation Management Company SPC	West Abu Fatira Al-Herafia, Block 1, Plot 513, Street 25, Zayed Al Otaibi building, Floor 1, Mubarak Al-Kabeer, Kuwait City, Kuwait	—	—
Deliveroo Management Limited	Dubai International Financial Centre, GD 4, 5th Floor, Dubai, United Arab Emirates	—	—
Editions SPC Ltd	Unit 06, 07, Level 13, Currency House, Tower 2, Dubai International Financial Centre, Dubai, 506615, United Arab Emirates	—	—
New Skies General Trading SPC	Qibla, Block 9, Plot 7, Ahmed Al-Jaber Street, Abdullah Al Yousifi building, Floor M2, Unit 11, Kuwait City, Kuwait	—	—
New Skies SPV Limited	34, Al Maqam Tower, Abu Dhabi Global Market Square, Al Maryah Island, P.O. Box 35665, Abu Dhabi, United Arab Emirates	—	—
Roofoods Consumer Products Delivery Gulf SPC	Qibla, Block 9, Plot 7, Ahmed Al-Jaber Street, Abdullah Al Yousifi building, Floor M2, Unit 11, Kuwait City, Kuwait	—	—

* Ceased trading in 2022 and is in administration.

** In the process of liquidation.

*** Ceased trading in 2022.

**** Ceased trading in 2021.

7 Share capital

	2022 shares	2021 shares	2022 £	2021 £
Shares issued, allotted and fully paid				
Ordinary A	1,755,425,173	1,754,496,973	8,777,126	8,772,485
Ordinary B	100,299,642	100,299,642	501,498	501,498
Total shares issued	1,855,724,815	1,854,796,615	9,278,624	9,273,983

The Company's share premium account of £1,013.0 million was cancelled and the amount credited to retained earnings, following High Court approval of the share premium cancellation on 13 September 2022.

All shares have a nominal value of £0.005.

8 Parent and ultimate Parent undertaking

These Parent Company financial statements are consolidated in the Group financial statements of Deliveroo plc, which are available from <https://corporate.deliveroo.co.uk/>.

9 Events after the reporting period

Deliveroo announced a share purchase programme on 16 March 2023 of up to £50 million to acquire Class A Ordinary Shares. The programme is expected to commence shortly after 16 March 2023 and be completed during 2023.

5-year financial summary

£m unless stated	2018	2019	2020	2021	2022
Orders (m)	72.4	118.5	173.7	284.1	299.2
GTV per order* (£)	22.2	21.3	22.9	22.2	22.9
GTV*	1,609.9	2,521.7	3,978.8	6,304.6	6,848.1
Revenue	476.1	771.8	1,163.0	1,735.0	1,974.7
Cost of sales	(384.9)	(583.2)	(815.3)	(1,239.9)	(1,331.5)
Gross profit	91.2	188.6	347.7	495.1	643.2
Marketing and overheads*	(289.0)	(415.5)	(358.5)	(595.1)	(688.2)
Adjusted EBITDA*	(197.7)	(226.9)	(10.8)	(100.0)	(45.0)
YoY % change – constant currency*					
Orders	82%	64%	51%	73%	5%
GTV per order*	(9)%	(4)%	6%	(2)%	2%
GTV*	65%	57%	62%	70%	7%
% of GTV					
Revenue*	29.6%	30.6%	29.2%	27.5%	28.8%
Gross profit*	5.7%	7.5%	8.7%	7.9%	9.4%
Marketing and overheads*	(17.9)%	(16.5)%	(9.0)%	(9.4)%	(10.0)%
Adjusted EBITDA*	(12.3)%	(9.0)%	(0.3)%	(1.6)%	(0.7)%
Selected metrics: consolidated income statement					
Adjusted EBITDA*	(197.7)	(226.9)	(10.8)	(100.0)	(45.0)
Depreciation and amortisation	(15.8)	(29.3)	(34.4)	(42.0)	(61.4)
Share-based payments charge and accrued National Insurance on share options	(43.6)	(31.0)	(73.2)	(109.5)	(68.8)
Loss for the period attributable to owners of the Company*	(232.0)	(317.3)	(226.4)	(330.5)	(294.1)
Selected metrics: consolidated statement of cash flows					
Net cash generated from operating activities*	(176.3)	(198.6)	7.4	(171.5)	(144.2)
Purchase of property, plant and equipment*	17.8	5.0	5.8	21.4	30.1
Acquisition of intangible assets*	17.0	21.4	20.5	34.6	50.3
Net cash*	184.6	229.8	379.1	1,290.9	999.6
Free cash flow*	(165.9)	(238.2)	(29.8)	(238.7)	(243.1)

* Alternative performance measure ('APM'), refer to glossary on page 192 for further details.

Deliveroo ceased operations in Spain in November 2021 and Australia and the Netherlands in November 2022.

In accordance with IFRS 5, Australia and the Netherlands have been classified as discontinued operations in 2022 and results for 2021 have been restated (results for 2018, 2019 and 2020 have not been restated).

Spain has been classified as a discontinued operation in 2022 and 2021. Results for 2020 have been restated (results for 2018 and 2019 have not been restated).

In this summary, all figures are for continuing operations in the period, except for those marked with a triangle (▷), which are for continuing and discontinued operations in the period.

Glossary

£

Pound ('GBP').

€

Euro ('EUR').

Adjusted EBITDA

Gross profit less marketing and overhead expenses; it excludes inter alia depreciation and amortisation, exceptional costs, exceptional income, and share-based payments charge.

Admission

The date that Deliveroo plc was admitted to the London Stock Exchange (7 April 2021).

Annual General Meeting ('AGM')

Meeting of shareholders of the Company held each year to consider ordinary and special business as provided in the Notice of AGM.

Annual Report or Report

2022 Deliveroo Annual Report. This document.

Articles

The Articles of Association of Deliveroo plc.

Average order frequency ('AOF')

The average number of orders placed by active consumers in a month.

BEIS

The Department for Business, Energy and Industrial Strategy, the UK Government department responsible for business, industrial strategy, and science and innovation with energy and climate change policy.

Board

The Board of Directors of Deliveroo plc.

Business segments

The Company operates in two segments: the UK and Ireland ('UKI') segment and the International segment, comprising the remainder of the Company's markets.

CAGR

Compound annual growth rate.

CEO

Chief Executive Officer and Founder, Will Shu.

CFO

Chief Financial Officer, Scilla Grimble.

CIBSE

Chartered Institution of Building Services Engineers.

Class A Ordinary Shares

The Class A Ordinary Shares are listed on the standard listing segment of the Financial Conduct Authority's Official List and traded on the Main Market for listed securities of the London Stock Exchange. The rights and restrictions are set out in the Company's Articles.

Class B Ordinary Shares

The Class B Ordinary Shares are not admitted to listing and trading and are held by the Company's CEO, Will Shu. The rights and restrictions are set out in the Company's Articles.

The Company, the Group, Deliveroo, we, our or us

We use these terms to refer to either Deliveroo plc itself or certain of its subsidiaries, depending on context.

Consolidated financial statements

Financial statements that include the results and financial position of the Company and its subsidiaries together as if they were a single entity.

COVID-19 or coronavirus disease

The disease caused by Severe Acute Respiratory Syndrome Coronavirus 2, which was responsible for the global pandemic in 2021/22.

DEFRA

Department for Environment, Food & Rural Affairs.

DE&I

Diversity, equity and inclusion.

Deliveroo Hop or Hop

Deliveroo operated rapid grocery delivery service offering groceries in as little as 10 minutes.

Directors or Executive Directors or Non-Executive Directors ('NED')

The Directors, Executive Directors and Non-Executive Directors of the Company. Collectively the Board.

DSP awards

Deferred share plan awards granted as part of the annual bonus under the Deliveroo plc Incentive Plan.

Earnings per share ('EPS')

Profit for the year attributable to equity shareholders of the Company allocated to each Ordinary Share.

Editions

Deliveroo's delivery-only kitchens, which offer opportunities for restaurants to expand to new areas and increase choice in local neighbourhoods for consumers.

Employee engagement

Deliveroo uses the Peakon employee engagement survey tool, asking for monthly employee feedback on a wide range of topics.

Employees

Employees of the Group.

Employee resource groups ('ERG')

Employee resource groups which currently include: Gender Equity, Women in Tech, Racial Equity, LGBTQ+ (Deliveroo) & Wellbeing

ESG

Environmental, Social and Governance.

Executive Management

Deliveroo's Executive Directors and the Executive Team as detailed on the Deliveroo website.

FRC

Financial Reporting Council.

Financial year

The year ended 31 December.

Gross merchandise value ('GMV')

The total value of food baskets (net of any discounts), excluding from our Signature offering, and is represented excluding any consumer fees, tips, VAT or other sales-related taxes.

Gross profit

Gross profit is calculated as revenue less costs of sales, which primarily comprises rider costs and credit card fees.

Gross profit margin (as % of GTV)

Gross profit divided by GTV.

Gross transaction value ('GTV')

Comprises the total value of food baskets (net of any discounts) and consumer fees, excluding from our Signature offering, and is represented including VAT and other sales-related taxes but excluding any discretionary tips.

Hyperlocal

The localised nature of Deliveroo's business.

IAS

International Accounting Standards as issued by the IASB.

IASB

International Accounting Standards Board.

IFRS

International Financial Reporting Standards as issued by the IASB as adopted by the EU.

IPO

Initial Public Offering. Deliveroo became a public listed company following Admission on 7 April 2021.

KPI

Key performance indicator.

Monthly active consumers

The monthly active consumers ('MACs') is the number of individual consumer accounts that have placed an order on our platform in a given month.

Orders

The total number of orders delivered from our platform, including from our Marketplace and Signature offering, over the period of measurement.

Plus

Deliveroo's consumer subscription programme that unlocks access to unlimited free delivery for a fixed monthly fee.

PSP awards

Performance Share Plan awards. Long-term Incentive Plan awards with performance conditions, issued under the Deliveroo plc Incentive Plan.

Remuneration Policy

The Directors' Remuneration Policy (approved by Shareholders at the 2022 AGM).

Remuneration Reporting Regulations

Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

Restricted Stock Units ('RSUs')

Restricted Stock Unit awards issued pre-IPO.

Risk appetite

The nature and extent of the principal risks Deliveroo is willing to take to achieve its long-term strategic objectives.

RSP awards

Restricted Share Plan awards under the Deliveroo plc Incentive Plan.

Scope 1 emissions

Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by the Company.

Scope 2 emissions

Scope 2 emissions are greenhouse gas emissions from the generation of purchased electricity consumed by the Company.

Scope 3 emissions

Scope 3 emissions are indirect greenhouse gas emissions as a consequence of the operations of the Company, but are not owned or controlled by the Company.

Senior Managers or Senior Management

Individuals in our organisational structure who are 'Levels 8' or above, excluding the Executive Directors.

Signature

Deliveroo's white label offering, enabling restaurant partners to create a direct channel to consumers for delivery, while leveraging Deliveroo's technology platform, logistics network and consumer care to facilitate that delivery.

Shares

The shares in the capital of the Company which from Admission shall consist of the Class A Shares and the Class B Shares, each having the rights set out in the Articles.

Shareholders

The holders of shares in the capital of the Company.

SID

Senior Independent Director.

Subsidiary or subsidiaries

A company or other entity(ies) that is/are controlled by Deliveroo.

The three sides of the marketplace

(1) consumers, (2) riders and (3) merchants.

Task Force on Climate-related Financial Disclosures ('TCFD')

The TCFD is a body established in 2015, whose role is to develop recommendations for more informed investment and enable stakeholders to better understand the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risk.

TCFD recommendations or recommended disclosures

The 11 recommended disclosures set out in the June 2017 TCFD report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures'.

The UK Corporate Governance Code (the 'Code')

Guidance issued by the Financial Reporting Council in 2018, on how companies should be governed, applicable to UK listed companies in respect of reporting periods starting on or after 1 January 2019.

tCO₂e

Tonnes ('t') of carbon dioxide ('CO₂') equivalent ('e').

TSR

Total shareholder return.

VP

Vice President.

Glossary – Alternative Performance Measures

The Group assesses performance using alternative performance measures ('APMs') which are not defined under IFRS. Definitions of measures and reconciliations to amounts presented in the financial statements are set out below.

Metric	Definition and purpose	Reconciliation to GAAP measure
Financial measures		
Adjusted EBITDA	Adjusted EBITDA represents loss for the year before income tax charge/credit, finance costs, finance income, depreciation and amortisation, exceptional costs, exceptional income and provisions, and share-based payments charge and accrued national insurance on share options. Adjusted EBITDA is considered to be a measure of the underlying trading performance of the Group and is used, amongst other measures, to evaluate operations from a profitability perspective, to develop budgets and to measure performance against those budgets. EBITDA less capital expenditure and capitalised development costs is used as a further measure of underlying operating profitability of the business. Australia and the Netherlands discontinued operations are excluded from adjusted EBITDA in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from adjusted EBITDA in 2020-22 but included for 2018-19.	See below for reconciliation
Adjusted EBITDA margin (as % of GTV)	Adjusted EBITDA margin is defined as adjusted EBITDA divided by GTV. It is used, among other metrics, as a measure of operating profitability. Australia and the Netherlands discontinued operations are excluded from adjusted EBITDA (as % of GTV) in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from adjusted EBITDA (as % of GTV) in 2020-22 but included for 2018-19.	See definition for calculation method
Constant currency	Constant currency adjusts for period-to-period local currency fluctuations. The Group uses constant currency information because the Directors believe it allows the Group to assess consumer behaviour on a like-for-like basis to better understand the underlying trends in the business.	See definition for calculation method
Exceptional items (income/costs)	Exceptional income and exceptional costs are items where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business and are deemed material to the understanding of the Group's accounts.	See note 12 for further information
Free cash flow	Free cash flow is defined as net cash used in operating activities less: purchase of property, plant and equipment; acquisition of intangible assets; payment of lease liabilities; and interest on lease liabilities. It is used, among other metrics, as a measure of cash inflow or outflow from the Group's operating and investing activities.	See below for reconciliation
Gross profit margin (as % of GTV)	Gross profit margin (as % of GTV) is defined as gross profit divided by GTV. It is considered a good measure of profitability at a transactional level. Australia and the Netherlands discontinued operations are excluded from gross profit margin (as % of GTV) in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from gross profit margin (as % of GTV) in 2020-22 but included for 2018-19.	See definition for calculation method
Gross transaction value ('GTV')	GTV comprises the total value of food baskets (net of any discounts) and consumer fees, excluding those from our Signature offering, and is represented including VAT and other sales-related taxes but excluding any discretionary tips. As such, GTV represents the total value paid by consumers, excluding any discretionary tips. It is a widely used measure for understanding the total value spent by consumers on our marketplace. Australia and the Netherlands discontinued operations are excluded from GTV in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from GTV in 2020-22 but included for 2018-19.	See definition for calculation method
Gross transaction value per order	Gross transaction value per order (or GTV per order) is defined as the total gross transaction value divided by the total number of orders. GTV per order is used as a measure for understanding the total value spent by consumers on our marketplace on a unit basis. Australia and the Netherlands discontinued operations are excluded from GTV per order in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from GTV per order in 2020-22 but included for 2018-19.	See definition for calculation method

Metric	Definition and purpose	Reconciliation to GAAP measure
Marketing and overheads	Marketing and overheads represent the difference between gross profit and adjusted EBITDA. For the purposes of assessing and managing performance, Deliveroo's fixed cost base has been split into two major categories: marketing and overheads. Marketing costs are a combination of both brand-building activities and activities focused on in-period acquisition. Overheads consist of staff costs, the non-capitalised portion of costs relating to information technology and other administrative expenses. Australia and the Netherlands discontinued operations are excluded from marketing and overheads in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from marketing and overheads in 2020-22 but included for 2018-19.	See below for reconciliation
Marketing and overheads as % of GTV	Marketing and overheads as % of GTV is defined as marketing and overheads divided by GTV. It is considered a good measure of the Group's operating efficiency. Australia and the Netherlands discontinued operations are excluded from marketing and overheads as % of GTV in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from marketing and overheads as % of GTV in 2020-22 but included for 2018-19.	See definition for calculation method
Net cash/net debt	Net cash/net debt is used to total the Group's cash, cash equivalents and treasury deposits less debt (excluding leases). Treasury deposits are not available within 3 months, and therefore not considered 'cash and cash equivalents' but comprise funds on deposit for a longer period.	See below for reconciliation
Revenue take rate (as % of GTV)	Revenue take rate is revenue divided by GTV. It is a widely used measure for understanding the proportion of total value spent by consumers on our marketplace that is captured by Deliveroo. Australia and the Netherlands discontinued operations are excluded from revenue take rate in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from revenue take rate in 2020-22 but included for 2018-19.	See definition for calculation method
Segment adjusted EBITDA	Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker ('CODM')) for the purposes of resource allocation and assessment of segment performance focuses on a geographical split of the Group between 'UK and Ireland' and 'International' (being overseas jurisdictions other than UK and Ireland). The CODM primarily uses segment adjusted EBITDA to assess the performance of the operating segments.	See note 5 for further information

Reconciliation to Financial Statements	2022 £m	2021 (restated) [^] £m
Operating loss	(245.6)	(290.1)
Depreciation and amortisation	61.4	42.0
EBITDA	(184.2)	(248.1)
Share-based payments charge and accrued National Insurance on share options	68.8	109.5
Exceptional items	70.4	38.6
Adjusted EBITDA	(45.0)	(100.0)
Marketing and overheads	688.2	595.1
Gross profit	643.2	495.1

[^] The comparative information has been restated as a result of a prior period adjustment as discussed in note 4 in the notes to the consolidated financial statements.

Free cash flow	2022 £m	2021 £m
Net cash used in operating activities	(144.2)	(171.5)
Purchase of property, plant and equipment	(30.1)	(21.4)
Acquisition of intangible assets	(50.3)	(34.6)
Payments of lease liabilities	(15.7)	(10.0)
Interest on lease liabilities	(2.8)	(1.2)
Free cash flow	(243.1)	(238.7)

	2022 £m	2021 £m
Net cash/net debt		
Cash	949.1	1,290.90
Other treasury deposits	50.5	0
Less: debt	0	0
Net cash/net debt	999.6	1,290.90

Company and shareholder information

Registered office

The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE

Managing your shares and shareholder communications

The Company's share register is maintained by our registrar, Equiniti. Shareholders with queries relating to their shareholding should contact Equiniti directly using one of the methods listed below:

Equiniti Limited

Aspect House
Spencer Road
Lancing
West Sussex
BN99 6DA

Telephone: +44 (0)371 384 2030*

Online: help.shareview.co.uk

Website: www.equiniti.com

* Lines are open Monday to Friday 8.30am to 5.30pm, excluding public holidays in England and Wales. Please use the country code when calling from outside the UK.

Shareholders can manage their holdings online or elect to receive shareholder documentation/communication in electronic form by registering at www.shareview.co.uk. Shareholders who have elected to receive electronic communication but require a paper copy of any of the Company's shareholder documentation, or wish to change their instructions, should contact Equiniti directly using one of the methods listed above.

Annual General Meeting ('AGM')

The Board currently intends to hold the AGM in May 2023. The arrangements for the Company's 2023 AGM and details of the resolutions to be proposed, together with explanatory notes, will be set out in the Notice of AGM to be published on the Company's website.

Independent auditor

Deloitte LLP

1 New Street Square, London, EC4A 3HQ.

Corporate website

You can access the corporate website at <https://corporate.deliveroo.co.uk>. The corporate website provides useful information including Annual Reports, results announcements and share price data, as well as background information about the Company and current issues. Shareholders are encouraged to sign up to receive email notification of results and press announcements as they are released by registering at <https://corporate.deliveroo.co.uk>.

Share price information

The latest Deliveroo plc share price can be found on our website at <https://corporate.deliveroo.co.uk>.

ShareGift

Shareholders who only have a small number of shares whose valuation makes it uneconomic to sell them may wish to consider donating them to charity through ShareGift, the independent charity share donation scheme (registered charity no. 1052686). Further information may be obtained from ShareGift on 020 7930 3737 or at sharegift.org.

Shareholder fraud

Fraud is on the increase and many shareholders are targeted every year. If you have any reason to believe that you may have been the target of a fraud, or attempted fraud in relation to your shareholding, please contact Equiniti immediately.



Deliveroo plc

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corporate.deliveroo.co.uk



deliveroo