

# Annual Report 2017



Takeaway.com





**Takeaway.com**

# 01 THE COMPANY

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# 01 THE COMPANY

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PROCESSED **68.3 MILLION** ORDERS  
FROM **11.5 MILLION** ACTIVE CONSUMERS

FURTHER CEMENTED MARKET  
**LEADING POSITIONS** IN OUR  
FIVE LEADING MARKETS

LAUNCHED SCOOBER IN **EIGHT NEW  
CITIES** AND NOW ACTIVE IN **24 CITIES**  
ACROSS **SIX COUNTRIES**

ONLINE  
RESTAURANTS

**32,929**



REVENUE

**€166.5m**



ACTIVE  
CONSUMERS

**11.5m**



ADJUSTED EBITDA  
MARGIN IN THE  
NETHERLANDS

**58%**



ORDERS

**68.3m**



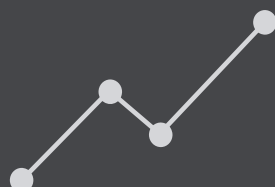
AS PER  
YEAR-END

**1,171FTE**



GMV

**€1.3bn**



ACTIVE IN

**9countries**



At a glance 2017

**We aim to build the absolute best  
food delivery marketplace, providing  
the best services to both restaurants  
and consumers**

**– Jitse Groen, CEO**



# Message from the CEO

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## Dear reader,

Takeaway.com N.V. has now been public for over a year. Given that in November we will celebrate our 18th birthday, we came to the market as a relatively old tech company. Yet despite every stage of growth coming with its own challenges, I am very satisfied with how we have managed the process of becoming a listed company.

During the year, the Company has grown tremendously in orders and in revenue. We are particularly proud by the growth of our Active Consumers, which remained at similar levels as compared to the last year. Active Consumers are a resultant of new customer growth, as well as improved existing customer behaviour. It has been our aim to improve both of these growth levers, and I am happy that we have succeeded in doing just that.

Before the initial public offering, Takeaway.com was already a large player in the food delivery market in Continental Europe. After more than a year of hard work, we have managed to grow our position as both a household name and the clear market leading brand in our five Leading Markets. While this is both very positive and exciting, it is important to realise that this is only the beginning. Let's not forget that there is still a long journey ahead of us: around 70% of food orders are currently placed by phone in our Leading Markets. The shift from offline to online, in combination with changing

consumer behaviour towards more convenience, highlights what an exciting time we live in. The shift is happening now, and I believe that we will all remember these years in the future.

At Takeaway.com, we are in pole position to take the majority of today's offline food delivery market online. In order to remain on the forefront, in 2017 we made a number of changes to our offering and our marketing campaigns.

Takeaway.com has successfully expanded its offering in more ways than ever before. We serve food from both delivery and non-delivery restaurants, and consumers choice across Europe has never been broader.

Our Scoober offering has been particularly successful. We now offer Scoober in 24 cities across Europe. And while Scoober orders represent only a small part of Takeaway.com's business, the service has grown to be one of the largest logistical delivery services in the countries we are active in. In many ways this is one of the most visible parts of our business, with our brand and e-bikes already a well-known part of life in the cities in which we operate. Consequently, we also now employ a growing number of couriers.

In 2017, there was a great deal of media attention paid to employment conditions in the platform economy, particularly regarding couriers. For Takeaway.com it was and is a clear choice – we choose, unequivocally, to offer real employment under fair and genuine employment contracts and with full insurance. As a CEO, it is difficult to see how any other choice can be made.

Employees deserve protection. By law, but also by responsible companies and management.

In addition to the increase in the number of Scoober couriers, we have also professionalised our organisation. We have realized significant expansion, increasing our FTE number by 61% as at the end of 2017. I naturally welcome all our new employees, and thank all our professional staff, who have worked hard to make our new colleagues feel at home. I am happy that we continue to have a young and agile culture, even as we grow and attract a more diverse workforce in terms of backgrounds, nationalities and experience. Now that we have strengthened the organisation, we expect our staff growth to decrease in 2018.

Of course, we would not be where we are today without the nearly 33,000 restaurants on our marketplace, and who work with us to process their orders. In 2018 we will continue to fine-tune the service we offer, and have already begun introducing a large number of programmes to accommodate them. Our Partner Services department will continue to ensure a significantly improved service level in 2018.

I am pleased that in Germany we have been able to consistently gain market share and have further strengthened our clear number one position as a brand. We are confident that the gap between us and our competitors will only widen as the network effects of our business model are typically more beneficial for the number one player.



In addition, our growth in the highly profitable Dutch market allows us to continue to develop this market, while offsetting investments in other markets. This is particularly relevant given that the Netherlands is one of the few large and highly profitable online food delivery marketplaces worldwide. What we are doing in the Netherlands highlights the success and sustainability of our business model.

In the Other segment, we maintained high growth rates and further cemented our leading position. I would like to emphasise the significant long-term growth opportunity that we see in Poland, a large country with a strong food delivery culture. In 2017, we served a mere 5% of the addressable population aged 16 years and older, and we will continue to enhance our value proposition to the consumer and expand our restaurant network which will ultimately lead to a higher penetration rate.

As always, we will remain vigilant to our ever-changing environment. We promise to stay true to our goal of building the absolute best food delivery marketplace and are looking forward to doing that in partnership with our stakeholders.

I would like to end this message by thanking our staff, our partner restaurants, our shareholders and consumers. I am sure we will witness an exciting 2018!

**Jitse Groen**

CEO and founder

Takeaway.com



# Company profile

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*“Takeaway.com’s core business model relies on participating restaurants delivering food themselves, with the Takeaway.com marketplace serving as a source of orders for restaurants”*

## Who we are

Takeaway.com is an online food delivery marketplace connecting millions of consumers in eight European countries with nearly 33,000 local restaurants through our websites and apps. Our network benefits both restaurants and consumers, driving our continued growth. For restaurants, partnering with us offers the potential for additional orders at a minimal incremental cost, while enjoying the benefits of our significant marketing power and brand strength. We offer consumers the convenience of a large selection of local takeaway restaurants at their fingertips, user-friendly interfaces that allow the selection of a meal in a few taps and multiple options for online payment.

Established in 2000 by our founder and current CEO, Jitse Groen, Takeaway.com has become the leading online food delivery marketplace in Continental Europe, with market #1 positions, in terms of orders, in the Netherlands, Germany, Belgium, Austria and Poland (our Leading Markets). Today Takeaway.com has over 1,100 FTE spread across five offices in Europe including more than 2,000 couriers on the road. In 2017, Takeaway.com processed more than €1.3 billion worth of orders for our restaurant partners.

Takeaway.com is listed at the Euronext Amsterdam stock exchange and included in the AScX-index.



Fig. 1. Takeaway.com business model

## Our business model

We derive our revenue principally from commissions based on the gross merchandise value (GMV) of the food ordered through our marketplace and, to a lesser extent, from online payment services fees and other services that we provide to restaurants. Takeaway.com's core business model relies on participating restaurants delivering food themselves, with the Takeaway.com platform serving as a source of orders for restaurants and facilitating online payment processes (Fig. 1).

Historically, restaurants were dependent on local marketing, primarily through the distribution of flyers and paper menus, which

limited their reach. Takeaway.com offers restaurants access to a wider consumer-base and provides publicity at a relatively low cost, which results in an increase in orders for these restaurants. In addition, Takeaway.com also provides restaurant delivery services, internally branded as Scoober, in 24 European cities across six countries, delivering food for restaurants that do not deliver themselves. This service in particular, has expanded rapidly in 2017.

We focus on delivering a superior consumer experience and clear benefits to restaurants on our marketplace, thereby promoting network effects that enhance the value of the marketplace for both consumers and restaurants. Our marketplace connects consumers

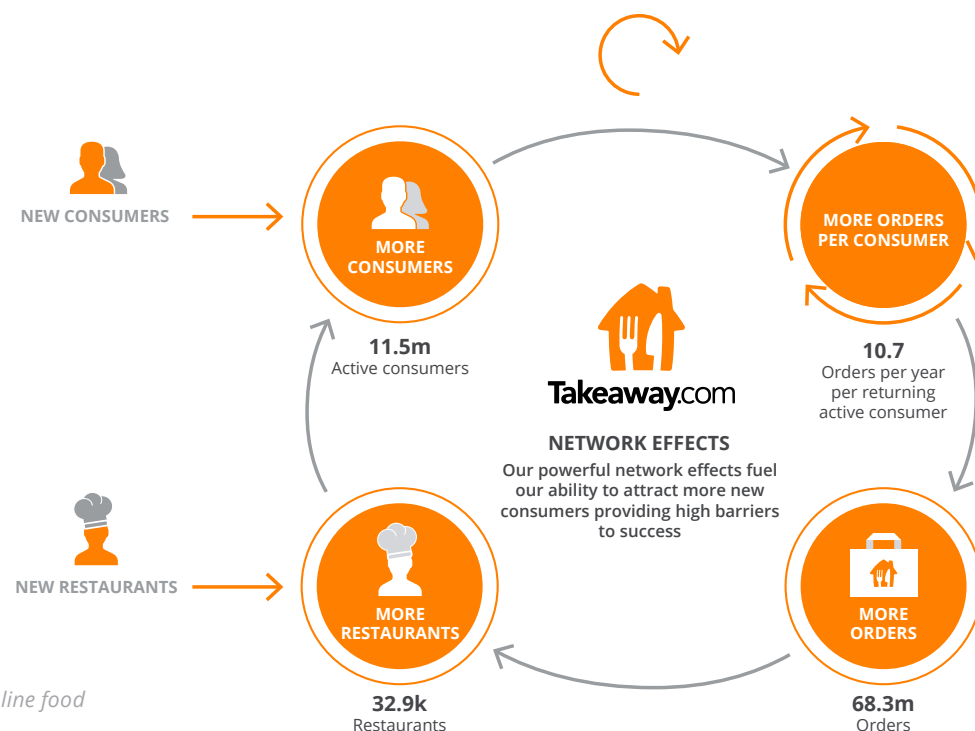


Fig. 2. Network effects of online food delivery marketplace

and restaurants by enabling consumers using mobile devices, personal computers and now also by voice to browse, select, order and pay for food through an easy-to-use interface that is designed to offer a high-quality user experience. For consumers, Takeaway.com seeks to provide a favourable user experience from selecting a restaurant to ordering for delivery through an intuitive interface by providing a large and varied selection of cuisines, broad restaurant choice, seamless payment processes, and transparent order tracking features. Our marketplace is designed to offer consumers an efficient way to order food, allowing them to discover and compare multiple restaurants that offer their desired cuisines almost instantaneously, rather than having to run separate searches for individual restaurants.

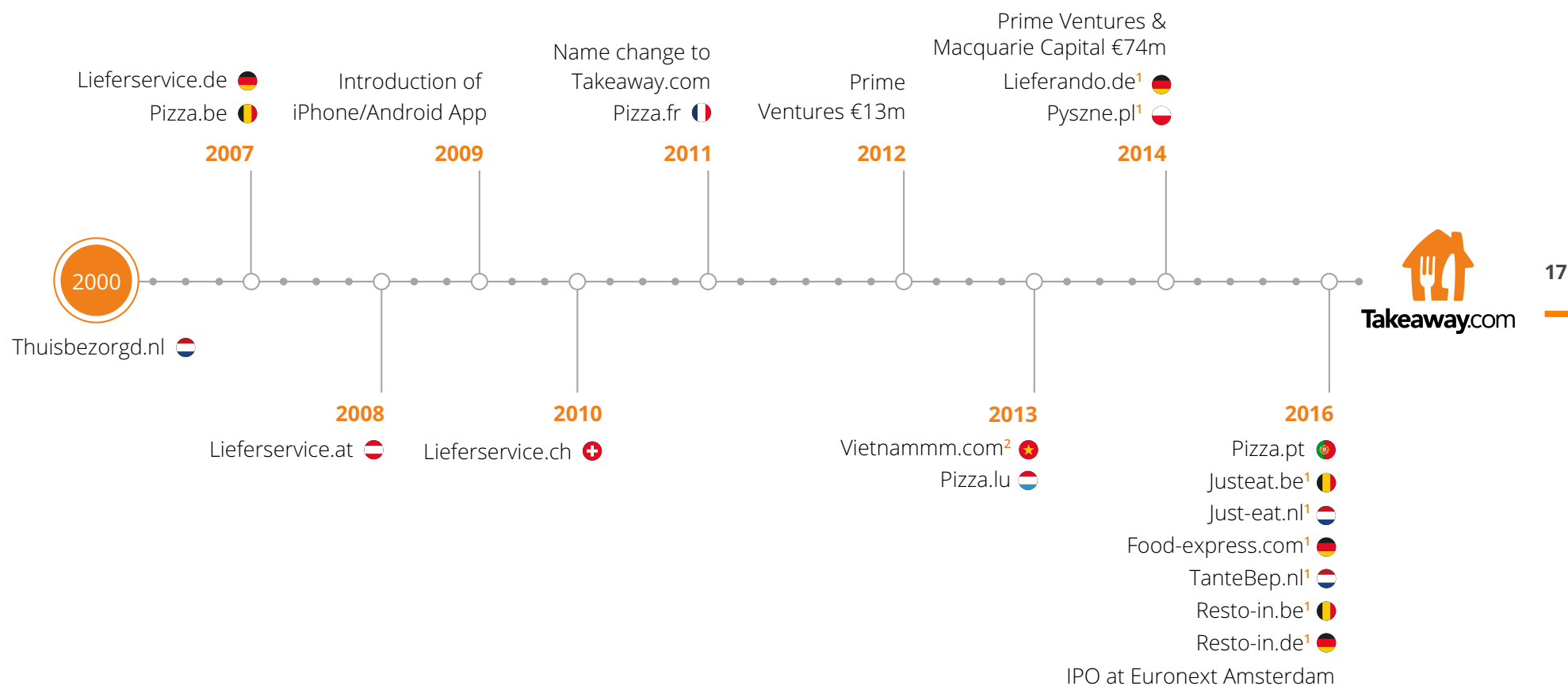
We benefit from powerful network effects as the number of consumers and restaurants on our marketplace is growing continuously (Fig. 2). As the number of consumers increases, more orders and higher gross merchandise value are generated, attracting more restaurants to our marketplace, which enhances and diversifies the offering, in turn attracting more consumers. In addition, the network effects result in an increasing average number of orders per restaurant, despite the growing number of partner restaurants. The self-reinforcing nature of these network effects helps us to sustain our market leadership and ultimately enhances profitability.



Once an online food delivery marketplace achieves clear market leadership, network effects generally not only provide the leader with a stronger and more defensible position vis-à-vis its competitors, it also drives revenue growth without a required linear increase in costs. We believe that leading market positions, in conjunction with an attractive marketplace, enable higher operating leverage and lead to higher operating margins than those competitors with a lower market share are able to achieve.






# History




<sup>1</sup> Acquisition


<sup>2</sup> Joint venture


	GMV TAKEAWAY.COM	GMV (ANNUAL GROWTH)
 The Netherlands	<b>€552m</b>	+32%
 Germany	<b>€480m</b>	+41%
 Belgium	<b>€103m</b>	+54%
 Austria	<b>€95m</b>	+42%
 Poland	<b>€78m</b>	+87%

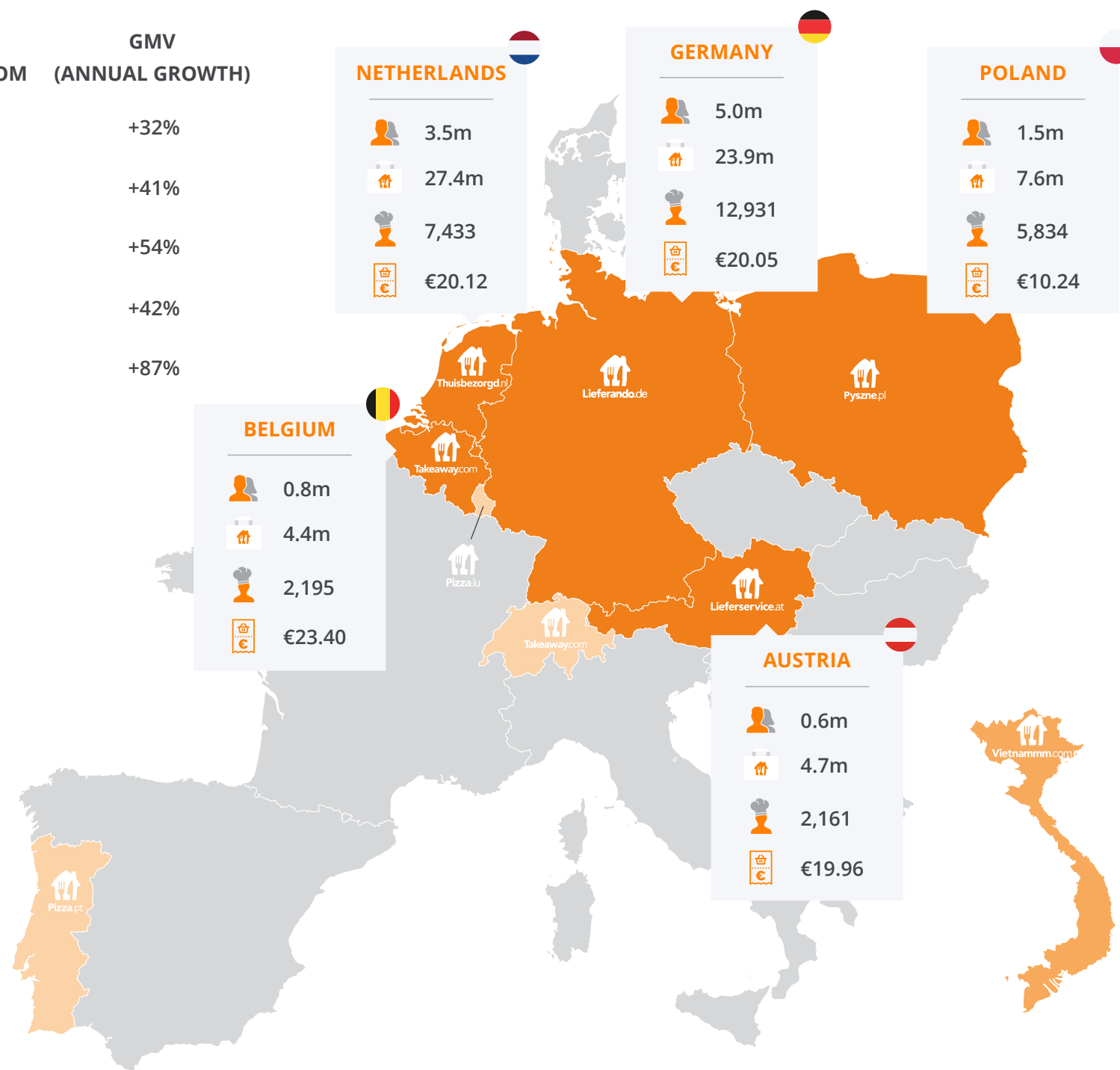
-  Leading position
-  Top 3 position
-  Joint venture

 Number of active consumer

 Number of orders

 Number of restaurants

 Average order value





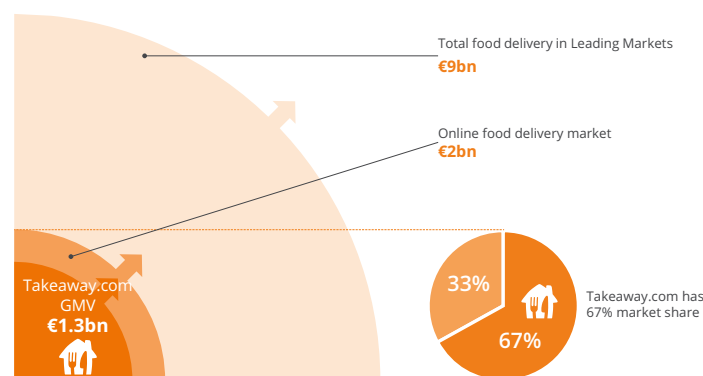
**In 2017, we expanded our market positions in all of our Leading Markets. We will continue to execute on our strategy, predominantly by investing in our brand, restaurant network and consumer experience**

**– Jörg Gerbig, COO**

## Our markets

We operate in eight European countries and through a joint venture in Vietnam. Our European Leading Markets represent an addressable population of over 135 million people, who spend an estimated €9 billion on food delivery annually (Fig. 3). In our five Leading Markets, where we have our strongest market presence, we estimate our addressable population penetration at less than 10% for each country with the exception of the Netherlands. This demonstrates the considerable upside potential that remains (Fig. 4).

### Food delivery market

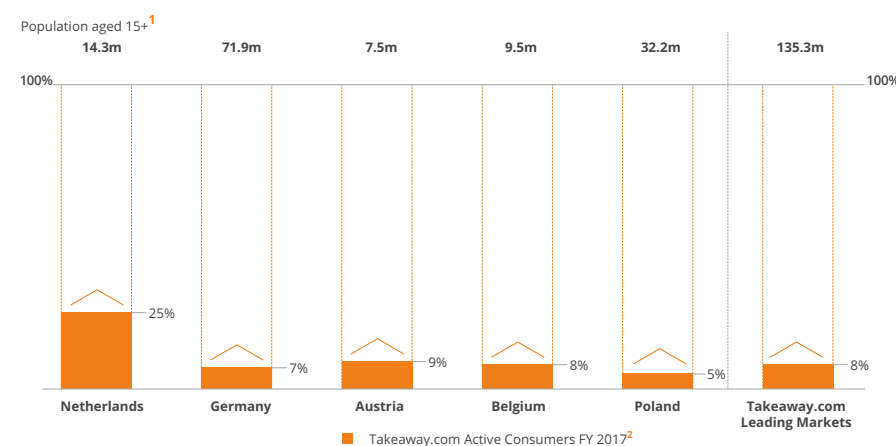


Source: Management estimates, All data refers to 2017

Fig. 3. Our potential market

Our large investment in restaurant acquisition and Scoober enabled us to increase the number of restaurants we offer by over 4,000 in 2017 on top of the base of 2016, with a corresponding increase in diversity of cuisine. We estimate that over 70% of takeaway food is still ordered by phone or in the restaurant, which means we see our growth being primarily driven by a shift from phone to online-based ordering and, to a lesser extent, by growth in the overall takeaway food market.

### Significant penetration upside



<sup>1</sup> Eurostat population census data as on 1 January 2017

<sup>2</sup> Active consumers refers to unique consumer accounts (identified by a unique e-mail address) from which at least one order has been placed on Takeaway.com's platform in the preceding 12 months as of 31 December 2017

Fig. 4. Takeaway.com penetration into Leading Markets



Fig. 5. Takeaway.com brands

## Single brand strategy

We operate a single brand in each country in which we operate, as we believe this is the most efficient and effective approach to reach consumers. It is efficient because we are able to concentrate all our marketing efforts around a single brand with only limited localisation; and effective because we can offer the broadest possible restaurant

and cuisine selection to consumers – meaning we can appeal to the entire market, rather than to specific segments. Each local restaurant has its own “brand strength” in the local area, making our offering “hyper-local”, while each restaurant also benefits from the efforts of our entire marketing organisation.

ONLINE  
RESTAURANTS  
**7,433**



ACTIVE  
CONSUMERS  
**3.5m**



ORDERS  
**27.4m**



GMV  
**€552.3m**



REVENUE  
**€74.4m**



MOBILE SHARE  
**79%**



In 2000, Jitse Groen founded Thuisbezorgd.nl and introduced online food ordering to the Netherlands, Takeaway.com's initial market. Since then, Thuisbezorgd.nl has grown to become one of the most recognised consumer brands in the country.

Today, the number of online food delivery restaurants connected to Thuisbezorgd.nl means that every consumer in the Netherlands has a large selection of restaurants from which they can order, regardless of where they live. In addition, we also offer Scoober in five large Dutch cities for restaurants who are connected to Thuisbezorgd.nl but who do not offer their own delivery services. With a spontaneous top of mind brand recognition of 54% of the population, Thuisbezorgd.nl is one of the best-known household brands.

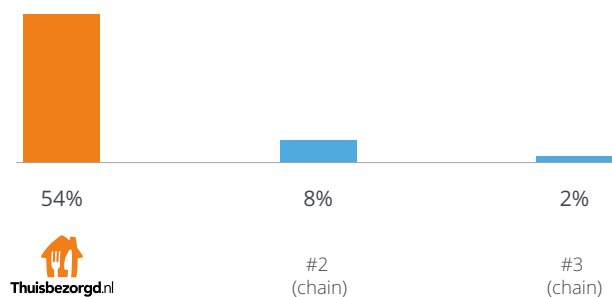
Driven in part by our strong brand, in 2017 25% of the addressable population ordered at least once in the last 12 months. The year-on-year growth of the number of orders remained strong at 30% which is due to an increased share of Active Consumers, currently 3.5 million, and by Active Consumers ordering more frequently. We are confident that our Dutch market will continue to grow driven by the switch from phone to online ordering and increasing frequency of food ordering by consumers.

We will continue to improve our extensive offering to our Dutch consumers by continuing to connect more restaurants to our marketplace, thereby guaranteeing consumers the broadest and best selection of restaurants from which to choose. Combined with significant marketing investments, this will increase the number of consumers who order via our network and will ultimately benefit the

restaurants, who will receive more orders. Another important area of investment was building up our Scoober business as we added a large number of restaurants and processed nearly ten times the number of orders in 2017 compared to 2016 with our expanded courier network.

The strengthening of our Scoober offering has allowed us to broaden the variety of cuisines we offer. For example, consumers can now order such items as kale mash, beetroot salads or Japanese mushroom burgers. In addition, we welcomed several new (inter-) national & local chains, demonstrating the strength of our brand.

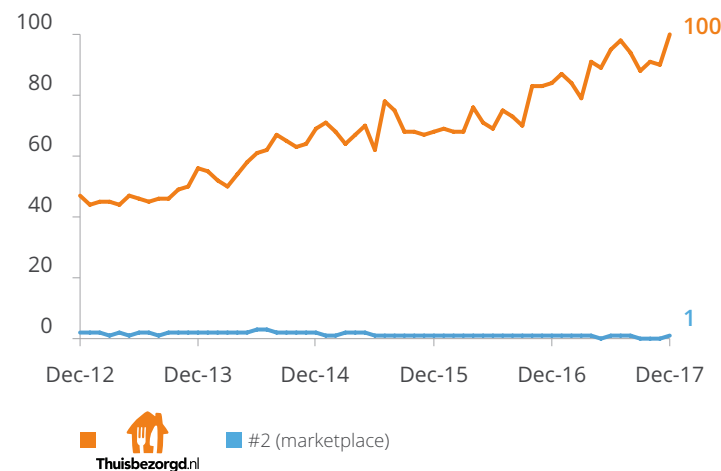
### #1 Top of mind brand awareness in the Netherlands<sup>1</sup>



Source:

<sup>1</sup> GfK February 2018, % of respondents answering "Now please think about the first website or app in your mind that enables you to order for delivery. Which brand do you think of?"

### Google trends web search interest<sup>2</sup>



<sup>2</sup> Brand search requests, indexed to 100 at the highest point during the period

## The Best Restaurant in the Netherlands

### Fresh2Go Sushi won the Best Restaurant Award 2017 for the Netherlands

"This is the second time we have won this award", says Ming Kwong, owner Fresh2Go Sushi. "The key to our success is simple: quality. No doubt about it. We prepare our sushi like they used to, with real sushi chefs; not machines; people who put their heart and soul in every piece. Also, our couriers are key, as people want to have their food delivered quickly. On busy evenings, we have 12 people delivering to consumers".



Average 5 stars from 7,046 ratings

### Courier's food for thought

Dérine (25) is one of our full-time Scoober couriers in the narrow and busy streets of Amsterdam. Originally from Sweden, Dérine makes consumers happy with the delicious meals she delivers. Her day starts at our city depot where she talks to her coordinator about the upcoming shifts as per her employment contract. She then puts on her orange coat and a special backpack, to keep the food hot, and then gets on her orange e-bike, all provided and well-insured by us. She receives orders from consumers and route directions to restaurants and consumers via our Delivery Service App, helping keep delivery times as short as possible. There are a lot of Scoober couriers in town, and we greet each other when we passing each other.

When asked what she likes about delivering food she responds: "I really like the physical aspect of the job, and the positive interaction with consumers and restaurants! I am the one who brings the food to the people and makes them happy. It is fun to work in the open air and I make it a sport to deliver the food as quickly as possible. Using the e-bike means I can cycle easily!"

Rain, hail or shine, Dérine delivers food with a smile.



ONLINE  
RESTAURANTS  
**12,931**



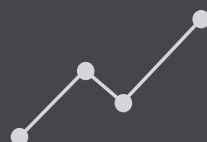
ACTIVE  
CONSUMERS  
**5.0m**



ORDERS  
**23.9m**



GMV  
**€480.1m**



REVENUE  
**€57.9m**



MOBILE SHARE  
**69%**



Takeaway.com has been active in Germany since 2007 with the brand Lieferservice.de. In 2014 Takeaway.com purchased yd.yourdelivery GmbH, and took over Lieferando.de, which has been on the market since 2009. Since the acquisition, we have grown Lieferando.de into the largest in the German online food delivery market in terms of orders and restaurants, with our restaurant base of circa 13,000 having an offering for an estimated 90% of the population.

This broad offering, combined with a growing number of cities in which Lieferando.de offers Scoober, we introduce new cuisines and chains, including popular brands as Vapiano, Dominos, Nordsee and Burger King. Management estimates that by the end of 2017, Lieferando.de processed substantially more orders from consumers than the #2 and #3 market players combined. This market leadership is reflected in a top of mind brand recognition of 36% – 2.4 times larger than the #2 brand. We estimate the addressable market in Germany at more than 70 million people, implying significant remaining potential.

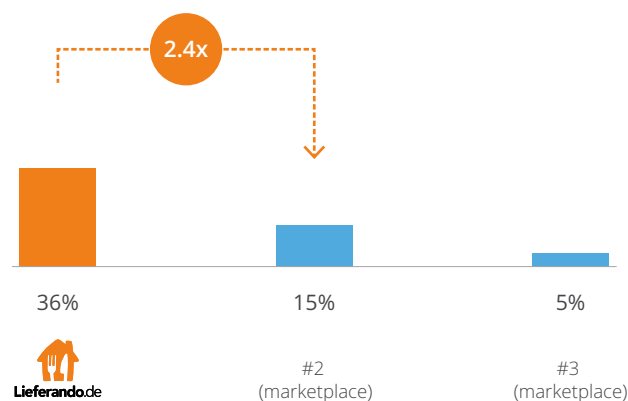
# Germany



To tap into that upside, one of our main strategic focus areas is growing our restaurant base in Germany. Today, we believe that only about half of online food delivery at German restaurants is connected to the Lieferando.de marketplace, meaning that there is a significant proportion of the market that we do not yet service fully.

As a result of our focus on restaurant growth, in 2017 we were able to achieve net growth of over 2,000 restaurants, almost double that of 2016. This was supported by a significant increase in staff at our sales and customer service departments. In addition to sales, we also invested in, and will continue to invest heavily in, marketing as an accelerator of top of mind brand awareness, which led to strong growth in our base of Active Consumers.

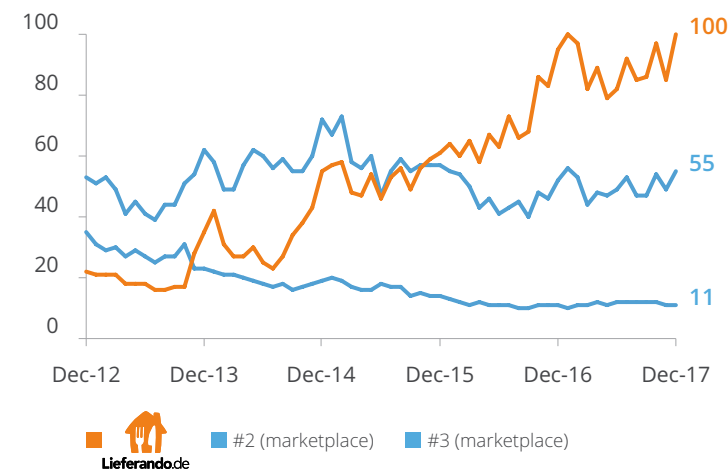
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### Google trends web search interest<sup>2</sup>



<sup>2</sup> Brand search requests, indexed to 100 at the highest point during the period

### **Increasing trend in food ordering through mobile devices in Germany**

The German population is increasingly using a mobile device to order food. In 2017, 69% of our orders went via a mobile device, seven percentage points higher than in 2016. We experience that app consumers tend to be more loyal than consumers who order via the website. Our dominant mobile position is reflected in the rankings of the iOS and Android Play! App store rankings, which are in the second consecutive year the highest among the food delivery marketplace competition.

## The Best Restaurant in Germany

### Sushi Plus won the Best Restaurant Award of 2017 for Germany

“Our love for the product, customer proximity and a top-team enabled us to defend our title”, says Takayuki Kawakami “We believe in excellent quality, guaranteed by the use of the best products. We work daily to maintain our quality and put a lot of time and effort into customer care, and we hope that our customers value it.



### What is your secret?

“Only sell what you can sell! Ultimately, the customer knows what he or she wants to have on the table, and the real food lover wants quality rather quantity.

We have some customers who are extremely happy with our food and some who are not. And we take reviews very seriously and have three colleagues who spend time reviewing and onboarding comments as part of their job. The more feedback the better.”



Average 4.5 stars from 3,946 ratings

### Courier's food for thought

Antonia (18) is student and a Scoober courier for Lieferando.de in the big city of Berlin. She was referred by her brother-in-law to apply for a courier role at Lieferando.de. This job is a perfect employment fit for her as during the day she is studying for her Abitur degree and is able to deliver the best food to consumers during peak times in the evening. Proudly packed with the orange Lieferando.de coat and hat she receives orders from consumers via our Scoober app which she picks up at the restaurants and delivers quickly to the consumers in the same serviced way as she would like to receive her sushi herself - the latter is her favorite.

On the question; "What is your advice for other people who would like to become a delivery driver?", she responds: "Just do it. I really enjoy my job and it's something else. You get to know the city in every corner, discover loads of new cool restaurants and meet the most diverse people."



ONLINE  
RESTAURANTS  
**12,565**



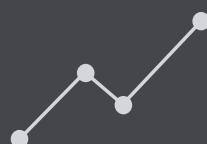
ACTIVE  
CONSUMERS  
**3.0m**



ORDERS  
**16.9m**



GMV  
**€280.8m**



REVENUE  
**€34.2m**



MOBILE SHARE  
**58%**



Our Other segment comprises our three other Leading Markets, Poland, Belgium and Austria, as well as the smaller countries we are active in, Switzerland, Portugal, Luxembourg and France. This is our smallest but fastest-growing segment and represents significant long-term growth potential.

### Poland

The local brand, Pyszne.pl, started in 2010, was acquired by yd.yourdelivery in 2012 and became part of Takeaway.com in 2014 with the acquisition of yd.yourdelivery. While in 2014 Pyszne.pl was around five times smaller than the largest online food delivery marketplace, today it is market leader, and is multiple times larger than the #2 in the market, in terms of orders.

With order growth of 75% in 2017 compared with 2016, Poland continues to be our fastest-growing market. When consumers want to order food online, they think of Pyszne.pl approximately five times more often than the nearest competing marketplace. In 2017, our restaurant offering grew by 15%, meaning we offer over twice as many restaurants than the nearest competitor. During the year, we introduced Scoober in Warsaw and are looking to extend this in 2018. We estimate that our restaurant offering currently covers 80% of the Polish population.

Our Active Consumer base grew to 1.5 million, representing 5% of the addressable market. Aside from the shift from phone to online ordering, we expect an increase in internet penetration to be a structural growth driver for our Polish business in the future.

Other

## Belgium

Since the launch of Pizza.be in 2007, our Belgian business has grown steadily. The acquisition of Just Eat Belgium in August 2016 drove significant growth in the country and cemented our market-leading position. In December 2016, we acquired the Belgian assets of Resto-In, adding further scale to our growing Scoober offering in Belgium. We rebranded Pizza.be to Takeaway.com in 2017 to follow our one brand strategy.

In 2017, the Belgian market is still relatively under-penetrated, our 0.8 million Active Consumers representing 8% of the addressable population. We expanded our restaurant base by 17%.

## Austria

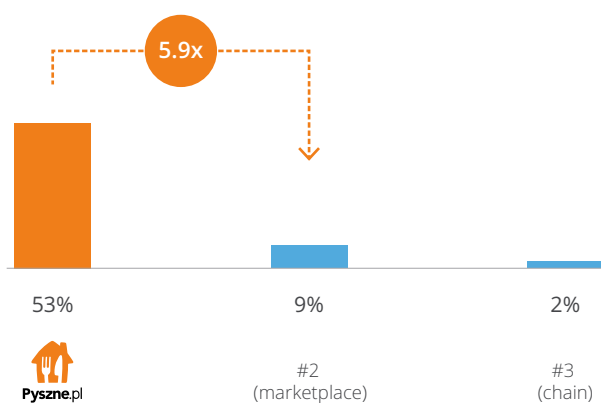
We introduced the Austrian local brand Lieferservice.at in 2008 to deliver a nationwide offering. Our restaurant base has grown continually since then, and in 2017 increased by 16% year-on-year to almost 2,200. We also introduced in Vienna during the year, which helped expand our restaurant base. We have successfully helped the restaurants bring in an average of 2,300 orders per year, and this grew by over 400 orders in 2017, demonstrating the increasing value we bring to our restaurant partners.

We continued to build on our leadership position in Austria in 2017 and the country remains the second fastest growing of our Leading Markets in terms of orders. We now have approximately one-third more restaurants than the #2 marketplace in Austria. In 2017, Lieferservice.at served 0.6 million Active Consumers, equating to 9% of the addressable population.

## Switzerland, Portugal, Luxembourg and France

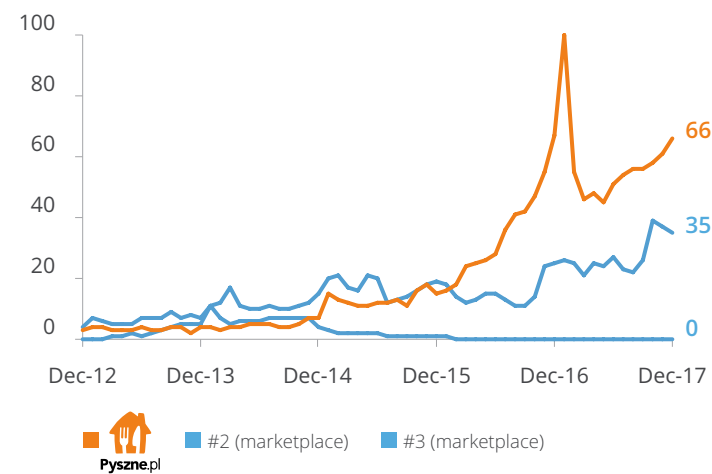
Our remaining countries represent less than 1% of our revenue, yet all have prospects to grow further towards a leading position. Each country benefits from the single platform (meaning a consistent user and restaurant experience) and one brand identity, allowing us to leverage our centrally-developed marketing campaigns in these countries. We aim to reach and maintain meaningful #1 positions in each of these markets.

Note that we discontinued our operations in France in February 2018.

#1 Top of mind brand awareness in Poland<sup>1</sup>

Source:

<sup>1</sup> GfK February 2018, % of respondents answering "Now please think about the first website or app in your mind that enables you to order for delivery. Which brand do you think of?"

Google trends web search interest Poland<sup>2</sup>

<sup>2</sup> Brand search requests, indexed to 100 at the highest point during the period



## The Best Restaurant in Poland

### Batumi won the Best Restaurant Award 2017 for Poland

The Batumi Restaurant on Różana has been run by the same family for many generations. Thanks to the homely and family atmosphere, everyone feels like they have moved to the beaches of the Georgian resort Batumi, or to the streets of fascinating Tbilisi, when they enter. "We did not expect anything at all. We are still shocked that Pyszne.pl users decided that we are the best in Poland. This is a great honour for us. We would like to warmly thank our clients who voted for us and all who order from us." said Batumi's owner, Denis Guliyev.



### What is your secret?

"We prepare food for our customers in the same way as we do for ourselves. We use only the best ingredients, many of them imported from Georgia. We are from Georgia, we know the flavours of our local dishes. When we began, there were no other Georgian restaurants or they were not offered on food delivery marketplaces."



*Batumi*  
*na Różanej*



Average 5 stars from 1,887 ratings





# Report of the Management Board

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*“Takeaway.com’s strong performance in 2017 underpins the effectiveness of our investments in sustainable growth to maintain and expand our leading market positions”*

## Our strategy

We continue to pursue a growth strategy in order to realise the substantial consumer acquisition opportunities in all our markets. We believe we can realise long-term value creation by continuing to improve our offering to both restaurants and consumers, ensuring a positive user experience that will result in a stable revenue growth at relatively low cost.

While our investments in future growth may result in short-term operating losses, the low penetration levels in our Leading Markets implies maximum long-term benefits through the acquisition of large numbers of consumers and restaurants as quickly as possible, thereby improving our market position to the point that our revenue outgrows our costs.

Consumer acquisition is critical to long-term value creation due to the predictable user behaviour in combination with the sticky nature of consumers in the online food delivery space. When consumers have a positive experience with an online food delivery marketplace, and are able to find their favourite restaurants each time they order, there is limited incentive for them to switch. The marketing costs per incremental order from each customer decreases, leading to a positive return on investment for individual consumers.

While we have invested significant amounts in marketing, we have grown sustainably to our current size, using substantially less cash than many of our industry peers. Capital discipline has been crucial to our long-term success as a company, and will continue to be so in the future.

We expanded our Active Consumer base by 2.6 million, or 29%, to a total of 11.5 million as of 31 December 2017. The share of Active Consumers that order more than once in the preceding 12 months also increased from 57% to 59%. Both of these developments are positive for long-term value creation, as we obtain evermore revenue from existing and loyal consumers.

We grew our restaurant base by 14% or more than 4,000 to a total of 32,929 partner restaurants as at 31 December 2017, while also increasing the value of orders driven to an average restaurant. This demonstrates the growing value we create for both consumers and restaurants which drives long-term value creation for our shareholders. The growth of Scoober across our markets increased the size of our addressable restaurant market.

In 2018, we plan to roll out some exciting new product improvements. Technological advancements help us increase customer satisfaction and further drive order frequency.

We are focused on maximising value in our Leading Markets. We understand that consolidation in the sector might continue in the future, and as such we may selectively pursue strategic acquisition opportunities that facilitate growth and support our market

leadership in existing and new markets. Opportunities will be evaluated based on return on investment and to accelerate growth in sizeable, underdeveloped and underinvested countries that offer attractive long-term growth potential.

At the same time, we might consider strategic alternatives such as closing down operations, divesting or merging activities in markets where we see no clear standalone path to leadership or profitability. We will monitor greenfield' opportunities to enter into new geographical markets that offer attractive long-term growth potential.

## Acquisitions

On 23 February 2018, Takeaway.com announced the signing of an agreement to acquire BGmenu in Bulgaria and Oliviera in Romania. Through this acquisition, Takeaway.com strengthens its position in Eastern Europe, in line with the strategy to further expand its leadership position on the continent. The enterprise value for the transaction is €10.5 million. To further accelerate growth, Takeaway.com will significantly invest in both Bulgaria and Romania.

## Our product

*We have significantly expanded our offering and further improved both our website, app, and professionalised our advertisement campaigns*

We have been working hard to further develop our product. Throughout 2017, we significantly expanded our offering, as well as our Scoober network. At the same time, we further improved both our website and app, and professionalised our advertising campaigns.

We expanded our restaurant network to include almost all chains in our Leading Markets and added thousands of smaller delivery restaurants to our websites. Additionally, the strong growth of our Scoober network enabled us to add restaurants to the network that do not typically provide delivery, including many established brands and local heroes.

In line with the expansion of our offering, the look and feel of both our website and apps have been updated, and we have made browsing through our offering much easier. We also invested in improving our Food Tracker service, which allows us to inform consumers about the arrival of their food.

In 2017, we introduced voice ordering through Amazon's Alexa in both Germany and Austria, which is our first trial with this emerging technology. We are the first food ordering marketplace in Continental Europe to offer these services. While we currently see this as an interesting experiment, we do believe that this will become an important channel to order food in the coming years.

We further improved usability to fully represent what we stand for: easily order wide variety of food within a very short time period. The development of our Scoober network has also increased our visibility in larger cities, and the way we employ our couriers helped establish Takeaway.com as a positive example of a marketplace company.

During the year, we also further improved our in-house developed operating system, the Takeaway.com Management System (TMS), which allows us to deal with a greater influx of orders, reducing pressure on our call centres. Our digital connections with restaurants continues to grow, and these connections provide us with direct feedback, enabling us to provide detailed Food Tracker information to our consumers and our call centres to work more efficiently. To ensure the stability of our service, we spent time and effort on improving redundancy, both by investing in server capacity and by outsourcing components of our core systems to cloud services.



## Marketing

*Become the most preferred and loved online food ordering and delivery brand in Continental Europe by empowering restaurants and consumers*

As consumers live more of their lives online and the need for convenience continues to increase, Takeaway.com is well-positioned to remain the most preferred and loved online food ordering and delivery brand in Continental Europe.

Our market is dynamic, continuously changing, and full of opportunities. In most countries, there is not only an opportunity to grow the category, but also our share within it. Even in the Netherlands, our most developed market in terms of online food ordering, the online category still only represents approximately a third of total food delivery orders and continues to grow.

To remain the most preferred food ordering brand, we will carry on investing in marketing through a centralised approach, thereby fully leveraging our scale across our markets. Our marketing efforts are aimed at driving awareness and preference of our brand in all markets, thereby converting as much relevant traffic as possible to

our marketplace. This approach enabled us to both attract a record number of new consumers, as well as improve retention.

Additionally, in 2017 our marketing efforts resulted in the following:

### Repositioning of the brand and increased awareness

As the number of restaurants on our marketplace grows, we see an expansion in the types of kitchens and food offered in each of our markets. At the same time, consumers' food-ordering needs are changing and shifting from traditional takeaway food, such as pizza, to a broader range of healthier and trendier options, including salads and poke bowls. As a result, in 2017 we decided to reposition our brand in all our markets, while still reinforcing our One Brand strategy. In February 2017, we launched our new 'Time For' brand campaign in all our markets, helping to raise awareness and support our brand repositioning. Our 'Time For' campaign emphasises the core convenience of Takeaway.com, while highlighting the great taste and quality of what we deliver by underlining the wide variety of our restaurant partners' great products.

### Increased new consumer growth

The main focus of our marketing efforts continues to be on attracting new consumers. In 2017, we again had a record year and attracted more new consumers, with the key driver being greater awareness due to the new brand campaign. At the same time, we successfully improved our online marketing in other areas to attract relevant traffic ahead of our competitors.

## Increased retention

While we increased new consumer growth substantially, we also increased consumer retention, as evidenced by the increased number of Active Consumers and the higher number of Orders per Returning Active Consumer. Key drivers behind this include increased app adoption and the success of re-activation campaigns.

## Marketing effectiveness

Although we continued to invest in marketing and stayed ahead of our competitors in terms of share of voice both offline and online, we were also able to improve our marketing effectiveness during the year.



## Scoober

*The roll-out of Scoober in selected markets fuels our network effects by further expanding our offering to consumers*

We launched Scoober for restaurants without their own delivery capabilities at the beginning of 2016. This service is integrated with the existing Takeaway.com marketplace, consistent with our “One Company, One Brand and One IT Platform” approach.

As a result, our focus is on providing consumers with the same experience in terms of pricing and service quality so that they are unable to differentiate between orders delivered by us and those delivered by the restaurants themselves. We believe this integrated offering will further enhance our brand awareness, provide the consumer with the best user experience, and secure our leading positions ahead of competitors or new entrants, while allowing us to maintain operational efficiency.

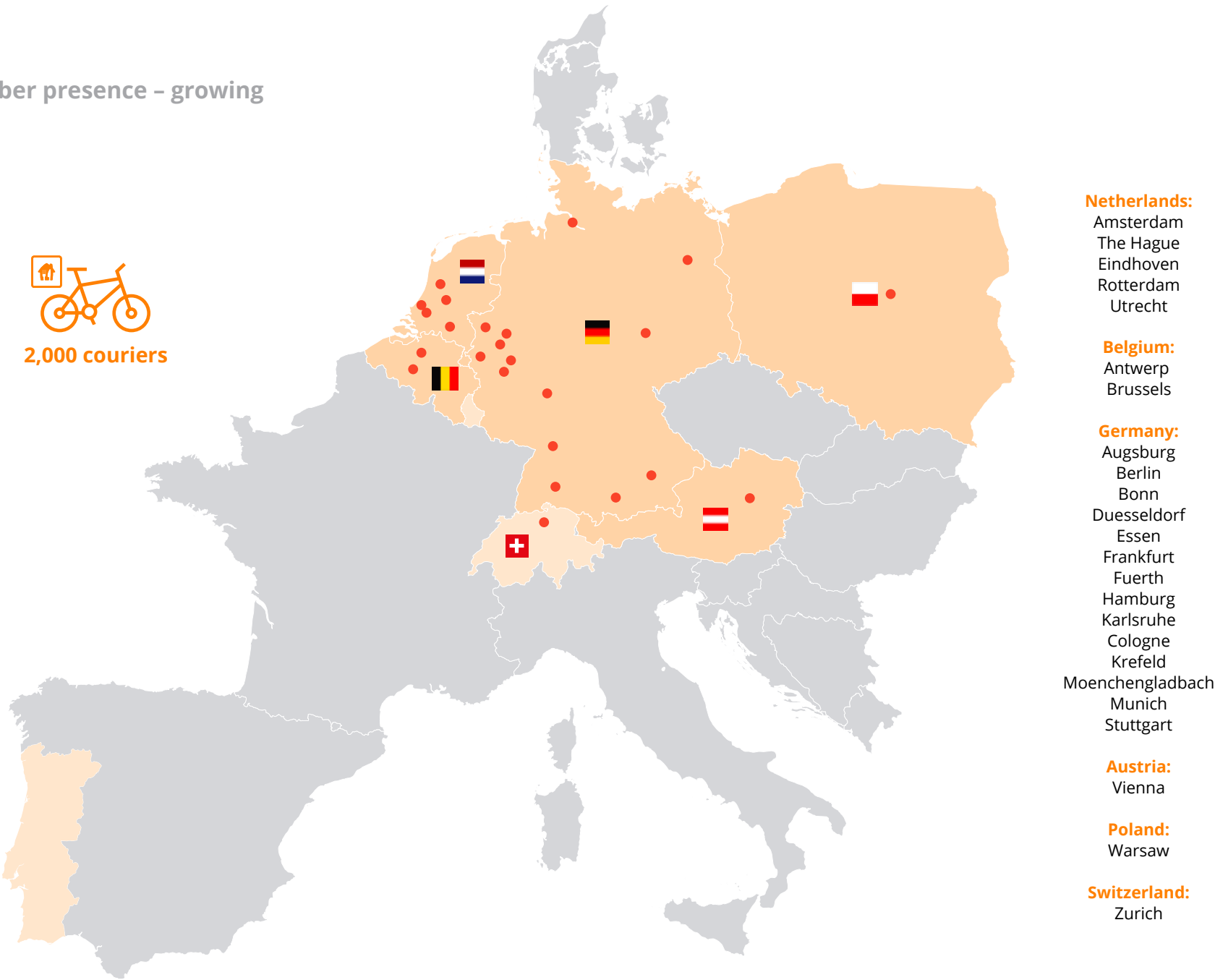
Scoober is currently operating in 24 European cities in six countries, thereby expanding our restaurant offering to consumers and enhancing our network effects. As at 31 December 2017, we had more than 2,000 Scoober couriers. All our couriers are properly employed, we make sure they are fully insured and our couriers are provided with e-bikes in most cities.

We believe that our hybrid model, which offers Scoober in select cities in tandem with our higher-volume restaurant-delivery model, is the most attractive strategy to continue to grow our business while remaining focused on achieving profitability.

Orders via Scoober amounted to 1.4% of total orders in 2017, versus 0.5% of orders in 2016.



Scoober presence – growing



## Our people

At Takeaway.com, our people are our biggest asset. Our Human Resources strategy is focused on attracting, developing, engaging and inspiring talented people to ensure we can continue to be the most preferred and loved food order brand in Continental Europe.

In 2017, we made substantial investments in our Human Resources function. We expanded and transformed the team and attracted new senior talent, creating a new scalable structure with key functions in recruitment, compensation, human resources, information technology, talent and business partnering.

We introduced a wide variety of HR programs and instruments that will contribute to our growth and continued success.

We also introduced local HR Business Partners in every Takeaway.com office. Our goal was to improve our HR presence and support, which should result in better HR decisions and initiatives, which are aligned with the objectives and needs of local businesses.

We continued to strengthen our recruitment function, which is now even better positioned to attract the talent required to support our rapid growth. We invested in smart system solutions, improved our talent sourcing capabilities and capacity, and introduced instruments to warrant the quality of our hires.

During the year, our HR function built a job family framework.

This will have a number of positive effects, including providing us with better insights into our people's total reward package and our market competitiveness. Our job family framework will be our platform for organisational development, contributing to an even stronger people strategy, helping us to attract and retain the right talent at the right cost at the right time.

In addition to implementing the job family framework, we also increased our focus on the careers of our people – and personal development, through training, coaching and performance management. In 2018, we will add the talent management function to our HR department and continue to expand our training and development investment.

We implemented a cloud based human resources information system, which has enabled us to automate and standardise our human resources' processes across our locations. This has resulted in greater efficiency and higher quality employee data and improved controls. The result is that we are even better positioned to support our rapid growth and scale up our organisation quickly and efficiently.

We are proud of the progress we made with our HR function in 2017, which we believe is well positioned to support our people, management and our organisation in its future challenges and development.

The geographic spread of the number of our employees (in FTEs) at year-end.

FTE (at year-end)	2017	2016
The Netherlands	511	291
Germany	427	310
Other	233	119
<b>Total</b>	<b>1,171</b>	<b>720</b>

FTE (at year-end)	2017	2016
Customer Services / Logistics	355	246
Sales	139	74
Marketing	93	49
Product and Technology	100	95
Management and Support	74	42
<b>Total departments</b>	<b>761</b>	<b>506</b>
Scoober	410	214
<b>Total</b>	<b>1,171</b>	<b>720</b>

As part of the 'One Company, One Brand and One IT Platform' approach, our business in Continental Europe is centrally organised and primarily managed from our Amsterdam headquarter.

We value diversity within the company, and employ people with different nationalities, experience and backgrounds. On average, 40 nationalities are represented within the company, and approximately half our staff are male and half are female.

The level of experience and education of our employees is also diverse. In general, our couriers are relatively young, for example students, and work only a limited number of hours per week. Our customers service agents also tend to favour part-time work over fulltime.

We pay a great deal of attention to diversity in the composition of the Management Board and strive to have members with a background (nationality, working experience or otherwise) in the countries where we have a presence.

When nominating a candidate for appointment, the qualifications (such as expertise and experience) of the candidate and the specific requirements for the position to be filled shall prevail.

Employees based in our geographical markets in Continental Europe are principally local sales and customer service representatives who are able to operate in the relevant local language.

## Works' council

In the Netherlands a works' council is installed within Takeaway.com. In 2017, the works' council held several meetings at which one or more representatives of management were present. These meetings were held at our headquarters, in Amsterdam, as well as at our office in Enschede. During these meetings requests for advice or consent, as submitted by management were discussed.

We realise that members of the works' council invest a substantial amount of time in fulfilling their duties as an employee representative, so it is pleasing that people are willing to take this on. Employee engagement expressed as membership of the works' council deserves particular respect. We value the open dialogue with employee representatives and thank our colleagues who took on this role in 2017.



## Our culture

During 2017, the Management Board took steps to further professionalise the company's internal organisation. One of the projects undertaken was redefining our corporate values and embedding these in our culture. Although this project has not yet been finalised, we made progress, as the need to clearly define, embrace and breathe our core values into the company has become more important given our fast growth.

Our business as a disrupter of a market centred on ordering meals by phone, is still part of our DNA and visible in the way we strive for simplicity. The vision of our CEO when he started Thuisbezorgd.nl was to create a simple solution for ordering food. Today, simplicity is mostly visible in our One Product, One Company approach, and our urge to make our business scalable and consistent.

Our focus is on providing consumers and restaurants with great service, as we believe this is vital if we are to maintain a solid base of satisfied consumers, who will return and provide our restaurants with as value as possible. Ensuring a high level of trust by keeping our promises and being respectful is crucial for a service-minded organisation.

We started our business as a market disrupter. This means we should remain flexible and be pro-active so we can remain a leader in our field. In order to remain relevant, we seek for committed and flexible staff who love to work in a continuously changing and competitive environment but feel responsible towards our partners to serve them in an optimal way.

These three key values are the values we seek in people we employ.

We are ambitious when it comes to the implementation of these values, which is shown in our business model, our strategy, and the way in which we treat our customers, restaurants and employees and is largely embedded in our code of conduct.

To ensure compliance with our code of conduct, we investigate and, if necessary act on reported incidents relating to a breach of our code of conduct (or other procedures and policies within Takeaway.com).

**ONE PRODUCT,  
ONE COMPANY**



**Scalable and consistent  
Speed and pragmatism**  
*"We strive to act pragmatically  
and focus on what is essential"*

**SERVICE ORIENTED**



**Dedicated  
Accountable**  
*"We say what we mean, keep our  
promises and treat others with respect"*

**COMMITTED**



**Responsible  
Take initiative**  
*"We believe in being flexible and  
adaptable in order to 'get the job done'"*

## Corporate social responsibility

We are committed to having a strong, positive social and sustainable impact everywhere we operate. This is also included in our code of conduct, in which we state that Takeaway.com wants to become an integral part of the societies in which we operate and – with a tradition of sustainable entrepreneurship – make a meaningful contribution to our stakeholders.

We are committed to conducting our operations in an environmentally and socially sound and sustainable manner, continually aiming at improving our performance in this regard. This is reflected in one of our corporate values, trust, pursuant to which we not only treat each other with respect but also our environment.

Throughout the year, we have been growing our fleet of e-bikes used for Scoober. And per the end of 2017, we had a pool of over 2,000 couriers across 24 cities. We have chosen e-bikes as it is better for the environment, easier for our riders as well as provides a faster delivery time. Our goal is to have a fleet consisting of predominantly e-bikes by the end of 2018.

We refrain from engaging self-employed couriers and we make sure that our couriers are fully insured. This area is non-negotiable and provides us with sufficient flexibility.

All the paper and cardboard packaging we provide to restaurants is recyclable. In 2017, we introduced recyclable packaging for tray seal machines. Typically, the trays used for these machines were made





from plastic. During the year, we also introduced trays made from cardboard, which are as watertight and food-safe as plastic equivalents.

We introduced to sizes of recycled paper bags in our Leading Markets, which we sell these alongside regular paper bags. We observed that over 50% of all bags currently used are the recyclable ones. In 2018, we will continue to stimulate restaurants within our marketplace to increase usage of recyclable packaging and, we will also offer hamburger boxes and meal boxes in recycled packaging. In addition, we provide our Scoober partners with these bags free of charge in helping promote sustainable business practices.

We are a highly centralised company, with five offices. Our staff use video-conferencing as much as possible, rather than travelling, and we are a paper-low company resulting in a lower global footprint.

In addition, we encourage the use of public transport by providing our employees with transport passes.

We support regional initiatives to promote entrepreneurship among students. In light of this, in the last year we supported initiatives such as Startup24 and participated in the Coca Cola Academy.

We are committed to having a strong, positive social and sustainable impact everywhere we operate. We strive to effectively manage our environmental footprint by reducing our use of natural resources and seek green alternatives where possible.

We believe in treating others fairly, acting with care and consideration and respecting human rights. We do not tolerate intimidation or harassment in any form. We value diversity and do not discriminate. This is also reflected in our code of conduct.

As also stated in our code of conduct, our position on bribery and corruption is clear; the direct or indirect offer, solicitation or acceptance of a payment in order to obtain a commercial advantage is unacceptable and forbidden. The occasional acceptance or offer by our employees of gifts or favours (including hospitality and entertainment) is legitimate if this contributes to our business and falls within the criteria set forth in our code of conduct.

## Our performance in 2017

We realised significant growth in both orders and revenue in 2017. This growth was the result of our strong market positions in our Leading Markets which we developed over the years, as well as the intensified investments in our brands, product, restaurant offering and organisation during 2017. These accelerated investments were enabled by the fresh capital we raised in our initial public offering in 2016, and by the expanded profitability of our business in the Netherlands.

We processed 68.3 million orders in 2017, an increase of 38% from 2016, which resulted in a total revenue of €166.5 million. Revenue growth amounted to 49% in 2017 compared with 2016, thereby exceeding order growth, mainly driven by increased orders, increased commission rates in Germany and Other segments. We experienced continuing benefits from the network effects inherent in our business model and believe that this will remain a structural driver of growth for us in the coming years. We again demonstrated the benefits of market leadership, which we believe is the only way to achieve high and sustainable margins.

As a result of the investments in our long-term growth strategy, we had an adjusted EBITDA loss in 2017 of €27.6 million, compared with an adjusted EBITDA loss of €18.3 million in 2016. Our adjusted EBITDA margin slightly decreased to minus 17% in 2017 from minus 16% in 2016.

We are pleased with our continued growth in 2017, though we are also focused on our path to profitability, as demonstrated by the

narrowing of losses in the second half of 2017 compared with the first six months of 2017.

Below we explain how the development in our key performance indicators contributed to our results in 2017.

### Performance review

#### Key performance indicators

##### *Restaurants*

We believe that a successful online food delivery marketplace starts with broad coverage of participating restaurants. For that reason, we are continuously investing in the acquisition of new restaurants in all our markets. This allows us to offer the broadest choice and variety of restaurants to consumers which leads to continuous improvement in conversion and retention. For restaurants, our value proposition is access to a large consumer base which continually orders on a more frequent basis, thereby creating additional value for restaurants. We continue to distinguish ourselves by having the largest possible offering.

Restaurants	As at 31 December				
	2017	2016	2015	2017 to 2016	2016 to 2015
				(% change)	(% change)
The Netherlands	7,433	6,811	6,029	9%	13%
Germany	12,931	10,903	9,809	19%	11%
Other	12,565	11,073	9,108	13%	22%
• Belgium	2,195	1,877	1,485	17%	26%
• Austria	2,161	1,862	1,668	16%	12%
• Poland	5,834	5,062	3,939	15%	29%
• Rest <sup>1</sup>	2,375	2,272	2,016	5%	13%
<b>Total</b>	<b>32,929</b>	<b>28,787</b>	<b>24,946</b>	<b>14%</b>	<b>15%</b>

<sup>1</sup> Excludes United Kingdom, for which operations were discontinued in August 2016, to enable like-for-like comparison. Including these restaurants, the total for 'Rest' would be 2016: 2,272; 2015: 5,784

In all our Leading Markets, the number of participating restaurants on the Takeaway.com marketplace increased in 2017 compared with 2016. This growth was mainly driven by our investment in our sales teams which improved our capacity to acquire new restaurants. Our result in Germany was particularly pleasing, as we were able to accelerate our restaurant growth rate compared with 2016 and almost doubled 2016 net growth numbers.

### Active Consumers

In 2017, we continued to acquire a large number of new consumers while reducing churn of existing consumers. Both developments led to an increase in the number of Active Consumers in all markets. The growth reflects the strength of our local brands in these countries which in turn is driven by our strong value proposition to

consumers, our product, as well as the material marketing efforts we have made in recent years allowing us to achieve the highest brand awareness, thereby attracting the most new consumers.

Active Consumers (in thousands)	As at 31 December				
	2017	2016	2015	2017 to 2016	2016 to 2015
				(% change)	(% change)
The Netherlands	3,548	2,960	2,471	20%	20%
Germany	4,977	3,915	3,051	27%	28%
Other	2,975	2,024	1,210	47%	67%
• Belgium	783	588	421	33%	40%
• Austria	643	494	365	30%	35%
• Poland	1,455	883	388	65%	128%
• Rest <sup>1</sup>	94	59	36	59%	64%
<b>Total</b>	<b>11,500</b>	<b>8,899</b>	<b>6,732</b>	<b>29%</b>	<b>32%</b>

<sup>1</sup> Excludes United Kingdom, for which operations were discontinued in August 2016, to enable like-for-like comparison. Including these active consumers, the total for 'Rest' would be 2016: 59; 2015: 110

Despite the high growth of our Active Consumer base, all Leading Markets with the exception of the Netherlands exhibit low penetration (between 5%-9%). In the Netherlands we maintained our growth rate of Active Consumers despite the relatively high penetration and maturity stage of the market, demonstrating the strength in this profitable core market. This reflects the fact that, despite the scale that online food delivery marketplaces have reached, the majority of orders are still made by phone. The shift

from offline to online ordering will remain a structural growth driver across all our markets in the coming years.

### Returning Active Consumers

Returning Active Consumers are Active Consumers who have ordered more than once in the preceding 12 months. The number of Returning Active Consumers increased in 2017 compared with 2016 across our Leading Markets. In addition, the Returning Active Consumers as a percentage of Active Consumers improved by two percentage points in 2017 reflecting improved loyalty in our customer base. In addition to these positive developments, we experienced continued growth in the order frequency of Returning Active Consumers to 10.7 orders in 2017 from 10.5 orders in 2016, resulting in a multiplier effect on our order figures.

Returning Active Consumers	As at 31 December		
	2017	2016	2015
Returning Active Consumers in millions <sup>1</sup>	6.8	5.0	3.6
Returning Active Consumers as % of Active Consumers <sup>1</sup>	59%	57%	53%
Order frequency of Returning Active Consumers <sup>2</sup>	10.7	10.5	10.1

<sup>1</sup> Excludes United Kingdom, for which operations were discontinued in August 2016, to enable like-for-like comparison. Including these Returning Active Consumers, the total would be 2016: 57%; 2015: 53%

<sup>2</sup> Orders made by Returning Active Consumers, divided by average number of Returning Active Consumers

### Orders

The number of orders processed increased to 68.3 million in 2017 compared with 49.3 million in 2016, an increase of 38%. This was driven by the increase in our active customer base, the improved percentage of Returning Active Consumers, and the growing order frequency of Returning Active Consumers.

Orders (in thousands)	Year ended 31 December				
	2017	2016	2015	2017 to 2016	2016 to 2015
				(% change)	(% change)
The Netherlands	27,446	21,083	15,946	30%	32%
Germany	23,946	17,341	11,693	38%	48%
Other	16,899	10,897	6,072	55%	79%
• Belgium	4,382	2,905	1,935	51%	50%
• Austria	4,749	3,428	2,145	39%	60%
• Poland	7,580	4,333	1,756	75%	147%
• Rest <sup>1</sup>	188	231	236	(19)%	(2)%
<b>Total</b>	<b>68,291</b>	<b>49,321</b>	<b>33,711</b>	<b>38%</b>	<b>46%</b>
White label <sup>2</sup>	15	424	923	(96)%	(54)%

<sup>1</sup> Includes United Kingdom, for which operations were discontinued in August 2016. Excluding these orders 'Rest' would be for 2016: 142 thousand (+100%); 2015: 71 thousand

<sup>2</sup> White label orders have not been included in total number of orders

## Average Order Value

Average Order Value increased in all Leading Markets in 2017 compared with 2016, partly caused by the growth of Scoober orders, which usually carry a higher basket value. There are significant variations in the Average Order Value across our markets. On average, however, the order value is relatively stable in each market and is largely a function of general economic conditions and other country-specific factors which are, for the most part, outside of our control.

Average Order Value (in €)	Year ended 31 December		
	2017	2016	2015
The Netherlands	20.12	19.90	19.90
Germany	20.05	19.68	19.25
Other	16.62	16.59	17.93
• Belgium	23.40	22.93	23.12
• Austria	19.96	19.48	19.20
• Poland	10.24	9.55	9.43
• Rest <sup>1</sup>	30.98	25.95	27.09
<b>Total<sup>2</sup></b>	<b>19.23</b>	<b>19.09</b>	<b>19.32</b>

<sup>1</sup> Includes United Kingdom, for which operations were discontinued in August 2016. Excluding these orders the average order value for 'Rest' would be 2016: €27.11; 2015: €30.72


<sup>2</sup> Weighted average

## Gross Merchandise Value

The value of total orders processed increased to €1,313.2 million in 2017 from €941.7 million in 2016, representing a 39% increase. The relative growth was slightly higher than our overall order growth rate due to the slightly higher Average Order Value in all markets, partly caused by the growth of our Scoober network.

Gross Merchandise Value (in millions of €)	Year ended 31 December				
	2017	2016	2015	2017 to 2016	2016 to 2015
				(% change)	(% change)
The Netherlands	552.3	419.6	317.3	32%	32%
Germany	480.1	341.3	225.1	41%	52%
Other	280.8	180.8	108.9	55%	66%
• Belgium	102.6	66.6	44.7	54%	49%
• Austria	94.8	66.8	41.2	42%	62%
• Poland	77.6	41.4	16.6	87%	150%
• Rest <sup>1</sup>	5.8	6.0	6.4	30%	(6)%
<b>Total</b>	<b>1,313.2</b>	<b>941.7</b>	<b>651.3</b>	<b>39%</b>	<b>45%</b>

<sup>1</sup> Includes United Kingdom, for which operations were discontinued in August 2016. Excluding these orders the gross merchandise value for 'Rest' would be 2016: €3.8 million (+76%); 2015: €2.2 million (+72%)



**In 2017 we invested significantly in our organisation, positioning us for our next phase as a public company**

**– Brent Wissink, CFO**



## Group financial review

### Revenue

Revenue consists of commission revenue, online payment services revenue and other revenue items such as merchandising revenue and top placement fees. The first two revenue items, which are driven by the number of orders, represented 97% of total revenue in 2017.

In 2017, we generated a total revenue of €166.5 million, a 49% increase from €111.6 million in 2016. This increase was the result of growth in orders and higher average commission rates in each of our Leading Markets.

Revenue by segment (in thousands of €)	Year ended 31 December				
	2017	2016	2015	2017 to 2016	2016 to 2015
				(% change)	(% change)
The Netherlands	74,427	55,253	41,871	35%	32%
Germany	57,859	36,809	24,085	57%	53%
Other	34,192	19,579	10,780	75%	82%
• Belgium	14,402	8,288	5,200	74%	59%
• Austria	10,388	6,634	3,266	57%	103%
• Poland	8,708	4,229	1,667	106%	154%
• Rest <sup>1</sup>	694	428	647	62%	(34)%
<b>Total</b>	<b>166,478</b>	<b>111,641</b>	<b>76,736</b>	<b>49%</b>	<b>45%</b>

<sup>1</sup> Includes the United Kingdom for which operations were discontinued in August 2016

### The Netherlands

Revenue grew by 35% to €74.4 million in 2017 from €55.3 million in 2016. Despite not increasing our standard commission rate, we were able to accelerate our revenue growth compared with 2016. The main driver for this was the growth of our consumer base and the increased order frequency of consumers. Other drivers included the increasing share of Scoober orders, which contributed 3% to our commission revenue on 1% of orders, and the ongoing increase in the proportion of orders paid online by consumers. In the Netherlands over 70% of orders were paid online in 2017, with the popular iDeal payment method accounting for 66% of all orders.

### Germany

Revenue grew to €57.9 million in 2017, a 57% increase from €36.8 million in 2016 and demonstrating the strong revenue generating capability. Revenue growth during this period was above our order growth of 38%, due mainly to an increase in the standard commission rate of 1% from 1 January 2017 onwards, as well as an increasing share of Scoober orders. Commission revenue accounted for 88% of total revenue in 2017 compared with 86% in 2016. Revenue from online payments grew by 46% compared with 41% in 2016 due to the increasing number of orders being paid online, though the majority of orders in Germany are still paid in cash at the door.

### Other

Revenue in Takeaway.com's segment Other (which includes Belgium, Austria, Poland, France, Luxembourg, Portugal and Switzerland) grew by 75% to €34.2 million in 2017 from €19.6 million in 2016.



With the exception of France, all geographies contributed to this growth due to increasing orders and the increased proportion of orders paid online, which led to an increase in online payment service revenues. The substantial growth in revenue as compared to GMV and order growth reflected an increase in the average commission rate driven by standard commission rate increases in Poland, Belgium and Austria from January 2017, as well as growth in Scoober orders which represented 0.6% of total orders. In addition, the increasing adoption of online payments by consumers grew significantly.

## Commission

Commission revenue was €149.7 million in 2017, representing 90% of total revenue compared with 89% in 2016. This increase was driven by higher average commission rates across all our markets, following an increase of our standard commission rates in all Leading Markets, except the Netherlands, from the start of 2017 and the increasing share of Scoober orders carrying higher commission rates. The average commission rate for the Group increased to 11.4% in 2017 from 10.6% in 2016.

Average commission rate per country (in %)	Year ended 31 December		
	2017	2016	2015
The Netherlands	12.3%	12.1%	10.2%
Germany	10.5%	9.3%	8.8%
Other	11.2%	9.7%	8.8%
• Belgium	12.1%	10.8%	10.2%
• Austria	10.7%	9.7%	7.5%
• Poland	10.6%	8.8%	8.7%
• Rest <sup>1</sup>	9.3%	5.5%	4.6%
<b>Total</b>	<b>11.4%</b>	<b>10.6%</b>	<b>9.5%</b>

<sup>1</sup> Includes the United Kingdom for which operations were discontinued in August 2016

Each year, we assess the commission rates which are being charged in each country and determine whether the rates need to be maintained or updated. We occasionally increase our commission rates to reflect the continuous improvement in our value proposition to restaurants, including our investments in marketing and technology, and our ever-expanding network of both consumers and restaurants. Takeaway.com's commission rates remain low when compared to peers.

## Online payment services revenue and other revenue items

As a result of further adoption of online payments by consumers, revenue from online payments increased to €12.0 million in 2017 from €8.1 million in 2016. Despite the percentage of orders paid online increasing to 54% in 2017 from 51% in 2016, we see great variation in online payment usage in our Leading Markets, from 73% in the Netherlands, to 41% in Germany and 43% in the Other segments.

Other revenues are relatively limited and include sales of goods to restaurants, such as merchandise and GPRS printers, as well as top placement fees. Revenue from other revenue items grew to €4.8 million in 2017 from €3.6 million in 2016, representing growth of 33%.

## Cost of sales and gross margin

The Group's cost of sales was €27.0 million in 2017, which represented a 73% increase from €15.6 million in 2016. The growth in cost of sales was significantly higher than the growth in orders as a result of the roll-out of Scoober, which added courier labour expenses of €11.2 million to the cost of sales in 2017, compared with €4.5 million in 2016. Excluding the impact of Scoober, cost of sales increased by 42% year-on-year, which was 7% below our revenue growth.

As a result of the above, our gross margin declined to 84% in 2017 from 86% in 2016.

## Staff costs

Staff costs were €32.1 million in 2017, representing a 55% increase from €20.7 million in 2016. Excluding (one-off) employee bonus share expenses, staff costs were €29.4 million in 2017 compared with €19.8 million in 2016, representing an increase of 48%. This increase is the result of significant investments in our organisation. We expanded our staff to manage our growth strategy and intensified our investments in our technology and product teams in order to innovate more rapidly. In addition, the listing of shares in the Company and increasing regulatory requirements necessitated further investment in headquarter staff, which is reflected both in the growth of FTEs as well as the increase of average staff costs per FTE. Apart from approximately 2,000 Scoober couriers, or 410 FTEs, as at the end of 2017, which are recorded in the cost of sales, the growth of our Scoober offering also required additional support and management staff in that area. Our staff, excluding couriers, increased to 761 FTEs as at 31 December 2017 from 506 FTEs as at 31 December 2016.

The aforementioned (one-off) employee bonus share expenses, which relates to cost of shares granted by a number of shareholders to employees at the initial public offering, were €2.7 million in 2017 compared with €0.8 million in 2016.

### Long-term employee incentive costs

Long-term employee incentive costs relate to the fair value expense of share-based payments for employees in a particular year. Our long-term employee incentive costs were €1.9 million in 2017, up from €0.2 million in 2016. The main driver for this increase in 2017 was the introduction of an Employee Share and Option Plan (ESOP), which was granted to our key senior and mid-level management.

### Other operating expenses

Other operating expenses comprise marketing expenses, depreciation and amortisation costs, housing expenses, other staff-related expenses, temporary staffing expenses, charges for doubtful debts, and other operating expenses.

Other operating expenses (in thousands of €)	2017	2016	2017 to 2016
			(% change)
Marketing expenses	116,636	82,600	41%
Depreciation and amortisation expenses	4,972	3,765	32%
Other	21,132	14,174	49%
<b>Total</b>	<b>142,740</b>	<b>100,539</b>	<b>42%</b>

### Marketing expenses

The largest component of other operating expenses is marketing expenses. Marketing expenses can be divided into performance marketing and brand awareness marketing. Performance marketing represents costs related to pay-per-click marketing such as search engine and affiliate marketing. Brand awareness marketing expenses

are those which relate to investment in our brand strength through (primarily) offline channels such as: television, radio, outdoor advertising, and merchandising for restaurants.

Marketing expenses increased by 41% to €116.6 million in 2017 compared with €82.6 million in 2016. We continued to invest heavily in marketing in all our Leading Markets to drive consumer traffic and orders. The main driver of the increased marketing expenses was the further investment in marketing campaigns, particularly in Germany and Poland, which significantly accelerated our brand awareness in these markets. Marketing expenses as a percentage of revenue improved in all segments in 2017.

Marketing expenses (in thousands of €)	2017	2016	2017 to 2016
			(% change)
The Netherlands	13,101	9,933	32%
Germany	70,693	51,160	38%
Other	32,842	21,507	53%
<b>Total</b>	<b>116,636</b>	<b>82,600</b>	<b>41%</b>

In the Netherlands, we invested more in marketing in 2017, which led to continued revenue growth. Marketing expense as a percentage of revenue remained stable at 18% in 2017 compared with 2016.

In Germany, we have been able to continue growing our revenue while incurring lower marketing expenses as a percentage of revenue. Marketing costs as a percentage of revenue improved to 122% in 2017

from 139% in 2016, as revenue growth exceeded the rate of increase of marketing expenditures, which demonstrates our operational leverage.

In the Other segment, marketing expenses as a percentage of revenue improved to 96% in 2017 compared with 110% in 2016, despite higher brand awareness marketing expenditures in Poland, which we view as strategic given the low penetration and high growth rates in Poland and, to a lesser extent, marketing expenditures increased in Belgium and Austria.

Marketing Cost Per Order	2017	2016
The Netherlands	0.48	0.47
Germany	2.95	2.95
Other	1.94	1.89
<b>Total</b>	<b>1.71</b>	<b>1.67</b>

Despite the significant investments in brand awareness marketing in each segment, the marketing cost per order (CPO) remained relatively stable across all segments in 2017. This result indicates the continued efficiency of our marketing spent in 2017 as well as the improved market positions in the individual markets given the fact that the marketing spend in all our markets was significantly higher than in 2016. The large differences in CPO levels reflect the varying levels of maturity in each of our markets as well as the competitive environment.

### Depreciation and amortisation expenses

Our depreciation and amortisation expenses were €5.0 million in 2017, which represented a 32% increase from €3.8 million in 2016. This related primarily to the amortisation of intangible assets recognised as the result of the acquisitions of yd.yourdelivery (Lieferando.de and Pyszne.pl) in 2014 and Just Eat Benelux in 2016.

### Other

Other operating expenses were €21.1 million in 2017, which represented a 49% increase from €14.2 million in 2016. This increase was mainly driven by additional staff-related expenses in line with growth in FTEs and investments in new organisational systems.

### Finance income and expenses, net

Due to the termination of the overdraft facility, revolving credit facility, and bridge loan agreement after the initial public offering in September 2016, our finance costs decreased to €0.2 million in 2017 compared with €1.8 million in 2016.

### Share of loss in joint venture

At year-end, Takeaway.com owned 66% of Takeaway.com Asia, which in turn owns 99% of the shares and voting rights of Vietnammm. Takeaway.com Asia is accounted for as a joint venture using the equity method of accounting given that joint control exists in terms of decision-making. Takeaway.com's share of loss in the joint venture was €0.2 million in 2017 compared with €0.1 million in 2016. Takeaway.com may, pursuant to the shareholders' agreement in respect of Takeaway.com Asia, be required to purchase the remaining shares in such company from its joint venture partner as of 1 July 2018.

### Income tax expense

The Group's income tax expense amounted to €4.4 million in 2017 compared with €3.6 million in 2016. This was primarily a due to higher taxable profits in our Dutch fiscal unity. Takeaway.com has historically not been profitable in its non-Dutch entities and, as a result, has accumulated losses in these entities which can be carried forward to offset future taxable income, if any and if not expired in the relevant countries.

### Loss for the year

As a result of the factors described above, the Group incurred a net loss of €42.0 million in 2017, representing 36% increase from a loss of €30.9 million in 2016.

### Adjusted EBITDA

Adjusted EBITDA consists of the Group's profit or loss for the period before depreciation, amortisation, finance income and expenses, share based payments, share of loss of joint ventures, non-recurring items and income tax expense.

Adjusted EBITDA <sup>1</sup> (in thousands of €)	2017	2016	Margin 2017 <sup>2</sup>	Margin 2016 <sup>2</sup>
The Netherlands	43,017	34,746	58%	63%
Germany	(47,024)	(39,402)	(81)%	(107)%
Other	(23,565)	(13,620)	(69)%	(70)%
<b>Total</b>	<b>(27,572)</b>	<b>(18,276)</b>	<b>(17)%</b>	<b>(16)%</b>

<sup>1</sup> Non-IFRS measure, unaudited

<sup>2</sup> Percent of revenue

Adjusted EBITDA for the Group was minus €27.6 million compared with minus €18.3 million in 2016, caused by significant investments in marketing, Scoober and further to professionalise the organisation, as part of our growth strategy. Although these investments will continue, we expect absolute losses to decrease going forward. Adjusted EBITDA improved to minus €12.1 million in the second half year of 2017 from minus €15.5 million in the first six months of 2017.

In the Netherlands, adjusted EBITDA further increased in 2017 compared with 2016, reflecting the realisation of scale benefits as a result of, and further contributing to, our strong market position. As a percentage of revenue, the adjusted EBITDA in the Netherlands was 58% in 2017 compared with 63% in 2016. This adjusted EBITDA included both accelerated investments in Scoober and headquarter

costs. In both Germany and Other segments, the adjusted EBITDA declined in 2017 compared with 2016, largely driven by the significantly higher investments in marketing in these regions which we believe are required to fuel the growth and expansion of our strong market positions. In both these segments, however, adjusted EBITDA as a percentage of revenue improved, demonstrating our path to profitability.

## Financial position

### Statement of financial position

Non-current assets, mainly consisting of goodwill, other intangible assets, and property and equipment, decreased to €91.5 million in 2017.

Changes in working capital can vary in the short term, as payments from restaurants are received on a daily basis while we pay restaurants on a weekly basis, but changes in working capital are generally insignificant over the course of a particular year. Operating working capital is structurally negative due to the difference between the restaurant and consumer payment cycles. Operating working capital amounted to minus €25.7 million as at 31 December 2017 compared with minus €21.5 million as at 31 December 2016, a decrease of €4.2 million, driven primarily by the timing of restaurant and other creditor payments.

Cash and cash equivalents were €89.8 million at year-end 2017 from €134.6 million at year-end 2016, a decrease of €44.8 million. This was driven by net cash of €36.2 million used in operating activities,

primarily reflecting the net loss for the period of €42.0 million, net cash used in investing activities driven mainly by the payments of the hold-back in relation to the Just Eat Benelux acquisition, which was completed in August 2016, and the share-based payment taxes of 2016 as well as capital expenditures made in 2017.

Shareholders' equity decreased to €149.8 million at year-end 2017 from €187.8 million at year-end 2016, following the allocation of the loss for the year 2017 to shareholders' equity.

The solvency ratio, defined as total equity divided by total assets, was 76% at year-end 2017, slightly down on the 79% ratio at year-end 2016.

Non-current liabilities decreased to €6.0 million in 2017 from €6.9 million in 2016 which was a result of the deferred tax liabilities arising as a result of the Just Eat Benelux acquisition less the tax effect of amortisation recognised during the year.

Consolidated cash flow (in thousands of €)	2017	2016
Net cash used in operating activities	(36,167)	(3,385)
Net cash used in investing activities	(8,660)	(32,124)
Net cash generated by financing activities	–	165,659
<b>Net cash and cash equivalents generated / (used)</b>	<b>(44,827)</b>	<b>130,150</b>
Effects of exchange rate changes of cash held in foreign currencies	29	(8)
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(44,798)</b>	<b>130,142</b>

### **Net cash used in operating activities**

Net cash used in operating activities amounted to €36.2 million in 2017 compared with €3.4 million in 2016. The increase in net cash used in operating activities was driven primarily by our greater operating losses, change in working capital position, mostly related to timing of creditor payments, as well as a one-off payment of taxes of €6.3 million related to options exercised during the initial public offering which was received in 2016 but paid in 2017.

### **Net cash flow used in investing activities**

Net cash flow used in investing activities was €8.7 million in 2017, principally related to the hold-back payment in relation to the Just Eat Benelux acquisition of €4.4 million as well as capital expenditures made in relation to office space and IT infrastructure.

### **Net cash generated by financing activities**

No cash was generated by financing activities in 2017 compared with €165.7 million in 2016. The net cash generated by financing activities in 2016 was fully attributed to the net proceeds of the initial public offering of ordinary shares of the Company in 2016.

## **Management report**

The following sections of this annual report form the management report within the meaning of section 2:391 of the Dutch Civil Code:

- Company profile;
- Report of the Management Board;
- Report of the Supervisory Board;
- Remuneration report;
- Composition Management Board and Supervisory Board;
- Governance & compliance;
- Risk management;

## **Outlook**

To maintain our strong growth, we will continue to invest significantly in our offering to consumers and restaurants, in conformity with the guidance given at our full year results announcement. We will do this through investments in marketing, product development, expansion of Scoober, recruitment of staff at all levels and organisational infrastructure. As a result, we anticipate a loss at Group level for the year 2018 but expect the absolute amount of future losses to decrease going forward.



## In control and responsibility statements

The Management Board is responsible for the preparation of the financial statements in accordance with IFRS and Part 9 of Book 2 of the Dutch Civil Code. The responsibility of the Management Board includes selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Management Board is also responsible for the preparation of the management report (as included in the annual report) in accordance with Part 9 of Book 2 of the Dutch Civil Code. In the annual report, the Management Board endeavours to present a fair review of the situation of the business at balance sheet date and of the state of affairs in the year under review. Such an overview contains a selection of some of the main developments in the financial year and can never be exhaustive.

The Management Board is responsible for the Group's risk management and internal control systems. The Management Board believes that the Group maintains an adequate and effective system of risk management and internal control that complies with the requirements of the Dutch corporate governance code (the "Code").

The internal control systems of the Group are designed to manage, rather than eliminate, the risk that we fail to achieve our business objectives and can provide reasonable, but not absolute, assurance against financial loss or material misstatements in the financial statements. The Management Board reviews the effectiveness of the Group's systems of internal control relative to strategic, financial, operational and compliance risks and discusses risk management and internal controls with the Supervisory Board on a periodic basis. The Management Board is not aware of any critical failings in these systems during the financial year 2017.

The Group embeds risk management in its strategic business planning. A top-down approach is followed in which management identifies the major risks that could affect the Group's business objectives – and assesses the effectiveness of the processes and internal controls in place to manage and mitigate these risks. For an overview of our most important business risks, please refer to Risk Management. Assurance on the effectiveness of controls is obtained through management reviews, and testing of certain aspects of our internal financial control systems by our internal audit function and the external auditors, during their annual audit. This, however, does not imply that certainty as to the realisation of our business and financial objectives can be provided, nor can the approach of the Group to control its financial reporting be expected to prevent or detect all misstatements, errors, fraud or violation of law or regulations.

The key controls over financial reporting policies and procedures include controls to ensure that:

- Commitments and expenditures are appropriately authorised by the Management Board;
- Records are maintained which accurately and fairly reflect transactions;
- Any unauthorised acquisition, use or disposal of the Group's assets that could have a material effect on the financial statements is detected on a timely basis;
- Transactions are recorded as required to permit the preparation of financial statements;
- Reporting of the financial statements is done in compliance with IFRS and Part 9 of Book 2 of the Dutch Civil Code.

As required by provision 1.4.3 of the Code and on the basis of the foregoing and the explanations contained in the Risk Management paragraph, the Management Board confirms, to its knowledge, that:

- The Group's financial reporting over 2017 provides sufficient insights into any failings in the effectiveness of the internal risk management and control systems;
- The Group's internal risk management and control systems with regard to financial reporting risks provide a reasonable assurance that the Group's financial reporting over 2017 does not contain any material inaccuracies;
- Based on the current state of affairs, it is justified that the financial reporting over 2017 is prepared on a going concern basis; and

- The report states those material risks and uncertainties that are relevant to the expectation of the Group's continuity for the period of twelve months after the preparation of the report.

With reference to the statement within the meaning of Article 5:25c (2)(c) of the Financial Supervision Act, the Management Board states, to the best of its knowledge, that:

- The financial statements 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; and
- The management report includes a fair review of the situation at the balance sheet date, the course of affairs during the financial year of the Company, and undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that the Company faces.

Management Board

**Jitse Groen**  
CEO

**Jörg Gerbig**  
COO

**Brent Wissink**  
CFO

# 02 GOVERNANCE

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# Report of the Supervisory Board

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*“The year 2017 was an interesting year for Takeaway.com. A year during which the Group focused on its internal organisation while continuing to significantly increase the number of orders processed and the number of employees”*

## Introduction

During the financial year 2017 we, as Supervisory Board of Takeaway.com, focused our supervision on the internal processes of Takeaway.com. Obtaining a thorough understanding of these processes, the challenges in respect of these, as well as Takeaway.com’s culture. The implementation of the new Code was a project that fitted well with these focus points.

Notwithstanding any specific focus we might have during a financial year, we remain responsible for supervising of the management by and advising of the Management Board in setting and achieving the Group’s strategy, objectives, charters and policies as well as the supervision of the general course of affairs of the Group and its business.

In performing our duties, we are guided by the interests of the Group and its business enterprise, taking into consideration the interests of the stakeholders (which include but are not limited to consumers, employees, creditors and shareholders). We also observe the relevant corporate social responsibility issues.

## Composition Supervisory Board

The composition of the Supervisory Board did not change in 2017. Sake Bosch was reappointed in our General Meeting held on 18 May 2017.

The current composition of the Supervisory Board is in line with its profile, as published on the Company's corporate website, in terms of experience, expertise, nationality, and age. Regarding gender diversity, Takeaway.com currently has one female Supervisory Director, which equals 25% of the entire Supervisory Board. The Supervisory Board will have due regard for diversity with respect to any new nominations. The Supervisory Board agreed that the composition of the Supervisory Board is such that members act critically and independently from each other and the Management Board.

In the opinion of the Supervisory Board, the independence requirements referred to in best practice provisions 2.1.7 to 2.1.9 inclusive of the Code have been fulfilled and all members of the Supervisory Board, with the exception of Sake Bosch, are independent within the meaning of best practice provision 2.1.8 of the Code.

## Strategy & long-term value creation

One of the subjects that received attention of the Supervisory Board in 2017 was Takeaway.com's strategy and long-term vision. This strategy is to be all-present in the markets it operates in.

This requires investing in the brand, not only from a marketing / brand awareness perspective, but also from a product perspective, which needs to be continuously improved.

To ensure long-term profitability, Takeaway.com believes it to be important to hold number one positions in its relevant markets, or to hold a position from which it would be possible to reach the number one position within a reasonable period of time.

The Supervisory Board was closely involved in, and looked critically at, the formulation of Takeaway.com's strategy. Both the Group's general long-term strategy and the strategy of particular business units were addressed in its meetings. The Supervisory Board assessed and is closely involved in defining company values in such a way that these values contribute to and reflect the Group's strategy. In addition, the Supervisory Board considered the strategic objectives when determining the budget.

## Meeting(s)

The Supervisory Board held eight face-to-face meetings in 2017. None of the Supervisory Board members was frequently absent at these meetings and in all meetings, there was sufficient presence to constitute a valid quorum. One member of the Supervisory Board was unable to attend one of the formal meetings. The member who was absent informed the chairman of the Supervisory Board in advance of his views on the items on the agenda.

During all meetings, the members of the Management Board were present; the Supervisory Board took time to discuss certain items without the presence of the Management Board during some of its meetings.

When necessary or useful, individual members of the Supervisory Board had contact with their colleagues, the CEO and other members of the Management Board and the company secretary. In these meetings, specific issues as well as the general affairs of Takeaway.com and its businesses were discussed. The chairman of the Supervisory Board also attended one of the meetings of the works' council.

During the year, the Supervisory Board was updated on topical issues in its formal meetings, and because it was the first full financial year in which the Supervisory Board acted in its current form, time was reserved for senior management to give presentations on the business activities and key initiatives.

The Supervisory Board discussed and approved several items, such as the financial results of the Group (and related press releases and disclosures), including Takeaway.com's 2016 annual report, the semi-annual report 2017 and quarterly updates during 2017. These reports and press releases were approved in conference calls or in meetings.

With regards to governance, the Supervisory Board discussed the current governance structure of the Company and related documents, such as the impact of the revised Code, dated 8 December 2016, as well as the applications of the Company's charters of the Management Board and Supervisory Board.

In each Supervisory Board meeting, the Management Board updated the Supervisory Board on financial aspects of the Company, as well as other topics that could be important from a strategic or risk management perspective, such as the competitive landscape, compliance matters and risks. In addition to these subjects, the main topics discussed by the Supervisory Board in each of its meetings can be summarised as:

- In January 2017, the Supervisory Board discussed Deloitte's management letter in the presence of the external auditor, and the members outlined their expectations for the annual report 2016 and the internal budget for 2017. The Supervisory Board was updated on several compliance matters and discussed the Systematic Integrity Risk Assessment.
- In February 2017, no formal meetings were held. However, members of the Supervisory Board took the opportunity to visit Takeaway.com's offices in Enschede and Berlin (in different compositions) as part of the Supervisory Board introduction program.

- During its meeting in March 2017, the Supervisory Board discussed a preliminary draft of the annual report 2016. It also discussed the audit process and the Annual General Meeting 2017 (AGM 2017), adopting the AGM 2017 agenda. The director of HR presented his observations on developments within HR, as well as HR's top-three focus areas up to the end of 2018. After a conference call with the auditor and finalisation of the annual report, the Supervisory Board confirmed the annual report 2016 in writing on 14 March.
- In April 2017, the Supervisory Board discussed the Group's risk management and internal controls, addressed diversity within Takeaway.com, and obtained a better understanding of the Scoober business and the strategy related to that business segment. The auditor and the audit process were evaluated in addition to the preparations of the AGM 2017 and the first quarter 2017 trading update.
- In May 2017, in addition to the general Company update, the Supervisory Board mainly prepared for the AGM 2017 and based on the results as shown in the annual report 2016, resolved to formally grant the conditional performance options to the members of the Management Board subject to adoption of the annual accounts 2016 during the AGM 2017. During this meeting, the Chief Marketing Officer presented Takeaway.com's marketing strategy.
- In July 2017, the main focus was on the publication of the semi-annual report 2017, the internal risk framework and fraud risk assessment. The Supervisory Board discussed the Company's tax structure. Additionally, changes required to the Company's corporate governance due to the implementation of the revised Code were presented by the company secretary. The Supervisory Board also addressed the Company's culture and corporate social responsibility. The director of HR presented updates on the progress made with the HR focus areas. A second face-to-face meeting was held in July in which the latest version of the semi-annual report was discussed. The final version of the semi-annual report 2017 was available and approved by the Supervisory Board on 1 August 2017.
- In October 2017, a meeting was held by phone to discuss the third quarter 2017 trading update.
- In November 2017, the Supervisory Board held a strategy session at Takeaway.com's office in Berlin. During this meeting, the Supervisory Board mainly focused on strategy, company values and culture. In addition to several other subjects, the Supervisory Board also resolved to appoint an internal auditor, who presented the latest outcome of the internal risk analyses and internal risk framework. The Supervisory Board also approved the internal audit charter. In a meeting held without the Management Board, the Supervisory Board undertook an evaluation of itself and its individual members, as well as an evaluation of the Management Board and its members.



It was determined that one of the members of the Supervisory Board would, on behalf of the Supervisory Board, discuss the draft management letter of the auditor with the external auditor. This discussion took place after the comments and suggestions of the Supervisory Board on the draft letter were combined. The relevant Supervisory Board member reported on this discussion to the Supervisory Board and the final management letter was discussed in the Supervisory Board meeting held in February 2018.

The agenda for each meeting was prepared in consultation with the Chairman of the Supervisory Board, the Management Board and the company secretary.

Apart from the formal meetings, Supervisory Board members also visited Takeaway.com's offices regularly to receive an update on or advise in respect of specific subjects.

In September, senior management members followed a training during which certain aspects of market abuse regulation were addressed. The members of the Supervisory Board were also invited to attend this training, which was highly appreciated.

## Committees

In principle and in line with the Code, as long as the Supervisory Board consists of not more than four Supervisory Directors, individual Supervisory Board committees have not been installed.

## Financial statements and the annual audit

This annual report includes the 2017 financial statements, which are accompanied by an unqualified independent auditor's report by Deloitte (see the independent auditor's report starting on page 185). These financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and section 9 of Book 2 of the Dutch Civil Code.

On 24 November 2017, a representative of the Supervisory Board discussed the draft management letter with the auditor.

On 19 February 2018, the Supervisory Board discussed the draft financial statements with the Management Board and the auditor. The Supervisory Board discussed, among other topics, the audit approach, key audit matters, communications, timing, audit fees, composition audit team, materiality, expertise of the individual audit team members as well as the annual report (including the financial statements) and related documents. Particular attention was paid to key audit matters which included the valuation of goodwill and revenues. The Supervisory Board also discussed the auditor's report, the quality of internal risk management and control systems and had a discussion with the auditor without the Company's Management Board being present.

On 8 March 2018, the Supervisory Board discussed this annual report, including the 2017 financial statements, with the Management Board in the presence of the auditor. The members of the Management Board have issued the statements required under

section 5:25c, paragraph 2 sub c of the Financial Supervision Act. All members of the Supervisory Board and Management Board signed the financial statements in accordance with section 2:101 paragraph 2 of the Dutch Civil Code. The Supervisory Board is of the opinion that the financial statements meet all requirements for correctness, completeness, and transparency. The Supervisory Board has approved these financial statements.

The Supervisory Board recommends that the Annual General Meeting (AGM), to be held on 17 May 2018, adopts the 2017 financial statements. In addition, the Supervisory Board requests that the AGM grants discharge to the members of the Management Board in office during the 2017 financial year for their management of the Company and its affairs during 2017, and to the members of the Supervisory Board in office for their supervision over said management.

The Supervisory Board concurs with the decision of the Management Board that, due to the negative net result, no proposal will be submitted to pay a dividend for 2017.

### Internal audit

Taken into account the size of the Group and considering the responsibility of the Company and its affiliates towards the restaurants in view of the funds Takeaway.com holds for the benefit of third parties, it was resolved during a combined meeting of the Management Board and Supervisory Board in November to appoint and approve the installment of an internal audit function.

The internal auditor presented the audit charter in the same meeting.

The duty of the internal auditor as set out in the audit charter is to assess the design and the operation of the internal risk management and control systems.

The internal auditor reports to the Management Board and the Supervisory Board.

### Finance

The Supervisory Board reviewed and discussed the periodic internal and external (non-) financial reports of the Group including the statements of financial condition, profit and loss and other comprehensive loss, changes in equity and cash flows including monitoring of the development of the key performance indicators.

In addition, the Supervisory Board reviewed, among others, the budget 2018, the financial outlook, the achievement of financial targets, the use of free cash flow, the outcome of final purchase price allocations, annual impairment tests, and annual and interim financial results with the Management Board.

### IT security and controls

The Management Board frequently provided updates to the Supervisory Board on the implementation of (IT) controls. An update was given in each meeting where the Supervisory Board discussed its risk framework, which was discussed in meetings held in January 2017, July 2017 and, more in depth in the Supervisory Board meeting held in November 2017. During the latter meeting the outcome of the Management Board's assessment of Takeaway.com's potential risks as well as the necessity to take mitigating measures to control the

most prominent risk, including IT security and controls, was discussed.

## Culture

Culture and governance are important elements for a rapidly growing company like Takeaway.com. Consequently, the Supervisory Board frequently addressed these items in its meetings and was closely involved in reformulating Takeaway.com's core values.

The Supervisory Board is critical in its assessment of whether the core values as identified indeed contribute to the culture focused on long-term value creation.

Takeaway.com is in the process of further shaping these values, upon which the values will be further incorporated in Takeaway.com. Although it is believed these values are reflected in Takeaway.com's current code of conduct, it is expected the code of conduct may be amended to ensure it fully reflects Takeaway.com's key values.

## Investor relations

The Investor Relations department kept the Supervisory Board well informed about share price developments, analyst research, communications with stakeholders, Euronext Amsterdam developments, and so on. In addition, the Supervisory Board also carefully reviewed and approved the press releases regarding the full and half year results, and the quarterly trading updates.

## Corporate governance

The corporate governance structure of Takeaway.com is described in the section Governance & Compliance. In this section, we also explain the deviations from the principles and best practice provisions of the Code in terms of independence of Supervisory Board members and the dismissal provisions of the current Managing Directors and Supervisory Directors.

The Supervisory Board was kept informed about developments with respect to corporate governance during its periodic meetings and informal meetings with the Management Board and the company secretary.

## Risk management

The Supervisory Board was kept well-informed about developments regarding risk management. Takeaway.com's enterprise risk management framework is described in the section Risk Management.

The Supervisory Board and the Management Board discussed risk management on various occasions in Supervisory Board meetings in January, April, July and November 2017 and were also informed about the general and financial risks of the business and about the results of an assessment of internal risk management and control systems. The Supervisory Board discussed the continuing actions the Group took to further improve the internal risk management and control systems. During the meeting in November, the Supervisory Board discussed and assessed the outcomes of a Management Board

workshop which was explicitly organised to assess all potential risks, executive ownership and mitigating actions.

In addition, the Supervisory Board discussed the observations and recommendations relating to risk management and the internal control system in February 2018. With the rapid growth of the Group, it is of the utmost importance to continue enhancing the existing risk management program and internal control system.

## Self-assessment and assessment Management Board

Annually, the Supervisory Board assesses its functioning in order to evaluate its performance and identify opportunities for individual and shared growth. This was carried out for the previous year in October and November 2017. The Supervisory Board looked at the functioning of the Supervisory Board as a whole and of the individual Supervisory Board members. After having completed an evaluation form, the feedback was discussed in a Supervisory Board meeting without the presence of the Management Board.

All members had sufficient time available for their duties as Supervisory Directors as evidenced by prompt responses to e-mails, availability for unexpected calls and/or meetings and their well-preparedness for and active participation in meetings. The Supervisory Board has no reason to believe its functioning causes reason for concern.

The assessment of the Management Board and its individual members in respect of the previous year was conducted in a similar way. Following the evaluation, the chairman of the Supervisory Board met with each member of the Management Board individually to provide direct feedback. This feedback was based on the input received from the members of the Supervisory Board. The conclusions from the self-assessment of the Management Board were also taken into account.

## Final remarks

We are grateful for the invaluable contributions of the Management Board, senior management, and all Takeaway.com employees worldwide to build out the Takeaway.com brand and organisation.

The Supervisory Board

<b>Adriaan Nühn</b>	<b>Corinne Vigreux</b>	<b>Ron Teerlink</b>	<b>Sake Bosch</b>
Chairman	Vice-chairman		





# Remuneration report

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*“In the absence of a remuneration committee, the Supervisory Board as a whole monitored the effectiveness and relevance of the remuneration policy during its meetings in 2017.*

*The remuneration report outlines the application of the remuneration policy for members of the Management Board”*

## Introduction

Our current remuneration policy for members of the Management Board was adopted by the shareholders of the Company immediately prior to the listing of our shares in October 2016.

The remuneration policy includes the long-term incentive plan (LTIP), pursuant to which the Supervisory Board at its sole discretion, may decide to grant conditional performance options to the Managing Directors.

In accordance with the Code, the remuneration granted to members of the Management Board will be put on the agenda for discussion as a separate agenda item at the same General Meeting in which the adoption of the annual report is discussed.

## Remuneration policy

The remuneration of the individual Managing Directors was established immediately prior to the listing of our shares in October 2016 by the Supervisory Board (in its previous composition).

This remuneration has not been amended since that time and consequently complies with the remuneration policy as adopted.

Arrangements for remuneration in the form of ordinary shares or rights to subscribe for ordinary shares were approved in writing by the shareholders of the Company.

The remuneration policy is aimed at attracting, motivating and retaining highly qualified executives and rewarding members of the Management Board with a balanced and competitive remuneration package that is focused on sustainable results and is aligned with Takeaway.com's strategy. Pursuant to the remuneration policy, the remuneration of the members of the Management Board consists of the following components:

- Fixed annual base salary;
- LTIP consisting of conditional performance options;
- Allowance for pension and fringe benefits; and
- Severance arrangements.

The base salary is set around the median of remuneration levels payable within relevant markets and comparable Dutch listed and international companies in our industry, as assessed by the Supervisory Board prior to the listing of the Company's shares.

## Analyses

The Supervisory Board did not conduct a thorough analysis of the effect of the remuneration structure after its implementation. Nevertheless, the Supervisory Board does not have an indication that the level and structure of the remuneration, internal pay differentials and the performance indicators would not contribute to the long-term objectives of the Company. The Supervisory Board is of the opinion that the current remuneration structure and elements do not encourage risk-taking that is not in line with Takeaway.com's risk profile.

Nevertheless, considering the rapid growth of Takeaway.com, the remuneration of the Management Board is to be more thoroughly analysed every three to four years. Therefore, the Supervisory Board expects to conduct an in-depth analysis of the remuneration of the Management Board within the next two years after a full assessment of the remuneration levels of employees below Management Board level is completed.

### Pay ratios within Takeaway.com

The pay ratio from our Management Board relative to the average pay of all employees, employed by our Group entities, is nine over 2017. This ratio is based upon total staff cost per average FTE in 2017. This calculation includes the full total compensation and benefits, such as pension schemes, long term incentives and share based payments, payable to our Management Board and employees.



Our employee base largely consists of employees on so called “on-call” employment agreements. As a result, comparing the Management Board pay ratio to the average paid employee, offers a more representative view on the wages paid, than if the Management Board’s remuneration would have been compared to the lowest wage paid.

Although we expect this ratio to increase over time, considering the growth of the number of couriers employed, it is important for us to continuously monitor the ratio between the highest and the average paid persons within the Group.

## Compensation package Management Board

The compensation package for the Management Board during 2017 consisted of the following fixed and variable components, which are discussed in more detail below:

- Fixed annual base salary;
- Allowance for pension and fringe benefits; and
- LTIP.

In 2017, an amount of €1.3 million was charged to the Group for remuneration of current and former members of the Management Board, including pension charges and long-term incentive costs.

In the table below, the different components of the remuneration for each member of the Management Board are provided.

The remuneration of the Management Board and Supervisory Board are recognised in the consolidated statement of profit or loss and other comprehensive gain or loss during the year.

Remuneration (in thousands of €)	Jitse Groen (CEO)	Brent Wissink (CFO)	Jörg Gerbig (COO)	2017
Base salary	400	350	325	1,075
Allowance for pension				
& Fringe	82	78	52	212
LTIP benefit	17	15	13	45
<b>Total</b>	<b>499</b>	<b>443</b>	<b>390</b>	<b>1,332</b>

No loans, advances or guarantees were granted to the Managing Directors in 2017.

### Base salary

The base salary of the Managing Directors is a fixed cash compensation paid monthly.

### LTIP

To strengthen the alignment with shareholders’ interests, the remuneration consists of an LTIP, which includes the annual grant of conditional performance options.

The conditional performance options shall vest three years after the date of granting. Vesting is subject to continuous employment and performance testing after three years. The exercise price of the options is determined on the basis of the average of the closing prices of the shares in the Company in the five days preceding the grant date. The number of options that vest after three years is dependent on the achievement of certain targets, which are set by the Supervisory Board.

The Supervisory Board, at its sole discretion will decide, if and to what extent, on the granting of options to individual members of the Management Board, as based on the achievement of targets set by the Supervisory Board. Grants shall be determined on the basis of a consistent granting policy and set as a percentage of the base salary of the members of the Management Board based on competitive market levels. On 3 October 2016, the Supervisory Board determined that the grants shall not exceed 75% of the base salary of the individual member of the Management Board.

In order to mitigate dilution, the Company may repurchase shares to cover the conditional performance options granted, effectively with the result that no new shares have to be issued when options are exercised.

#### LTIP 2017-2019

The conditional performance options granted as per 31 December 2016 -are expected to vest on 31 December 2019, are referred to as the LTIP 2017-2019.

The targets set by the Supervisory Board in respect of the LTIP 2017-2019 were determined based on full year order and revenue growth in line with first half year 2016 year-on-year growth. The conditional performance options will vest if Takeaway.com's business develops in accordance with and in the direction of the medium-term targets as communicated to the stock market.

The targets used for the vesting of the conditional performance options granted under the LTIP 2017-2019 and their relative weight are as follows:

Targets	Relative weight
Order growth to exceed 25% per annum in the medium-term	20%
> 30% CAGR over 2015 Actual – 2018 Estimate	20%
Revenue growth to continue to exceed order growth after 2016	20%
Positive EBITDA margin for both Germany and the company within 2 to 3 years after the IPO <sup>1</sup>	20%
The Netherlands EBITDA margin to continue to increase after 2016	20%

<sup>1</sup> The positive EBITDA margin for both Germany and the Company in this context means monthly positive EBITDA margins (whether or not the full year EBITDA margins are positive) as also disclosed in the prospectus on page 121

Application of the LTIP 2017-2019 resulted in the granting to the Management Board of a total maximum of 19,417 conditional performance options. The calculation of the number of conditional performance options granted on 31 December 2016 reported on in the annual report 2016 was based on a preliminary understanding (reference is made to note 19 of our consolidated financial statements). This misinterpretation resulted in the necessity to adjust the number of options granted under the LTIP 2017-2019 as per 31 December 2016 upwards as follows:

- Jitse Groen: 1,950
- Brent Wissink: 1,707
- Jörg Gerbig: 1,585

The exercise price of these options is €23.37 (the average closing price of the shares at Euronext Amsterdam on the last five trading days of 2016). These conditional performance options will vest after three years depending on the continued employment and the achievement of the targets set by the Supervisory Board.

#### LTIP 2018-2020

In respect of the conditional performance options estimated to be granted as per 31 December 2017 and which options are expected to vest on 31 December 2020, are referred to as the LTIP 2018-2020.

The targets set by the Supervisory Board are determined based on full year order and revenue growth. The options will vest if Takeaway.com's business develops in accordance with and in the direction of the medium-term targets as communicated to the stock market.



The targets to be used for the vesting of the options granted under the LTIP 2018-2020 and their relative weight are as follows:

Targets	Relative weight
Order growth to exceed 25% per annum in the medium-term	20%
> 30% CAGR over 2015 Actual – 2018 Estimate	20%
Revenue growth to continue to exceed order growth after 2016	20%
Positive EBITDA margin for both Germany and the company within 2 to 3 years after the IPO <sup>1</sup>	20%
The Netherlands EBITDA to continue to increase after 2016 <sup>2</sup>	20%

<sup>1</sup> The positive EBITDA margin for both Germany and the Company in this context means monthly positive EBITDA margins (whether or not the full year EBITDA margins are positive) as also disclosed in the prospectus on page 121.

<sup>2</sup> Following the higher than expected growth of Scoober, also in the Netherlands, we have amended the medium-term objective for the Netherlands from “Netherlands EBITDA margin to continue to increase” to “Netherlands EBITDA to continue to increase”.

Application of the LTIP 2018-2020 as per 31 December 2017 is expected to result in the granting to the members of the Management Board of a total of 33,165 conditional performance options. These options are expected to be granted upon the adoption of the Company’s annual accounts 2017. The number of options is determined based on the valuation as calculated in note 19 of the Financial Statements. The exercise price of the options is €49.06 (the average closing price of the shares at Euronext Amsterdam on the last five trading days of 2017).

The maximum number of conditional performance options to be granted to each Managing Director for the financial year 2017 will be as follows:

	Maximum grant (in euro)	Maximum number of options
Jitse Groen	75% * € 400,000 = € 300,000	12,340
Brent Wissink	75% * € 350,000 = € 262,500	10,798
Jörg Gerbig	75% * € 325,000 = € 243,750	10,027

## Share ownership Managing Directors

Number of shares held	Jitse Groen	Brent Wissink	Jörg Gerbig
Number of shares held as at			
31 December 2017	15,304,796	190,060	382,570
Vested options			30,040
Number of conditional performance options under the			
LTIP 2017 – 2019	7,225	6,322	5,870
Number of conditional performance options under the			
LTIP 2018 – 2020	12,340	10,798	10,027

## Pensions and fringe benefits

The Managing Directors received an annual cash contribution to participate in a pension scheme or obtain pension insurance and to obtain insurance for disability to work. In addition, the Managing Directors were entitled to customary fringe benefits, such as a company car, expense allowance and reimbursement of costs incurred. The allowance granted amounts to €50,000 each for the CEO and the CFO, and €40,000 for the COO.

## Severance arrangements

Contractual severance arrangements of the Managing Directors provide for a compensation for the loss of income resulting from a non-voluntary termination of employment. In that situation, the severance package is equal to the sum of the six-month gross fixed base salary of the respective Managing Director. The contractual severance arrangements are compliant with the Code.

## Compensation package Supervisory Board

The remuneration of the Supervisory Board was determined by the General Meeting, prior to the completion of the initial public offering, on 3 October 2016 and comprises an annual fixed fee.

The remuneration is not dependent on the results of the Company. The Company does not provide any loans, shares or options to its Supervisory Board members.

The fixed fee for the chairman of the Supervisory Board is €65,000 and €50,000 for the other members of the Supervisory Board.

No proposal to increase the annual remuneration for the members of the Supervisory Board will be submitted to the General Meeting in 2018.

## Share ownership members of the Supervisory Board

As at 31 December 2017, none of the Supervisory Board members held shares in the Company. Sake Bosch and Corinne Vigreux were indirect shareholders of the Company.

### *The Supervisory Board*

<b>Adriaan Nühn</b>	<b>Corinne Vigreux</b>	<b>Ron Teerlink</b>	<b>Sake Bosch</b>
Chairman	Vice-chairman		





# Composition Management Board and Supervisory Board

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## Management Board

Our strong track-record has been achieved through our highly dedicated, founder-led, Management Board with substantial experience and complementary skill sets. Our Management Board has a combined experience of over 30 years in the online food delivery industry and consists of the following individuals:



**Jitse Groen**

Dutch national, 1978, Founder, CEO and chairman of the Management Board

Term of appointment: 2011 – 2020

Jitse studied Business & IT at the University of Twente. He started his career during his studies when he launched a business in web development. In 2000, Jitse founded and launched Takeaway.com (at that time still named Thuisbezorgd.nl).

Jitse is also a member of the supervisory board of Funda.

As CEO and chairman of the Management Board, Jitse has responsibility for Corporate Strategy, Business Development, Product and Technology.





### **Brent Wissink**

Dutch national, 1967, CFO and member of the Management Board

Term of appointment: 2016 – 2018

Brent joined Takeaway.com as COO in 2011. He led the integration of Lieferando.de, Pyszne.pl and Food Express, before becoming CFO of Takeaway.com. Prior to this, he was CFO of a fast-growing technology business (NedStat) and worked in venture capital (ABN AMRO, Mees Pierson). Brent graduated in 1992 from the Erasmus University of Rotterdam in Econometrics. Brent is also a member of the supervisory board of bloomon Nederland B.V.

As CFO and member of the Management Board, Brent has responsibility for Finance, Investor Relations, Mergers & Acquisitions, Risk Management, Human Resources, and Legal Affairs.



### **Jörg Gerbig**

German national, 1981, COO and member of the Management Board

Term of appointment: 2016 – 2019

Jörg founded Lieferando.de in 2009 and has driven its rapid growth since then. He joined Takeaway.com following the acquisition of Lieferando.de in 2014, when he became COO. He has been instrumental in integrating Takeaway.com and Lieferando.de and in introducing the 'One Company, One Brand and One IT Platform' approach across all operations. Jörg graduated in 2005 from the European Business School Oestrich-Winkel and has experience in M&A and equity capital markets at UBS Investment Bank in London and New York.

As COO and member of the Management Board, Jörg has responsibility for Marketing, Scoober, Sales and Customer Service.

## Supervisory Board

The Supervisory Board consists of the following Supervisory Directors:



### Adriaan Nühn

Dutch national, 1953, chairman of the Supervisory Board since 4 October 2016

Independent of the Group. End of current term at first General Meeting in 2018.

Until 2008, Adriaan acted as chief executive officer of Sara Lee International and chairman of the executive board of Sara Lee/Douwe Egberts. Prior to that, he was president of Sara Lee's Coffee and Tea Division and Household and Body Division. He held various positions within Sara Lee/Douwe Egberts and, prior to that, within Proctor & Gamble/Richardson Vicks in Austria, Sweden, South Africa and Belgium. Adriaan holds an MBA from the University of Puget Sound in Washington, USA.

Adriaan is currently chairman of the supervisory board of Wereldhave N.V. (the Netherlands). Adriaan is also a member of the boards of Cloetta AB (Sweden until April 2018), Anglovaal Industries Ltd. (South Africa) and Hunter Douglas N.V. (Curacao). In addition, Adriaan is a member of the supervisory board of Wereldnatuurfonds (until April 2018).



### Corinne Vigreux

French national, 1964, vice-chairman of the Supervisory Board since 4 October 2016

Independent of the Group. End of current term at first General Meeting in 2019.

Corinne is a co-founder of TomTom N.V., the navigation technologies company that continues to create cutting edge technologies that solve mobility problems and address the challenges of autonomous driving and smart cities.

She holds a BBA from the ESSEC Business School in Paris.

As one of the top 50 most inspirational women in European tech, Corinne champions women in the workforce and passionately advocates for improved social mobility through education. She is a member of the supervisory board of Groupe ILIAD, member of the supervisory board of the Dutch National Opera & Ballet and advisor to the Amsterdam Economic Board.

Corinne was made Chevalier de la Legion d'Honneur in 2012 and knighted in the Royal Order of Orange-Nassau in 2016.



### Ron Teerlink

Dutch national, 1961, member of the Supervisory Board since 4 October 2016

Independent of the Group. End of current term at first General Meeting in 2020.

Until 2013, Ron acted as chief administrative officer and member of the executive committee of the RBS Group. Before this he was a member of the management board of ABN AMRO, and was chief operational officer from 2006 until 2010. Between 1990 and 2006, Ron held various positions within ABN AMRO and its subsidiaries. Ron holds an MSc in economics from the Vrije Universiteit Amsterdam and a banking diploma from NIBE. Ron is currently chairman of the supervisory board of Coöperatieve Rabobank U.A.



### Sake Bosch

Dutch national, 1968, member of the Supervisory Board since 1 October 2014

Nominated by Prime Ventures. End of current term at first General Meeting in 2021.

Sake has been an active professional investor since 1994 and has served on the (supervisory) board of directors of a number of fast growing internet- and software companies in Europe, the United States of America and the Middle East. He is the founder and managing partner of Prime Ventures, an independent international venture capital and growth equity firm that raised approximately half a billion euros of committed capital. Prior to founding Prime Ventures in 1999, Sake was a senior principal at Holland Venture, a private equity and venture capital firm in the Netherlands, where he was responsible for managing investments in technology companies. Before joining Holland Venture in 1994, Sake worked as an independent corporate finance advisor. Prior to this position, he was a sales executive at Securitas Group. He started his career in 1989 as a strategic market analyst at VNU. Sake holds an MSc degree in Business Administration as well as a BA degree in management science and industrial engineering. Sake is currently also a member of the (supervisory) board of directors of 4Cinsights (United States), Civolution (the Netherlands), Dealerdirect (the Netherlands), Digital Origin (Spain), Greetz (the Netherlands), SaaSplaza (the Netherlands) and Slimpay (France).

Sake is not considered to be independent within the meaning of best practice provision 2.1.8 of the Code.





# Governance & compliance

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## General

Takeaway.com, a publicly listed company at Euronext Amsterdam and organised under Dutch law, is the ultimate parent Company of the Group. We have a two-tier board structure, consisting of a Management Board and a Supervisory Board who are responsible for the corporate governance structure of the Group.

Takeaway.com complies with all principles and best practice provisions of the Code, with exceptions listed in this section under “Compliance with the Code”. The Code is available at [www.mccg.nl](http://www.mccg.nl).

## Management Board

### Powers, responsibilities and functioning

The Management Board is responsible for the management and operations of the Group, subject to the supervision by the Supervisory Board. The Management Board’s responsibilities include, among other things, defining and attaining Takeaway.com’s objectives, determining Takeaway.com’s strategy and risk management policy, and day-to-day management of Takeaway.com’s operations. In performing their duties, the Managing Directors are required to be guided by the interests of the Company and its business enterprise, taking into consideration the interests of the Company’s stakeholders.

The Management Board is responsible for Takeaway.com’s management, the general affairs of the Group’s business and the general affairs of the Group Companies, subject to the supervision by the Supervisory Board. In doing so the members of the Management Board must establish a position on the relevance of long-term value creation for the Company and its Business and take into account the relevant stakeholder interests. The Management Board’s responsibilities include, among other things, defining and attaining Takeaway.com’s objectives, determining Takeaway.com’s strategy and risk management policy and day-to-day management of Takeaway.com’s operations. In performing their duties,

the Management Board is guided by the interests of the Company, the Group Companies and the Business. It takes into account the relevant interests of all those involved in the Company and the Group (including Takeaway.com's shareholders). The Management Board is responsible for the quality of its own performance and conducts an annual review to identify the aspects with regard to which each member requires training or education.

### Composition, appointment and removal

The articles of association provide that the Management Board shall consist of two or more members and that the Supervisory Board determines the exact number of Managing Directors. One of the Managing Directors shall be appointed as CEO and one of the Managing Directors shall be appointed as CFO. The Supervisory Board may grant other titles to other Managing Directors. The Management Board currently consists of three Managing Directors; the CEO, CFO and the COO.

The General Meeting appoints the Managing Directors. If a Managing Director is to be appointed, the Supervisory Board will make a binding nomination. The nomination must be included in the notice of the General Meeting at which the appointment will be considered. If no nomination has been made by the Supervisory Board within 60 days after it has been requested to do so by the Management Board, this must be stated in the notice and the Management Board will make a non-binding nomination. If no nomination has been made by the Management Board, this must also be stated in the notice and the General Meeting may appoint a Managing Director at its discretion.

The General Meeting can vote to disregard the binding nomination of the Supervisory Board, provided that such vote requires an absolute majority that represents at least one-third of the issued share capital of the Company. If the General Meeting votes to disregard the binding nomination of the Supervisory Board, a new General Meeting will be convened and the Supervisory Board will make a new binding nomination. For the avoidance of doubt, a second General Meeting as referred to in section 2:120(3) of the Dutch Civil Code cannot be convened in respect hereof.

The Supervisory Board may propose to the General Meeting to suspend or dismiss a Managing Director. If this is the case, the resolution is adopted by an absolute majority without a quorum required. In all other cases, the General Meeting may only suspend or dismiss a Managing Director:

- a) With a qualified majority of two thirds (2/3) of the votes cast, representing more than one half (1/2) of the issued share capital; or
- b) With an absolute majority of the votes cast, representing more than one third (1/3) of the issued share capital.

Subparagraph a) shall apply until the earlier of (i) 1 January 2019 and (ii) the date it becomes public information by means of the register as referred to in section 1:107 Financial Supervision Act kept by the AFM, which is accessible through its website that Gribhold holds less than 25% of the issued ordinary shares.

Subparagraph b) shall apply as from that earlier date as referred to in the previous sentence.



The Supervisory Board may also at all times suspend (but not dismiss) a Managing Director. A General Meeting must be held within three months after suspension of a Managing Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another three months, taking into account the majority and quorum requirements described above. The suspended Managing Director must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the Managing Director, the suspension will cease after the period of suspension has expired.

## Term of appointment

Best practice provision 2.2.1 of the Code recommends that Managing Directors are appointed for a maximum term of four years and may be reappointed for a term of not more than four years at a time. This principle has been embraced in the Company's Charter of the Management Board.

## Meetings and decisions

The Management Board shall meet whenever a Managing Director so requires. Pursuant to the articles of association and the Charter of the Management Board, the Managing Directors shall endeavour to achieve that Management Board resolutions are adopted unanimously as much as possible. Where unanimity cannot be reached and Dutch law, the articles of association or the Charter of the Management Board do not prescribe a larger majority,

resolutions of the Management Board are adopted by a majority vote, provided that resolutions can only be adopted if such majority includes the vote of the CEO if entitled to vote. In case of a tie in votes, the resolution will be adopted by the Supervisory Board, unless there are more than two Managing Directors entitled to vote, in which case the CEO shall have a casting vote.

Management Board decisions can also be adopted without holding a meeting, provided those resolutions are adopted in writing or in a reproducible manner by electronic means of communication and all Managing Directors entitled to vote have consented to adopting the resolutions outside a meeting.

Resolutions of the Management Board regarding a significant change of identity or character of the Company or its business must be adopted by the Management Board and require the approval of the Supervisory Board and the General Meeting.

Pursuant to the articles of association and/or the Charter of the Management Board, the Management Board shall furthermore obtain the approval of the Supervisory Board for a number of resolutions which include, among others, (i) the operational and financial objectives of the Group; (ii) the strategy designed to achieve those objectives; (iii) the parameters to be applied in relation to the strategy, for example in respect of the financial ratios; (iv) the aspects of corporate social responsibility relevant to the activities of the Group; (v) the issue or grant of rights to subscribe for and acquisition of shares in the capital of the Company; (vi) entering into credit



facilities and/or loan agreements or obligations of any kind or nature, in each case if the relevant principal amount exceeds €25 million; (vii) a proposal to amend the articles of association; (viii) a proposal to dissolve the Company; (ix) an application for bankruptcy or for suspension of payments; and (x) the termination of the employment of a substantial number of employees of the Group at the same time or within a short period of time.

### Conflict of interest

Managing Directors must report any (potential) conflict of interest to the chairman of the Supervisory Board and the other members of the Management Board. The Supervisory Board shall decide whether a conflict of interest exists.

The Managing Director who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which he has a conflict of interest with the Company.

When the conflict relates to the CEO, the relevant resolution can be adopted without the CEO's vote. Decisions to enter into transactions in which there are conflicts of interest with one or more Managing Directors require the approval of the Supervisory Board if they are of material significance to the Company or to the relevant Managing Directors.

During 2017, no such conflicts of interest were reported.

### Maximum number of supervisory positions of Managing Directors

Restrictions apply to the overall number of supervisory positions that a managing director or supervisory director of "large Dutch companies", as referred to in sections 2:132a and 2:142a of the Dutch Civil Code, may hold.

A person cannot be appointed as a managing or executive director of a "large Dutch company" if he/she already holds a supervisory position at more than two other "large Dutch companies" or if he/she is the chairman of the supervisory board or one-tier board of another "large Dutch company." Also, a person cannot be appointed as a supervisory director or non-executive director of a "large Dutch company" if he/she already holds a supervisory position at five or more other "large Dutch companies", whereby the position of chairman of the supervisory board or one-tier board of another "large Dutch company" is counted twice. Takeaway.com meets the criteria of a large Dutch company and all Managing Directors comply with these rules.

## Supervisory Board

### Powers, responsibilities and functioning

The Supervisory Board supervises the policies carried out by the Management Board and the general affairs of the Company and its business enterprise. In so doing, the Supervisory Board also focuses on the effectiveness of the Group's internal risk management and control systems and the integrity and quality of the financial reporting. The Supervisory Board also provides advice to the Management Board. In performing its duties, the Supervisory Directors are required to be guided by the interests of the Company and its business enterprise, taking into consideration the interests of Takeaway.com's stakeholders. The Supervisory Board must also observe the corporate social responsibility issues that are relevant to the Company.

### Composition, appointment and removal

The articles of association provide that the Supervisory Board shall consist of at least three Supervisory Directors, with the exact number of Supervisory Directors to be determined by the Supervisory Board. Only natural persons (not legal entities) may be appointed.

The General Meeting appoints the Supervisory Directors as follows:

- One Supervisory Director, who will be appointed as chairman of the Supervisory Board, is appointed upon a binding nomination by the Supervisory Board;
- One Supervisory Director, who is appointed as vice-chairman of the Supervisory Board is appointed upon a binding nomination by Gribhold until the date it becomes public information by means of the AFM register that Gribhold holds less than 10% of the number

of the issued ordinary shares. After the date referred to in the previous sentence, that Supervisory Director is appointed upon a binding nomination of the Supervisory Board;

- One Supervisory Director is appointed upon a binding nomination by Prime Ventures until the date it becomes public information by means of the AFM register that Prime Ventures holds less than 10% of the issued ordinary shares. After the date referred to in the previous sentence, that Supervisory Director is appointed upon a binding nomination of the Supervisory Board;
- Any other Supervisory Director is appointed upon the binding nomination of the Supervisory Board.

The General Meeting may, at all times, overrule the binding nomination by an absolute majority of the votes cast, representing more than one third (1/3) of the issued ordinary share capital. Each time the General Meeting overrules the binding nomination, a new meeting shall be convened and the party who made the initial binding nomination shall make a new binding nomination. A second general meeting as referred to in section 2:120(3) of the Dutch Civil Code cannot be convened in respect hereof.

The nomination must be included in the notice of the General Meeting at which the appointment will be considered.

If a nomination has not been made, this must be stated in the notice of the General Meeting and the General Meeting may appoint a Supervisory Director at its discretion.

In accordance with the Code, the Supervisory Board has drawn up a profile for its size and composition, taking into account the nature and the activities of the enterprise affiliated with the Company and addressing:

- i. the desired expertise and background of the supervisory board members;
- ii. the desired diverse composition of the supervisory board;
- iii. the size of the Supervisory Board; and
- iv. the independence of the supervisory board members. The Supervisory Board profile can be downloaded from the Company's corporate website.

The Supervisory Board may propose to the General Meeting to suspend or dismiss a Supervisory Director. If this is the case, the resolution is adopted by an absolute majority without a quorum required. In all other cases, the General Meeting may only suspend or dismiss a Supervisory Director:

- With a qualified majority of two thirds (2/3) of the votes cast, representing more than one half (1/2) of the issued ordinary share capital; or
- With an absolute majority of the votes cast, representing more than one third (1/3) of the issued ordinary share capital.

The first bullet point shall only apply until the earlier of (i) 1 January 2019 and (ii) the date it becomes public information by means of the AFM register that Gribhold holds less than 25% of the issued ordinary shares. The second bullet point shall apply as from that earlier date as referred to in the previous sentence.

A General Meeting must be held within three months after suspension of a Supervisory Director has taken effect, in which meeting a resolution must be adopted to either terminate or extend the suspension for a maximum period of another two months. The suspended Supervisory Director must be given the opportunity to account for his or her actions at that meeting. If neither such resolution is adopted nor the General Meeting has resolved to dismiss the Supervisory Director, the suspension will cease after the period of suspension has expired.

## Term of appointment

In accordance with best practice provision 2.2.2 of the Code, Supervisory Directors are appointed for a maximum term of four years. A Supervisory Director may be reappointed for a term of not more than four years at a time except if the General Meeting resolves upon a proposal of the Supervisory Board to appoint a Supervisory Director for a longer term. A Supervisory Director may be a Supervisory Director for an aggregate maximum period of eight years, unless the General Meeting resolves otherwise. The members of the Supervisory Board retire periodically in accordance with a rotation schedule, which can be downloaded from the Company's corporate website.

## Meetings and decisions

The Supervisory Board shall meet at least four times a year and, furthermore, whenever one or more Supervisory Directors or Managing Directors has (have) requested a meeting. Members of the Management Board (if any) will attend Supervisory Board meetings

when invited to do so by the chairman of the Supervisory Board. Meetings of the Supervisory Board are generally held at Takeaway.com's office, but may also be held elsewhere.

According to the Charter of the Supervisory Board, resolutions of the Supervisory Board can only be adopted in a meeting at which at least the majority of the Supervisory Directors is present or represented, including the chairman and vice-chairman. The Supervisory Directors shall endeavour to achieve that resolutions are adopted unanimously as much as possible. Where unanimity cannot be reached and Dutch law, the articles of association or the charter of the Supervisory Board do not prescribe a larger majority, resolutions of the Supervisory Board are adopted by a majority vote. In the event of a tie vote, the proposal shall be rejected.

The Supervisory Board may also adopt resolutions outside a meeting with due observance of the Charter of the Supervisory Board.

### **Conflict of interest**

Members of the Supervisory Board (other than the chairman) must report any (potential) conflict of interest to the chairman of the Supervisory Board. If the (potential) conflict of interest involves the chairman of the Supervisory Board, it must be reported to the vice-chairman of the Supervisory Board. The Supervisory Board shall decide whether a conflict of interest exists. The member of the Supervisory Board who has a (potential) conflict of interest shall not participate in discussions and decision-making on a subject or transaction in relation to which the member has a conflict of interest with the Company. Decisions to enter into transactions under which

members of the Supervisory Board have conflicts of interest that are of material significance to the Company and/or to the relevant member(s) of the Supervisory Board, require the approval of the Supervisory Board.

During 2017, no such conflicts of interest were reported.

In accordance with provision 2.7.5 of the Code, the Company reports that no transactions occurred in 2017 between the Company and legal or natural persons who hold at least 10% of the shares in the Company.

### **Maximum number of supervisory positions of Supervisory Directors**

Restrictions apply to the overall number of supervisory positions that a supervisory director of "large Dutch companies", as referred to in sections 2:132a and 2:142a of the Dutch Civil Code, may hold. The Group meets the criteria of a large Dutch company and all Supervisory Directors comply with these rules.

### **Supervisory Board Committees**

In principle and in line with the Code, as long as the Supervisory Board consists of not more than four Supervisory Directors, there shall be no individual Supervisory Board committees.

## Diversity

The Supervisory Board aims for a diverse composition in respect of nationality, experience, expertise, education, culture, gender, age and work background and shall therefore strive for a fair balance between nationality, experience, expertise, education, culture, gender, age and work background of its members.

When nominating a candidate for appointment the qualifications (such as expertise and experience) of the candidate and the specific requirements for the position to be filled shall prevail; nevertheless, the Supervisory Board strives – in accordance with Dutch law - to have at least 30% female and 30% male among its members, although such percentage will also depend on the total number of members within the Supervisory Board.

Currently, the Supervisory Board consists of four members, three males (75%) and one female (25%).

The Supervisory Board pays great value to diversity in the composition of the Management Board. In particular it strives to have members with a background (nationality, work experience or otherwise) in the countries where Takeaway.com has a presence. In addition, and although challenging in the Company's business, the Company strives to have a Management Board consisting of at least 30% male and at least 30% female members. Nevertheless, other factors such as age and education should also be taken into account. Similarly, Takeaway.com strives for a diverse composition of its senior management.

When nominating a candidate for appointment, the qualifications (such as expertise and experience) of the candidate and the specific requirements for the position to be filled shall prevail.

The Management Board consists of three members, all male. The Supervisory Board will take the balanced composition requirements into account when nominating and selecting new candidates for the Supervisory Board and the Management Board. However, the Supervisory Board is of the opinion that gender is only one element of diversity, and that experience, background, knowledge, skills and insight are equally important and relevant criteria in selecting new members.

## Insider Dealing Policy

Takeaway.com has an Insider Dealing policy. Insider dealing conflicts with the basic principle that everyone dealing on the stock exchange should simultaneously have access to the same information. Everyone involved with Takeaway.com is responsible for keeping inside information confidential. If a person has inside information, he or she should not deal in Takeaway.com's ordinary shares.

The Supervisory Board, Management Board and senior executives (not being members of the Supervisory Board or Management Board), who have regular access to inside information relating directly or indirectly to Takeaway.com and the power to take managerial decisions affecting the future developments and business prospects of Takeaway.com may not deal in Takeaway.com's shares during the

closed period, regardless of whether they possess inside information. The closed periods are:

- The periods of approximately two months prior to the publication of Takeaway.com's annual financial statements and 30 calendar days prior to the publication of Takeaway.com's semi-annual financial statements; and
- The period of approximately two weeks prior to the publication of Takeaway.com's interim trading updates;
- In addition, a Takeaway.com employee and certain third-party consultants may not deal in Takeaway.com's shares if he or she is included on the insider list as a person having access to inside information, regardless of whether he possesses inside information, unless dispensation has been granted by the compliance officer.

The Management Board established a disclosure committee comprising of the members of the Management Board, the Manager Investor Relations and the Company Secretary. The disclosure committee's task is to establish and maintain disclosure controls and procedures in respect of "insider information".

## Dutch Corporate Governance Code

The Code applies to all Dutch companies whose shares or depositary receipts for shares have been admitted to trading on a multilateral trading facility or a comparable system, whether in the Netherlands or elsewhere. The Code therefore applies to the Company. The Code contains a number of principles and best practice provisions in respect of management boards, supervisory boards, shareholders and the general meeting, financial reporting, auditors, disclosure, compliance and enforcement standards. The Company is required to disclose in its management report whether or not it applies the provisions of the Code and, if it does not apply those provisions, to explain the reasons why. The Code states that a Company is also in compliance with the Code if its general meeting has approved the corporate governance structure and the deviations from the Code's principles. Reference is made to the section "Compliance with the Code".

On 8 December 2016, the Monitoring Committee Corporate Governance has published an amended version of the Dutch Corporate Governance Code, which has become applicable to the Company for the financial year starting on 1 January 2017. In view of the revised Code, the Company has made certain changes to its governance to comply with the new Code and adopted new Management Board and Supervisory Board Charters.

## Compliance with the Code

The Company endorses the underlying principles of the Code, and is committed to adhering to the best practices of the Code as much as possible. The Company complies with the Code, with the exception of best practice provision 4.3.3, which relates to the binding nature of a nomination for the appointment or dismissal of Managing Directors and Supervisory Directors.

With respect to the dismissal of Managing Directors and Supervisory Directors, the Company believes that it is important to ensure that the current Management Board and Supervisory Board – for the immediate future – can duly execute their strategy. Therefore, if the dismissal or suspension of a Managing Director or Supervisory Director was not proposed by the Supervisory Board and until the earlier of (i) 1 January 2019 and (ii) the date it becomes public information by means of the AFM register that Gribhold holds less than 25% of the issued ordinary shares of the Company, the General Meeting can only suspend or dismiss a Managing Director or Supervisory Director with a qualified majority of two-thirds of the votes cast, representing at least half of the Company's issued and outstanding share capital. After that date, the procedure of suspension or dismissal of Managing Directors and Supervisory Directors will be fully compliant with the Code in this regard.

The specific nomination rights for the large shareholders of the Company (Gribhold and Prime Ventures (as defined in the articles of association)) to nominate each one Supervisory Director referred to in article 7.6.3 of the Company's articles of association will remain in place (i) with respect to Gribhold, until Gribhold holds less than 10% of the issued ordinary shares and (ii) with respect to Prime Ventures, until Prime Ventures holds less than 10% of the issued ordinary shares.

The Company has several regulations in place governing the performance of its various corporate bodies. These regulations can be found in the Corporate Governance section of the corporate website.

These regulations concern:

- The Articles of Association;
- The Code of Conduct;
- The Charter of the Management Board;
- The Charter of the Supervisory Board;
- The Insider Dealing Policy;
- The Whistleblowers' Policy.

The following items also appear on the Company's corporate website:

- The Profile of the Supervisory Board;
- The rotation plan for the Supervisory Board members;
- The Remuneration Policy;
- The policy regarding bilateral contacts with shareholders;
- The Dividend Policy.



## General Meeting

General Meetings must be held at least once a year and generally take place in Amsterdam. General Meetings are convened by the Management Board or Supervisory Board by convocation placed on the Company's corporate website.

The agenda for the Annual General Meeting will at least include the adoption of the annual report, the discussion of any substantial change in the corporate governance structure of the Company (if any) and, if applicable, the allocation of the result. In addition, the agenda shall include such items as have been included therein by the Management Board, the Supervisory Board or shareholders (with due observance of Dutch law).

In addition to the Annual General Meeting, Extraordinary General Meetings may be held as often as the Management Board or the Supervisory Board deem desirable. In addition, one or more shareholders, who solely or jointly represent at least one-tenth of the issued capital, may request that a General Meeting be convened, the request setting out in detail matters to be considered.

Each shareholder may attend the General Meeting, address the General Meeting and exercise voting rights pro rata to his or her shareholding, either in person or by proxy. Shareholders may exercise these rights, if they are the holders of shares on the record date as required by Dutch law, which is currently the 28th day before the day of the General Meeting, and they or their proxy have notified

the Company of their intention to attend the General Meeting in writing or by any other electronic means that can be reproduced on paper at the address and by the date specified in the notice of the General Meeting.

### Capital structure

The authorised capital of the Company amounts to €7,000,000 and is divided into:

- 87,500,000 ordinary shares, with a nominal value of €0.04 each; and
- 87,500,000 cumulative preference shares, with a nominal value of €0.04 each.

On 31 December 2017, the issued capital amounted to €1,727,327.04 divided into 43,183,176 ordinary shares. No cumulative preference shares have been issued. All the ordinary shares have equal voting rights (one share, one vote).

### Voting rights

Each share confers the right to cast one vote in the General Meeting. Subject to certain exceptions provided by Dutch law or the articles of association, resolutions of the General Meeting are passed by an absolute majority of votes cast. Pursuant to Dutch law, no votes may be cast at a General Meeting in respect of shares that are held by the Company or any of its subsidiaries. As at 31 December 2017, the Company nor any of its subsidiaries held any own shares.

## Restrictions on transfer of shares

The Management Board's and Supervisory Board's approval is required for each transfer of cumulative preference shares, except for a transfer of cumulative preference shares by the Company itself. The approval has to be requested in writing stating the number of shares to be transferred as well as the name of the intended acquirer of the shares in question.

The Company is not aware of the existence of any agreement pursuant to which the transfer of ordinary shares in the share capital of the Company is restricted.

## Protective measures

The main point of Takeaway.com's protection against a hostile takeover depends on the possibility of the Company to issue cumulative preference shares to Stichting Continuïteit Takeaway.com (the "Foundation Continuity"). A call option to acquire cumulative preference shares was granted to the Foundation Continuity.

The aim of the protective measures is to safeguard the interests of the Company, of the enterprises maintained by the Company and the Group Companies in such a way that the interests of those parties are optimally safeguarded and that influences that could affect the independence, continuity or identity of those parties are deterred in the best possible way.

The Foundation Continuity tries to realise these objectives by, at the sole discretion of the Board of the Foundation Continuity, (a) acquiring and holding cumulative preference shares and by exercising the rights attached to those shares, in particular the voting rights attached to such cumulative preference shares and (b) acquiring and holding voting shares in Continuïteit Takeaway.com B.V. and (c) exercising all other rights that the Foundation Continuity may have pursuant to Dutch law, on the basis of an agreement or otherwise.

To this end, the Foundation Continuity has been granted a call option to acquire cumulative preference shares in Takeaway.com. Pursuant to the call option agreement, the Foundation Continuity is entitled to acquire from the Company up to a maximum number of cumulative preference shares corresponding to 100% of the issued ordinary shares at the time of exercise of the call option minus the number of cumulative preference shares already held by the Foundation Continuity at that time (if any).

The Foundation Continuity may not dispose of or encumber the cumulative preference shares without the consent of the Management Board and Supervisory Board. In deviation from the preceding sentence, the Foundation Continuity may pledge the cumulative preference shares without the consent of the Management Board and Supervisory Board, provided that the voting rights attached to the cumulative preference shares do not pass to the pledgee.

The Foundation Continuity is independent from the Company. The Foundation Continuity is managed by the board of the Foundation Continuity, which, as per 31 December 2017, consisted of three members, Henk Rottinghuis, Jan Willem Meeuwis and Joost Schutte who are independent from the Company.

The Foundation Continuity meets the independence requirement as referred to in Section 5:71(1)(c) of the Financial Supervision Act.

## Share option and share plans

Takeaway.com has a long-term incentive plan pursuant to which conditional performance options can be granted to Managing Directors. This plan was approved by the General Meeting in October 2016 prior to the completion of the initial public offering. See the section “Remuneration report” for further details of the plan.

In 2017, the Company implemented an employee share option plan. Pursuant to this plan, certain employees of the Company are entitled to participate in such a plan in accordance with its terms and conditions.

In addition to the incentive schemes described above, an award scheme was implemented shortly after the listing of the shares in Takeaway.com, in view of which 178,789 shares were transferred by existing shareholders to Stichting Administratiekantoor Takeaway.com, for the purpose of awarding shares to certain employees of the Company (other than the Managing Directors). These shares were awarded to the employees subject to a lock-up of

twelve months from the settlement date of the initial public offering. On 2 October 2017, the shares granted under this plan vested, and 153,362 depositary receipts for shares were allocated to the eligible employees. Of these depositary receipts for shares, 56,364 were sold to cover taxes and social security premiums, as previously announced in Takeaway.com’s prospectus.

## Issuance of shares

The General Meeting, or the Management Board subject to approval by the Supervisory Board to the extent so authorised by the General Meeting for a specific period, may resolve to issue shares.

The General Meeting is only authorised to resolve to issue shares upon the proposal of the Management Board and subject to the approval of the Supervisory Board. This also applies to the granting of rights to subscribe for shares, such as options, but is not required for an issue of shares pursuant to the exercise of a previously granted right to subscribe for shares. An authorisation as referred to above will be irrevocable unless otherwise stipulated and will each time only be valid for a fixed term of no more than five years and may each time only be renewed for a maximum period of five years.

The Company may not subscribe for its own shares on issue.

On 18 May 2017, the General Meeting resolved to irrevocably authorise the Management Board to, subject to approval by the Supervisory Board, resolve to issue ordinary shares and to grant rights to subscribe for ordinary shares in the capital of the Company. This authorisation of the Management Board is limited to the following percentages of the issued ordinary shares: (i) 10% for

general corporate purposes, (ii) an additional 10% in connection with or on the occasion of mergers, acquisitions and/or strategic alliances and (iii) an additional 5% in connection with one or more incentive plans for Managing Directors, senior management and/or other employees of the Company, all to be valid for eighteen months following 18 May 2017.

### Pre-emptive rights

Upon issue of ordinary shares in the capital of the Company or grant of rights to subscribe for ordinary shares, each shareholder shall have a pre-emptive right in proportion to the aggregate nominal amount of his or her ordinary shares in the capital of the Company.

Shareholders do not have pre-emptive rights in respect of shares issued against contribution in kind, shares issued to the Company's employees or shares issued to persons exercising a previously granted right to subscribe for shares. In addition, no pre-emptive right shall exist with respect to the issue of cumulative preference shares and holders of cumulative preference shares have no pre-emptive right to subscribe for newly issued ordinary shares.

Pre-emptive rights may be limited or excluded by a resolution of the General Meeting upon the proposal of the Management Board and subject to the approval of the Supervisory Board. The Management Board, subject to approval by the Supervisory Board, is authorised to resolve on the limitation or exclusion of the pre-emptive right if and to the extent the Management Board has been designated by the General Meeting to do so. The designation will only be valid for a specific period, in each case not exceeding five years. Unless provided otherwise in the designation, the designation cannot be cancelled.

A resolution of the General Meeting to limit or exclude the pre-emptive rights or a resolution to designate the Management Board as described above requires a two-thirds majority of the votes cast if less than half of the issued share capital is represented at a General Meeting.

Pursuant to the same resolution of the General Meeting adopted on 18 May 2017, the Management Board has been, subject to the approval of the Supervisory Board, irrevocably authorised by the General Meeting to resolve to restrict and/or exclude statutory pre-emptive rights in relation to the issuances of ordinary shares in the capital of the Company or the granting of rights to subscribe for ordinary shares. The aforementioned authorisation of the Management Board is limited to 10% of the issued ordinary shares for (i) general corporate purposes, (ii) an additional 10% in connection with or on the occasion of mergers, acquisitions and/or strategic alliances, and (iii) an additional 5% in connection with one or more incentive plans for Managing Directors, senior management and/or other employees of the Company, and is valid for eighteen months following 18 May 2017.

### Acquisition of own shares

Takeaway.com may acquire fully paid-up shares in its own share capital at any time for no consideration (om niet) or, subject to Dutch law and its Articles of Association if: (i) the distributable part of the shareholders' equity is at least equal to the total purchase price of the repurchased shares; (ii) the aggregate nominal value of the shares that the Company acquires, holds or holds as pledge or that are held by a subsidiary does not exceed 50% of the issued share capital; and

(iii) the Management Board has been authorised by the General Meeting to repurchase shares. As part of the authorisation, the General Meeting must specify the number of shares that may be acquired, the manner in which the shares may be acquired and the price range within which the shares may be acquired. No authorisation from the General Meeting is required for the acquisition of fully paid-up shares for the purpose of transferring these shares to the employees of the Company pursuant to any share option plan, provided that such shares are quoted on the official list of any stock exchange.

Pursuant to a resolution by the General Meeting adopted on 18 May 2017, the Management Board, subject to approval by the Supervisory Board, has been authorised to resolve to acquire fully paid-up shares. Such authorisation of the Management Board is limited to 10% of the issued ordinary shares and is valid for eighteen months following 18 May 2017, therefore ending on 18 November 2019.

Shares may be acquired at the stock exchange or otherwise, at a price between the nominal value and 110% of the opening price at Euronext Amsterdam at the date of the acquisition.

Shares may be acquired at the stock exchange or otherwise, at a price between the nominal value and 110% of the opening price at Euronext Amsterdam at the date of the acquisition.

No voting rights may be exercised in the General Meeting with respect to any share or depositary receipt for such share held by the Company or by a subsidiary, and no payments will be made on shares the Company holds in its own share capital.

The Management Board is authorised to dispose of the Company's own shares held by it.

## Amendment of the articles of association

The General Meeting may resolve to amend the articles of association upon the proposal of the Management Board which is subject to the approval of the Supervisory Board. A proposal to amend the articles of association must be included in the agenda for the relevant General Meeting. A copy of the proposal, containing the verbatim text of the proposed amendment, must be lodged with the Company for the inspection of every shareholder until the end of the General Meeting.

## External auditor

At the General Meeting held in May 2017, Deloitte was re-appointed as the external auditor of the Group. The Management Board shall report their dealings with the external auditor to the Supervisory Board on an annual basis. The external auditor may be questioned by the General Meeting in relation to the auditor's opinion on the financial statements. The external auditor shall attend and be entitled to address the General Meeting for this purpose.

## Major shareholdings

The Financial Supervision Act requires investors who hold a share interest or voting interest exceeding (or falling below) certain thresholds to (inter alia) notify their interest with the Authority for the Financial Markets (AFM) in the Netherlands. This information is included in the section “Information for shareholders”.

## Corporate Governance Statement

This is a statement concerning corporate governance as referred to in section 2a of the decree on additional requirements for annual reports (Vaststellingsbesluit nadere voorschriften inhoud jaarverslag) effective as of 1 January 2010 (the “Decree”).

The information required to be included in this Corporate Governance Statement as described in sections 3, 3a and 3b of the Decree is included in this chapter, provided that the main characteristics of Takeaway.com’s internal risk management measures and control systems relating to its financial reporting process, as required by article 3a sub a of the Decree, are described in the section “Risk management”.



**“ We have always believed in controlled risk-taking and made great steps in formalising our risk management processes in 2017**

**– Brent Wissink, CFO ”**



# Risk management

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*“In 2017 we enhanced our risk and control framework as part of our continuing development and growth”*

## Introduction

Takeaway.com is an entrepreneurial company by nature, having achieved success over a number of years through conscious risk-taking. As we have grown in scale and complexity, we have also matured in our approach towards risk management and internal control. In 2017, we enhanced our risk and internal control framework as part of our continuing development as a publicly-listed company. We will continue to invest in appropriate risk management structures and processes to allow our staff to act with agility and win in rapidly-evolving markets.

We take a structured approach to enterprise risk management ('ERM') which starts with the Management Board and is applied throughout each layer of the organisation to the Group's operational staff. The Management Board presents regularly to the Supervisory Board on the identification and development of key risks. The Management Board assesses the operating effectiveness of the overall ERM system annually and reports to the Supervisory Board. Below is a summary of our ERM approach and the key elements within it, based on the COSO ERM model.

## Strategy and business objectives

Risk management starts with our strategy. We manage our business based on three operating segments – the Netherlands, Germany and Other – with each segment and each country within it demonstrating different competitive intensity, market maturity and potential. We currently pursue a growth strategy as a path to long-term value creation, which requires us to invest significantly in the markets in which we operate. Apart from competition, we are influenced by other external factors such as technological developments, consumer preferences and regulation. We consider all these factors, and our internal strengths, when developing our strategy and objectives.

## Identification

On an annual basis, management updates and identifies new key risks which may threaten the achievement of our strategic objectives. We define five broad categories of risk:

- Operational: Risks related to the continuing operational effectiveness and efficiency of Takeaway's business in each of our markets. This covers our core business processes such as marketing, restaurant acquisition, order processing, delivery and restaurant payment, and the staff that execute these processes. In addition, it relates to the ability to attract and retain senior staff and key personnel.
- Compliance: Risks related to non-compliance with laws and regulations, reputational risks and risks related to failures of internal governance structures, such as the risks related to the implementation of the payment services directive and data protection regulation.

- Financial: Risks related to the effective and efficient management of capital and liquidity, as well as risks related to financial misstatement whether fraudulent or otherwise.
- IT: As a technology company, IT is fundamental to our core business. We assess both strategic and operational risks related to IT, from our ability to keep pace with innovation to our ability to maintain a stable, secure operating system for our core business.
- Strategic: Strategic choices create risks in all other categories, and we also face strategic risks related to macro factors such as government and regulatory change, as well as decisions by competitors and merger, acquisition and divestiture decisions.

## Assessment

After the key risks have been identified, all risks are assessed for likelihood and impact as well as the acceptable level of likelihood and impact. Through this process, the key risks are prioritised according to our risk appetite and we highlight the risks requiring the most management attention.

## Response

The gap between the current and acceptable level of risk informs the decision on the type of response that is appropriate. We define four possible responses to risk: Accept, Reduce, Share or Avoid. Primarily, our active risk management activities are related to those risks we decide to Reduce. Our primary tools to manage this in a structured way are the Internal Control Framework ('ICF') and policies and procedures. For risks that are not covered by these tools, we determine specific mitigating actions in order to reduce the likelihood and/or impact to an acceptable level.

We introduced a formalised ICF in 2017 for our key finance processes, namely Procure to Pay; Record to Report; Order to Cash; Planning, Budgeting and Forecasting; and Payroll. We identified over 100 risks and mitigating controls across these processes. The global business process owner ('GBPO') for each process is responsible for maintaining and updating the ICF to ensure it is complete. We are currently documenting our existing IT controls in the same structure as our Finance ICF.

We also have a number of policies and procedures which serve as entity-level controls to reduce the likelihood of key risks. These policies include, among others, the following:

- Code of Conduct,
- Whistleblowers' Policy,
- Insider Dealing Policy, and
- Policy regarding bilateral contacts with shareholders.

In addition, we have established charters for the Management Board and for the Supervisory Board outlining the roles, responsibilities and rights of the members of each group individually and as a group.

In addition, where effective mitigation is dependent on human or financial resource investments, these are incorporated into the annual budgeting process.

## Monitoring

For all key risks, one member of the Management Board, supported by dedicated senior management of the Company, is made responsible for the successful completion of any required mitigating actions and reports on progress to the Management Board on a quarterly basis.

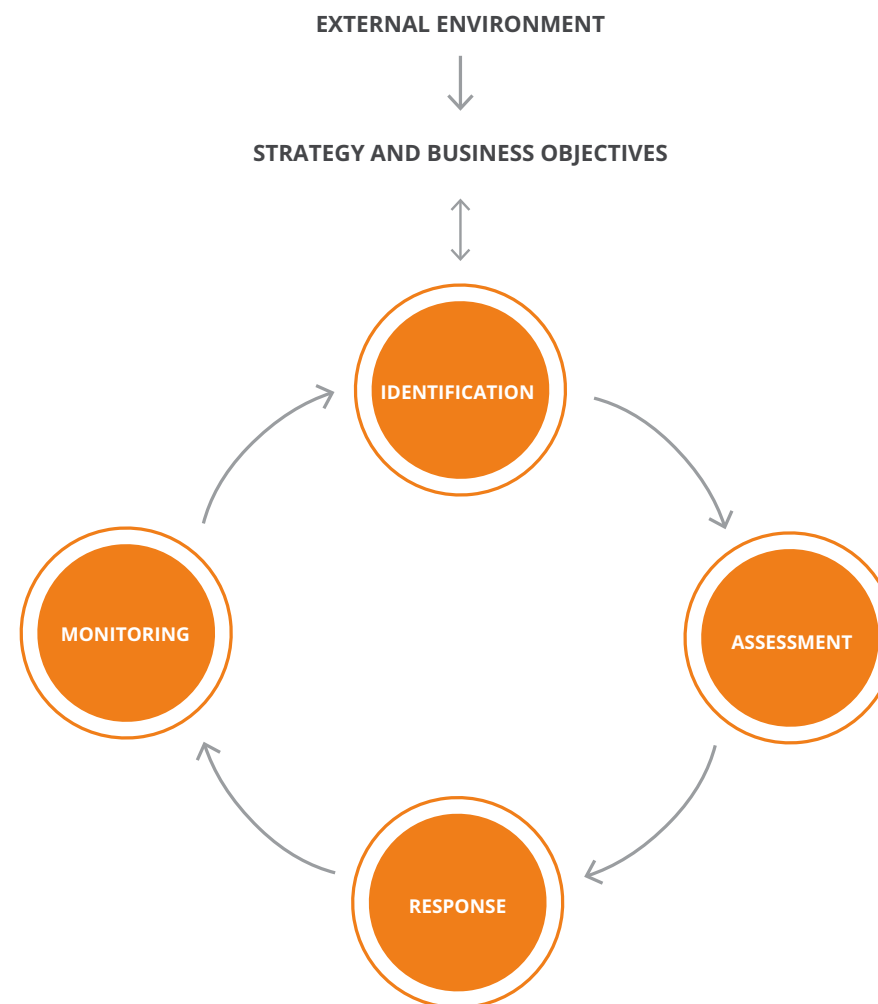
The ICF is a core part of our financial control process and most items are covered as part of ongoing operations or as part of the monthly close process. Each GBPO is responsible for gathering evidence for the relevant controls and presenting to the CFO on a quarterly basis as substantiation for our in-control statement.

We also introduced a formalised fraud risk assessment in 2017, whereby all department heads were interviewed to identify actual or potential fraud risks. Takeaway.com has a zero-tolerance approach to fraud. This assessment will be carried out annually. In addition, in depth investigation of suspect situations will occur, which may lead to an intermediate update of the fraud risk assessment.

Our highly-developed data analytics capability not only provides insight into our operational drivers but also acts as a powerful monitoring tool, allowing us to quickly detect unusual or unexpected transactions and follow up on these if necessary.



Finally, in a significant strengthening of our internal control environment, we decided to introduce an internal audit function within Takeaway.com in November 2017. This decision was reached due to the growing scale and complexity of the business, as well as the more stringent regulatory environment in which we operate. We also believe that this conforms to leading practice regarding risk management. The role and responsibilities of the Internal Audit function is formalised in an Internal Audit Charter, which includes a dual reporting line to the CFO and Supervisory Board. The Internal Audit function will report at least on a quarterly basis to the Management Board and Supervisory Board on the outcome of its activities.





Based on the process described above we have identified a non-exhaustive list of our top risks. Below we describe the development in these risks over 2017 and the mitigating actions we have taken:

Risk	Development of risk vs 2016	MB owner	Main countermeasures and development vs prior year	Potential impact
Market leadership and profitability	→	CEO	We continue to face challenges from well-funded competitors but have expanded our #1 position in each leading market through increasing investments in our brands and our product. Our losses reached a peak in the first six months of 2017.	High: We view market leadership as key to long-term success in our industry, and sustainable profitability is only achievable from a position of market leadership.
Long-term developments	→	CEO	No disruptive technology has been introduced into our markets and the growth in our network of both consumers and restaurants demonstrates the continuing and increasing strength of our value proposition. We have also continued to invest in the functionality of our product to make the consumer experience as smooth as possible.	Medium: Disruptive technologies or competitors with a superior offering could affect our ability to retain consumers which drives our business, results of operations, financial condition and prospects.



Severity of risk, considering mitigating actions, is lower in 2017 than 2016



No change to severity of risk in 2017 compared to 2016



Severity of risk, considering mitigating actions, is higher in 2017 than 2016

Risk	Development of risk vs 2016	MB owner	Main countermeasures and development vs prior year	Potential impact
Reputation and consumer awareness of our single brand in each market		MB	We strengthened the department responsible for brand marketing in 2017 and were able to further improve our top of mind brand awareness in each Leading Market. As we continue to grow in size we face increasing press coverage in relation to our business. We have expanded our PR and communications department to manage reputational risk in this regard.	High: Top of mind brand awareness is critical to market leadership which in turn drives long-term profitability and sustainability of our operations.
Retention of management and other key employees		COO	The introduction of an ESOP in 2017 provides longer-term incentives for our top management to remain with the Group. We added a number of senior managers to the Group in 2017 and retained essentially all members of the senior management team throughout 2017.	Medium-high: The loss of their services would result in a loss of knowledge and experience which could adversely affect our ability to effectively determine and execute our strategy.



Severity of risk, considering mitigating actions, is lower in 2017 than 2016



No change to severity of risk in 2017 compared to 2016



Severity of risk, considering mitigating actions, is higher in 2017 than 2016

Risk	Development of risk vs 2016	MB owner	Main countermeasures and development vs prior year	Potential impact
High IT dependency	→	CEO	The nature of our business means we will always have a high dependency on IT systems and IT employees. However, the strengthening of our IT team and the full retirement of the Lieferando operating system further reduced the risk of any system failure.	High: Any sustained failure of our IT systems would have a significant adverse impact on our reputation and on our financial performance and prospects.
Compliance with laws and regulations	↗	CFO	We faced increasing regulation in 2017 as a result of our decision to apply for a payment services license with the Dutch Central Bank (DNB) and the introduction of expanded data protection legislation in Europe. In addition, applicable regulation in respect of e-Commerce and regulation on the publication of allergen information for food requires our continued attention. While we have strengthened our compliance function, increasing regulation remains a key risk to the achievement of our strategic objectives.	High: Non-compliance could force us to cease our operations until the regulatory issue were properly addressed, causing a material adverse impact on our reputation and financial performance and prospects.



Severity of risk, considering mitigating actions, is lower in 2017 than 2016



No change to severity of risk in 2017 compared to 2016



Severity of risk, considering mitigating actions, is higher in 2017 than 2016

Risk	Development of risk vs 2016	MB owner	Main countermeasures and development vs prior year	Potential impact
Fraud	↘	CFO	The introduction of a formalised fraud risk assessment process, including all department managers, improved our ability to identify possible fraud risks and to ensure they are addressed at the appropriate level of the organisation.	Medium-high: Could result in a loss of financial resources, reputational damage and legal or regulatory costs if related to consumers or suppliers.
IT security	↘	CEO/CFO	IT governance and IT security controls have been further embedded and formalised within the Takeaway.com's organisation. New intrusion detection provisions have strengthened our cyber-security capabilities.	High: Could adversely affect our competitive position, relationships with consumers and suppliers and therefore our business, financial condition and results of operations. In addition, we may be required to incur significant costs to protect against or repair the damage caused by security breaches in the future, particularly in light of new data protection legislation.



Severity of risk, considering mitigating actions, is lower in 2017 than 2016



No change to severity of risk in 2017 compared to 2016



Severity of risk, considering mitigating actions, is higher in 2017 than 2016

Risk	Development of risk vs 2016	MB owner	Main countermeasures and development vs prior year	Potential impact
Financial reporting	↘	CFO	The introduction of a formalised ICF for Finance facilitated standardisation and transparency regarding the controls around financial reporting.	Medium: Unintentional misstatements or manipulation could adversely affect our relationships with various stakeholders and therefore our business, financial condition and results of operations.
Intellectual property	↘	CFO	Our existing IP is adequately protected and no additional IP was acquired during the year.	Medium-high: Our inability to protect our intellectual property or infringements could adversely affect our relationships with the restaurants and the consumers and therefore our business, financial condition and results of operations.



Severity of risk, considering mitigating actions, is lower in 2017 than 2016



No change to severity of risk in 2017 compared to 2016



Severity of risk, considering mitigating actions, is higher in 2017 than 2016



# Information for shareholders

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*“Following an initial public offering in September 2016, the shares of Takeaway.com are listed at and traded on Euronext Amsterdam under the listing name Takeaway.com – symbol TKWY”*

As a relative newcomer to the investor community, we want to maintain and further strengthen a strong reputation of a transparent, pro-active and approachable company.

## Investor relations policy

Takeaway.com is committed to complying with applicable rules and regulations on fair disclosure to shareholders. We have a detailed communication program in place to maintain proper communications with investors, shareholders and analysts. Communication events are available on the Investor Relations website and are posted on the Company's corporate website <http://corporate.takeaway.com> at the same time as they are made available to analysts and investors.

Bilateral meetings with (potential) shareholders will not be held during “closed periods”, which normally run from a period of approximately two months immediately prior to the first publication of the annual results, a period of approximately one month prior to the first publication of the semi-annual results, and for a period of approximately 10 days immediately prior to the first publication of our quarterly trading updates, if applicable. During these periods the Company will also refrain from making presentations at financial conferences, to retail investor audiences or one-on-one meetings with shareholders. Exceptions may apply, for example if



communication relates to factual clarifications of previously disclosed information.

The Company does not assess, comment upon, or correct, other than factually, any analyst report or valuation prior to publication.

The Company is committed to helping investors and analysts become better acquainted with Takeaway.com and its management, as well as to maintaining a long-term relationship of trust with the investment community at large.

The policy regarding bilateral contacts with shareholders provides the principles upon which Investor Relations engages with shareholders and other market participants to provide this information.

Takeaway.com has published its policy regarding bilateral contacts with shareholders on <https://corporate.takeaway.com/governance/corporate-governance>.

## Dividend policy

The Company intends to retain any future distributable profits to expand the growth and development of Takeaway.com's business and, therefore, does not anticipate paying any dividends to shareholders in the foreseeable future. The Group is currently not profitable.

## AScX-Index at Euronext Amsterdam

Takeaway.com has been included in the AScX-Index at Euronext Amsterdam since 19 December 2016. The inclusion is based on free-float adjusted market capitalisation and liquidity. The AScX-Index is the index for small cap companies listed at Euronext Amsterdam. It contains the 25 largest and most actively traded companies listed at Euronext Amsterdam following the companies included in the AEX and AMX, and is the most widely used small cap indicator of the Dutch stock market.

## Takeaway.com share price performance

Since the beginning of 2017, the development of Takeaway.com's share price is as follows:

Data per share



The average daily trading volume in Takeaway.com shares at Euronext Amsterdam between 1 January 2017 and 31 December 2017 was 50,644 shares (source: Euronext Amsterdam).

On the basis of the total number of 43,183,176 issued ordinary shares, the market capitalisation as at 31 December 2017 was €2.2 billion.

## Shareholders with 3% or more interest

According to the Financial Supervision Act, investors are required to notify the Dutch Authority for the Financial Markets (AFM) if their shareholding or voting rights reach, exceed or fall below certain thresholds. Such disclosures can be found at [www.afm.nl](http://www.afm.nl).

According to the AFM register as at 25 February 2018, shareholders who have disclosed holdings exceeding the 3% threshold are as follows:

Name	Date	% of total
Gribhold (founder)	13 October 2016	35.44%
Prime Ventures	12 September 2017	16.77%
Pelham	4 October 2016	4.40%
Ameriprise Financial (Threadneedle)	4 October 2016	4.36%
Adelphi Capital	3 October 2017	3.88%
Massachusetts Financial Services Company	20 September 2017	3.06%
Intrinsic Value Investors	6 November 2017	3.00%

It is possible that the stated interests differ from the current interests of the relevant shareholder.

## Financial calendar 2018

- 10 April 2018: Q1 2018 Trading Update;
- 17 May 2018: Annual General Meeting;
- 1 August 2018: Semi-annual 2018 Results;
- 10 October 2018: Q3 2018 Trading Update.

Our financial calendar can be viewed on:

<https://corporate.takeaway.com/investors/financial-calendar/>

## Contact

Shareholders, investors and analysts are invited to contact our investor relations department with any information requests they have:

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# 03 FINANCIAL STATEMENTS

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# Consolidated statement of profit or loss and other comprehensive loss

for the year ended 31 December

€'000	Note	2017	2016
Revenue	3	166,478	111,641
Cost of sales	4	(26,973)	(15,609)
<b>Gross profit</b>		<b>139,505</b>	<b>96,032</b>
Staff costs	5	(32,103)	(20,656)
Other operating expenses	6	(142,740)	(100,539)
Long-term employee incentive costs	19	(1,913)	(227)
Finance income and expenses, net	7	(198)	(1,764)
Share of loss of joint ventures	8	(189)	(115)
<b>Loss before income tax</b>		<b>(37,638)</b>	<b>(27,269)</b>
Income tax expense	9	(4,386)	(3,618)
<b>Loss for the year</b>		<b>(42,024)</b>	<b>(30,887)</b>
<b>OTHER COMPREHENSIVE (LOSS)/INCOME</b>			
Foreign currency translation (loss) / gain related to foreign operations, net		(594)	147
<b>Other comprehensive (loss) / income for the year</b>		<b>(594)</b>	<b>147</b>
<b>Total comprehensive loss for the year</b>		<b>(42,618)</b>	<b>(30,740)</b>
Loss attributable to:			
<b>Owners of the Company</b>		<b>(42,024)</b>	<b>(30,887)</b>
Total comprehensive loss attributable to:			
<b>Owners of the Company</b>		<b>(42,618)</b>	<b>(30,740)</b>
<b>LOSS PER SHARE</b>			
Basic loss per share	20	(0.97)	(0.84)
Diluted loss per share	20	(0.97)	(0.84)

The accompanying notes are an integral part of these consolidated financial statements.



# Consolidated statement of financial position

as at 31 December

€'000	Note	2017	2016
<b>ASSETS</b>			
Goodwill	11	62,269	62,119
Other intangible assets	12	24,100	26,186
Property and equipment	13	3,964	3,078
Joint ventures	14	263	34
Loans carried at amortised cost	15	859	845
<b>Total non-current assets</b>		<b>91,455</b>	<b>92,262</b>
Trade receivables online payment service providers	16	6,968	3,927
Trade receivables restaurants	16	1,726	913
Prepaid expenses and other receivables	16	6,328	4,803
Inventories	17	1,644	806
Cash and cash equivalents	18	89,793	134,591
<b>Total current assets</b>		<b>106,459</b>	<b>145,040</b>
<b>Total assets</b>		<b>197,914</b>	<b>237,302</b>

# Consolidated statement of financial position

as at 31 December

€'000	Note	2017	2016
<b>SHAREHOLDERS' EQUITY</b>			
Ordinary share capital	19	1,727	1,727
Share premium	19	249,534	249,534
Equity-settled employee benefits reserve	19	2,161	1,076
Foreign currency translation reserve	19	(363)	231
Accumulated deficits	19	(103,280)	(64,818)
<b>Total shareholders' equity</b>		<b>149,779</b>	<b>187,750</b>
Deferred tax liabilities	9	5,962	6,930
<b>Total non-current liabilities</b>		<b>5,962</b>	<b>6,930</b>
Trade payables	21	12,067	14,897
Amounts due to restaurants	21	13,800	9,096
Current tax liabilities	9	4,457	533
Other liabilities	22	11,849	18,096
<b>Total current liabilities</b>		<b>42,173</b>	<b>42,622</b>
<b>Total liabilities</b>		<b>48,135</b>	<b>49,552</b>
<b>Total shareholders' equity and liabilities</b>		<b>197,914</b>	<b>237,302</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

€'000	Ordinary share capital	Preference share capital	Share premium	Equity-settled employee benefits reserve	Foreign currency translation reserve	Accumulated deficits	Total shareholders' equity
Balance at 31 December 2015	16	19	82,018	1,219	84	(33,931)	49,425
Loss for the year	–	–	–	–	–	(30,887)	(30,887)
<b>OTHER COMPREHENSIVE LOSS</b>							
Foreign currency translation gain related to foreign operations, net	–	–	–	–	147	–	147
Other comprehensive income for the year	–	–	–	–	147	–	147
Total comprehensive income / (loss) for the year	–	–	–	–	147	(30,887)	(30,740)
<b>TRANSACTIONS WITH OWNERS OF THE COMPANY</b>							
Issuance of shares	305	–	179,540	–	–	–	179,845
Share issue cost, net of tax	–	–	(10,637)	–	–	–	(10,637)
Conversion of preference shares	19	(19)	–	–	–	–	–
Par value adjustment	1,387	–	(1,387)	–	–	–	–
Share-based payments	–	–	–	(143)	–	–	(143)
<b>Balance at 31 December 2016</b>	<b>1,727</b>	<b>–</b>	<b>249,534</b>	<b>1,076</b>	<b>231</b>	<b>(64,818)</b>	<b>187,750</b>
Loss for the year	–	–	–	–	–	(42,024)	(42,024)
<b>Other comprehensive loss</b>							
Foreign currency translation loss related to foreign operations, net	–	–	–	–	(594)	–	(594)
Other comprehensive loss for the year	–	–	–	–	(594)	–	(594)
Total comprehensive loss for the year	–	–	–	–	(594)	(42,024)	(42,618)
<b>TRANSACTIONS WITH OWNERS OF THE COMPANY</b>							
Settlement of employee bonus shares	–	–	–	(3,562)	–	3,562	–
Share-based payments	–	–	–	4,647	–	–	4,647
<b>Balance at 31 December 2017</b>	<b>1,727</b>	<b>–</b>	<b>249,534</b>	<b>2,161</b>	<b>(363)</b>	<b>(103,280)</b>	<b>149,779</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows

for the year ended 31 December

€'000	Note	2017	2016
Loss for the year		(42,024)	(30,887)
<b>ADJUSTMENTS:</b>			
Depreciation and amortisation	12, 13	4,972	3,765
Share of loss in joint ventures	8	189	115
Expense related to share-based payments	5, 19	4,647	1,055
Finance income and expenses recognised in profit or loss	7	(352)	1,764
Charge for doubtful debt	6	1,091	764
Income tax expense recognised in profit or loss	9	4,386	3,618
		(27,091)	(19,806)
<b>MOVEMENT IN WORKING CAPITAL</b>			
Increase in inventories	17	(819)	(162)
(Increase) in trade and other receivables	16	(6,437)	(4,972)
Increase in trade and other payables	21	1,766	12,158
(Decrease)/increase in other liabilities	22	(1,958)	12,401
Cash used in operations		(34,539)	(381)
Interest paid, net		(198)	(1,764)
Income taxes paid	9	(1,430)	(1,240)
<b>Net cash used in operating activities</b>		<b>(36,167)</b>	<b>(3,385)</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Consolidated statement of cash flows (continued)

for the year ended 31 December

€'000	Note	2017	2016
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Additions to other intangible assets	12	(1,710)	(11,526)
Additions to property and equipment	13	(2,062)	(1,895)
Additions to loans carried at amortised cost	15	(14)	(523)
Repayment of loans carried at amortised cost	15	–	83
Net cash outflow on acquisition		(4,455)	(18,263)
Investment to joint ventures	14	(419)	–
<b>Net cash used in investing activities</b>		<b>(8,660)</b>	<b>(32,124)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of ordinary shares	19	–	179,845
Payments for share issue costs	19	–	(14,186)
Proceeds from borrowings	23	–	35,819
Repayments of borrowings	23	–	(35,819)
<b>Net cash generated by financing activities</b>		<b>–</b>	<b>165,659</b>
Net increase / (decrease) in cash and cash equivalents		(44,827)	130,150
Cash and cash equivalents at beginning of year	18	134,591	4,449
Effects of exchange rate changes of cash held in foreign currencies		29	(8)
<b>Cash and cash equivalents at end of year</b>	<b>18</b>	<b>89,793</b>	<b>134,591</b>

The accompanying notes are an integral part of these consolidated financial statements.

# Notes to the consolidated financial statements

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## 1 General

Amounts in the notes are in €'000 unless related to number and/or nominal value of shares, number and fair value elements of share options, or as otherwise stated.

Takeaway.com is a leading online food delivery marketplace focused on connecting consumers and restaurants through its platform across eight European countries and through a joint venture in Vietnam.

Takeaway.com is a public limited liability company incorporated and domiciled in Amsterdam, the Netherlands. The Company is the ultimate parent of the Group and its ordinary shares are quoted on Euronext Amsterdam (ticker symbol: TKWY). Takeaway.com is registered at the Commercial Register of the Chamber of Commerce in Amsterdam, the Netherlands under number 08142836.

### Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRS and its interpretations, prevailing as at 31 December 2017, as endorsed for use in the European Union by the European Commission.

The financial statements were authorised for issue by the Management Board and Supervisory Board on 8 March 2018. The adoption of these financial statements including the adoption of the proposed allocation of the net loss for the year ended 31 December 2017 is reserved for the shareholders in the General Meeting on 17 May 2018.

### **Consolidated financial statements**

The consolidated financial statements of the Group as at and for the year ended 31 December 2017, comprise the Company and its subsidiaries. The significant accounting policies applied in the preparation of these consolidated financial statements are set out in the respective detailed notes. These policies have consistently been applied by the Group entities.

### **New accounting standards, developments and early adoption**

In the current year, the Group has mandatorily adopted a number of amendments to IFRSs issued by the IASB that are effective for the current accounting period. The amendments adopted in 2017 relate to amendments to IFRS 12 as included in the Annual Improvements to IFRSs 2014 – 2016 Cycle. The adoption of the amendments to IFRS 12 had no impact on the Group.

The Group has not applied the following new and revised IFRSs that have been in issue but are not yet effective:

- IFRS 9;
- IFRS 16;
- Amendments to IFRS 2;

- Amendments to IFRS 10 and IAS 28;
- Amendments to IFRSs (Annual Improvements to IFRS Standards 2014 – 2016 Cycle (IFRS 1 and IAS 28 amendments);
- Amendments to IFRSs (Annual Improvements to IFRS Standards 2015 – 2017 Cycle (IFRS 3, IFRS 11, IAS 12, IAS 23)).

The Group has finalised its assessment of the potential impact on the consolidated financial statements resulting from the full application of IFRS 9 “Financial Instruments”. IFRS 9 requires, among others, the Group to recognise a loss allowance for expected credit losses on a financial asset. This implies that IFRS is moving from an incurred loss model under IAS 39 to a more forward-looking, expected loss model under IFRS 9. Under IAS 39, credit losses were recognised only once there had been an incurred loss event and entities were prohibited from taking into consideration expectations of future credit losses. Under IFRS 9, the Group is required to consider historic, current and forward-looking information (including macro-economic data). This will result in the earlier recognition of credit losses as it will no longer be appropriate for the Group to wait for an incurred loss event to have occurred before credit losses are recognised.

The Group has concluded that the adoption of IFRS 9 does not have a significant impact given that the majority of the Group’s receivables are settled via the online payment service. IFRS 9 must be adopted for periods beginning on or after 1 January 2018.

Furthermore, the Group is assessing the potential impact on the consolidated financial statements resulting from the full application of IFRS 16 “Leases”. IFRS 16 must be adopted for periods beginning on



or after 1 January 2019. IFRS 16 requires most leases to be recognised on-balance, eliminating the distinction between operating and finance leases. Under IFRS 16, a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is treated similarly to other non-financial assets and is depreciated accordingly. The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease or the incremental borrowing rate as appropriate. The liability accrues interest. The nature of expenses related to those leases will change under IFRS 16 as IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities.

Takeaway.com has €7.5 million in off-balance operating lease obligations as at 31 December 2017. Takeaway.com has not yet decided which transition approach to apply. However, the Group does not expect IFRS 16 to have a significant impact as of the transition date of 1 January 2019.

The amendments to IFRS 2, IFRS 10 and IAS 28, and the amendments covered by the Annual Improvements to IFRS Standards 2014 – 2016 and 2015 – 2017 Cycles are expected to have no significant impact as of the transition date.

## 2 Basis of preparation

The financial statements have been prepared on the historical cost basis. Income and expenses are accounted for on an accrual basis.

Reference is made to the significant accounting policies as included in the relevant notes to the consolidated financial statements and Company financial statements for more detailed information on the measurement basis.

### Functional and presentation currency

The financial statements are presented in euros, which is the Company's functional and presentation currency. Financial information has been rounded to the nearest thousand except for per share (financial) information and when otherwise indicated.

### Going concern

The Management Board has assessed the going concern assumptions of the Group during the preparation of the financial statements. There are no events or conditions that give rise to doubt about the ability of the Group to continue in operation within the next reporting period. This conclusion is drawn based on knowledge of the Group, the estimated economic outlook and identified risks and uncertainties in relation thereto. Furthermore, the conclusion is based on the review of our strategic plan and budget, including expected development in liquidity and capital. Consequently, it has been concluded that it is reasonable to apply the going concern concept as the underlying assumption for the financial statements.

### Comparatives

Where necessary, certain reclassifications have been made to the prior-year financial information and the notes thereto to conform to the current year presentation and to improve insights to stakeholders.

**Basis of consolidation*****Subsidiaries***

The consolidated financial statements incorporate the financial statements of Takeaway.com and entities controlled by Takeaway.com (its subsidiaries).

***Control***

Control is achieved where the Group has power over the entity, is exposed, or has rights, to variable returns from its involvement with the entity, and has the ability to use its power to affect its returns. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting and share rights in an investee are sufficient to give it power.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary.

***Consolidation process***

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income and expenses relating to transactions between members of the Group are eliminated in full on consolidation.

Income and expenses of subsidiaries acquired/disposed of during the year are included/excluded in the consolidated statement of profit or loss and other comprehensive income (OCI) from the date the Group gains/loses control of the subsidiary.

Profit or loss and each component of OCI are attributed to the owners of the Company.

***Foreign currencies***

In preparing the financial statements of each individual Group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in OCI and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into euros using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences

arising, if any, are recognised in OCI and accumulated in shareholders' equity.

### **Impairment**

The carrying amounts of the assets of the Group are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, then the recoverable amount of the asset is estimated. Goodwill is tested annually for impairment, and whenever an impairment trigger is identified.

Receivables are first individually assessed for impairment, and if they are found not to be impaired, they are collectively assessed for impairment. For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating unit (CGU). Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount is the greater of the fair value less costs to sell and value in use. In assessing the value in use, estimated future cash flows are discounted to present values using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. Impairment

losses are recognised in profit or loss. Impairment losses recognised with regard to CGUs are allocated first to reduce the carrying amount of any goodwill allocated to CGUs and then to reduce the carrying amount of the other assets in the CGU on a pro-rata basis.

An impairment loss of goodwill is not reversed. Regarding other assets, an impairment loss can be reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### **Derivative financial instruments**

The general policy of the Group is to not enter into derivative financial instruments.

### **Offsetting of financial assets and financial liabilities**

Financial assets and liabilities are offset and reported as a net amount in the consolidated statement of financial position when there is a legally enforceable right to offset the amounts recognised and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

**Consolidated statement of cash flows**

The consolidated statement of cash flows has been prepared using the indirect method. The indirect method implies that the consolidated result for the year is adjusted for items and expenses that are not cash flows and for autonomous movements in operating working capital (excluding impact from business acquisitions).

Cash payments to employees and suppliers are recognised as cash flows from operating activities. Cash flows from operating activities also include costs of operating activities, business acquisition and divestment related costs, spending on provisions, and income taxes paid on operating activities.

Cash flows from investing activities are those arising from capital expenditure and disposal, additions and disposals of loans carried at amortised cost and from the acquisition of business combinations.

Cash and cash equivalents available at the time of acquisition or sale are deducted from the related payments or proceeds.

Capital expenditure consists of purchases of property and equipment less book value of disposals and purchases of other intangible assets less book value of disposals.

The cash flows from financing activities comprise the cash receipts of the exercise of share options, and payments for issued shares, debt instruments, and short-term financing.

## Critical accounting judgements and key sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with IFRS requires the Management Board to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expense. Actual results may differ from those estimates, and may result in material adjustments in the next financial year(s).

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.

### Critical judgements in applying accounting policies

The Management Board made critical judgement in the process of applying Group's accounting policies and that have the most significant effect on the amounts recognised in the consolidated financial statements (see also the notes to the consolidated financial statements). The critical judgements are:

### *Unused tax losses not recognised*

The recognition of deferred tax assets is based upon the extent to which it is probable that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences (unused tax losses) can be deducted. Relevant tax law is considered to determine the availability of the losses to offset against the future taxable profits in the foreseeable future. Recognition of deferred tax assets therefore involves judgement regarding the future financial performance of Yourdelivery and Sto2 in which the deferred tax asset has been recognised. See note 9 for details of the unrecognised tax losses.

### *Share-based payments*

The Group measures the cost of equity-settled transactions with the Managing Directors and senior management by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. Judgements are applied in relation to estimations of the number of options that will vest and of the fair value of the options granted to employees.

The vesting is based on a service condition (continued employment) and five non-market performance conditions. Estimates of fair value are made using a widely recognised share option value model (Black-Scholes Merton option pricing model). Judgement is applied in

determining the assumptions input into the share option value model and the realisation of the non-market performance conditions over the 2-3 year period. See note 19 for details of the key assumptions used.

### Key sources of estimation uncertainty

#### *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the CGUs to which goodwill has been allocated. The value in use calculation requires the Managing Directors to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The carrying amount of goodwill as at 31 December 2017 was €62.3 million (31 December 2016: €62.1 million). No impairment loss was recognised during 2017 (2016: nil). Reference is also made to note 11 for further details.

The Managing Directors believe that the impairment analyses and assumptions used are appropriate in determining that the goodwill is not impaired as at 31 December 2017 and 31 December 2016, respectively.

#### *Impairment of intangible assets other than goodwill*

Intangible assets other than goodwill are impaired if the carrying value exceeds the recoverable amount (i.e. the higher of fair value

less costs of disposal and value in use). An impairment test is carried out on the intangible asset or CGU where there is an indication of impairment during the year. In such cases, the Managing Directors determine the value in use by estimating the future cash flows expected to arise from the asset or CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

In 2017, there were no indicators of impairment in relation to the intangible assets other than goodwill as these assets also form part of the CGU as described under the heading impairment of goodwill. The carrying amount of intangible assets other than goodwill as at 31 December 2017 was €24.1 million (31 December 2016: €26.2 million). No impairment loss was recognised during 2017 (2016: nil).

#### *Useful lives of non-current assets*

The useful lives have to be determined for goodwill, other intangible assets, and property and equipment. The useful lives are estimated based upon best practice within the Group and are in line with common market practice. The Group reviews the remaining useful lives of its non-current assets annually.

#### *Accounting for income taxes*

For each Group entity, the current income tax expense is calculated and differences between the accounting and tax base are determined, resulting in deferred tax assets or liabilities. These calculations may deviate from the final tax assessments, which will be received in future periods.

A deferred tax asset is recognised for deductible temporary differences, carry-back / forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. The assessment relies on estimates and assumptions and may involve series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax assets and liabilities. Such changes to tax assets and liabilities will impact the income tax benefits/expenses in the consolidated statement of profit or loss and other comprehensive income in the period that such a determination is made. The key assumption is that it is not probable to recognise deferred tax assets for the unused tax losses in Germany and Poland given the recent history of tax losses in those countries and the estimated absence of taxable profits in the foreseeable future.

### *Share-based payments*

The Company has issued share options to the Managing Directors and senior management under the LTIP and ESOP, respectively. In estimating the fair values of the share options granted to the Managing Directors and senior management, the Company uses observable market data to the extent it is available for the share option pricing models. Reference is made to note 19 for further details.

The Managing Directors believe that the share option pricing models and related allocations of the expenses, taking into consideration the expected forfeitures, over the vesting period are appropriate as at 31 December 2017 and 31 December 2016, respectively.



## Non-IFRS financial measures

Certain parts of the annual report contain non-IFRS financial measures, such as the adjusted EBITDA margin (Group and per reporting segment). These are not recognised measures of financial performance or liquidity under IFRS. They are presented as the Group believes that they and similar measures are widely used in the industry in which the Group operates as a means of evaluating operating performance and liquidity. Takeaway.com believes the non-IFRS measures present within the annual report, when read together with Takeaway.com's financial statements, provide meaningful supplemental information for the investing public. This enables them to evaluate Takeaway.com's businesses after eliminating the impact of amortisation, depreciation, long-term

employee incentive costs, finance income and expenses, non-recurring items and tax, as a whole, as well as across the main reporting segments. However, the non-IFRS financial measures presented herein may not be comparable to other similarly titled measures of other companies and are not measurements under IFRS or other generally accepted accounting principles. Accordingly, undue reliance should not be placed on the non-IFRS financial measures contained in the annual report and they should not be considered as a substitute for operating loss, loss for the year, cash flow or other financial measures computed in accordance with IFRS.

The reconciliations of the non-IFRS measures to the most comparable IFRS measures are presented in note 10 of the consolidated financial statements.

## Specific notes to the consolidated financial statements

### 3 Revenue

Revenue consists of commission revenue, online payment services revenue and other revenue. Revenues are measured based on the consideration specified in contracts or based on customary business practices. Revenues are recognised at a point in time. This is when the order is successfully transmitted from the consumer to the restaurant or when the merchandise or other goods are delivered or services are rendered to the consumer or restaurant. Revenues are only recognised when the performance obligations are satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Commission revenue represents the commission percentage charged to restaurants on the value of each order. Online payment services revenue represents the fees charged for processing online payments. Other revenue represents sales of goods such as merchandise and GPRS printers.

Due to the Group's highly fragmented customer base, no single customer contributed 10% or more to the Group's revenue in either 2017 or 2016.

### 4 Cost of sales

Cost of sales comprises directly attributable costs of goods and services sold and is expensed in line with the related revenue.

€'000	2017	2016
Commission revenue	149,705	99,871
Online payment services revenue	11,970	8,147
Other revenue	4,803	3,623
<b>Total revenue</b>	<b>166,478</b>	<b>111,641</b>

Cost of sales consists of the fees charged by online payment service providers to process online payments for consumers on behalf of the restaurant; order management costs for transmitting orders from consumers to restaurants (such as the costs of the infrastructure, SMS costs and the cost of GPRS printers); the production cost of merchandise sold and costs related to the delivery drivers.

The increase in cost of sales is primarily related to the growth in the

Group's restaurant delivery services (Scoober), which has a structurally higher cost of sales due to the cost of employing drivers and dispatch staff.

€'000	2017	2016
Order management costs	6,597	4,735
Merchandise costs	231	105
Online payment services costs	8,918	6,282
Delivery expenses	11,227	4,487
<b>Total cost of sales</b>	<b>26,973</b>	<b>15,609</b>

## 5 Staff costs

Staff costs comprise directly attributable costs of staff (excluding Scoober), social security charges, employee bonus shares and pension premium contributions. Pension premium payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered services entitling them to the contributions. Pension premiums are paid for by the Group.

€'000	2017	2016
Wages and salaries	24,618	16,561
Social security charges	4,415	2,915
Employee bonus shares	2,734	828
Pension premium contributions	336	352
<b>Total staff costs</b>	<b>32,103</b>	<b>20,656</b>

For details on the employee bonus shares, we make reference to note 19.

The pension costs of the Group are wholly related to defined contribution retirement benefit plans for all qualifying employees of the Group, limiting the Group's legal obligation to the amount it agrees to contribute during the period of employment. The assets of the plans are held separately from those of the Group in funds under the control of pension insurance companies and pension funds. The defined contribution retirement benefit plans held by the foreign subsidiaries are similar to those held in the Netherlands.

The pension premium contribution payable to the pension provider is recorded as an expense. The capital available for the purchase of a pension equals the investment value as at pension date, which has not been guaranteed by the Group. Based on the administrative regulations, the Group has no other obligations than the annual pension premium payments.

The average number of employees converted into full-time equivalents ("FTE") per operating segment:

Average FTE	2017	2016
The Netherlands	410	237
Germany	387	262
Other	181	89
<b>Average FTE</b>	<b>978</b>	<b>588</b>

As at 31 December 2017, the Group had 1,171 employees in FTE in total (2016: 720). This can be split into 761 employees in FTE across all markets and headquarter (2016: 506), and 410 Scoober employees in FTE (2016: 214). During 2017, 58% of employees worked outside the Netherlands (2016: 60%). The increase in our average number of employees in FTE is mainly driven by continued investments in the organisation to support our growth, as well as the addition of a large number of Scoober couriers.

## 6 Other operating expenses

Other operating expenses include expenses that are neither directly attributable to cost of sales, staff costs, nor the financing of the Group.

€'000	2017	2016
Marketing expenses	116,636	82,600
Depreciation and amortisation expenses	4,972	3,765
Housing and other staff related expenses	2,884	2,063
Temporary staff expenses	2,988	1,512
Charge for doubtful debts	1,091	764
Other operating expenses	14,169	9,835
<b>Total operating expenses</b>	<b>142,740</b>	<b>100,539</b>

A total of €1.1 million in earn-out arrangement is included in other operating expenses (2016: €0.5 million). This earn-out arrangement was related to the acquisition of Yourdelivery (including Sto2) and was cancelled in 2017 in lieu of share options and shares under the ESOP.

Operating lease payments in 2017 are recognised in other operating expenses and amounted to €2.9 million (2016: €1.8 million).

## 7 Finance income and expenses, net

Interest and other finance income and interest expenses and other finance cost are recognised using the effective interest method. Finance income and expense are accounted for on an accrual basis.

€'000	2017	2016
Interest income	20	25
Other finance income	–	–
<b>Total finance income</b>	<b>20</b>	<b>25</b>
Interest expenses	–	(1,330)
Other finance cost	(218)	(459)
<b>Total finance expenses</b>	<b>(218)</b>	<b>(1,789)</b>
<b>Finance income and expenses, net</b>	<b>(198)</b>	<b>(1,764)</b>

Finance income consists of interest income on current accounts with credit institutions.

The weighted average capitalisation rate on funds borrowed in 2017 is nil per annum as the Group did not externally borrow funds from financial institutions (2016: 4.0%).

## 8 Share of loss of joint ventures

The Group's share of the net profit or loss and other comprehensive income of the joint venture, after adjustments to align the accounting policies with those of the Group, are recognised using the equity method. When the share of losses exceeds the interest in a joint venture, the carrying amount is reduced to zero, and recognition of further losses is discontinued unless the Group has an obligation or has made payments on behalf of the investee.

The Group's share of loss from the joint venture Takeaway.com Asia in 2017 amounted to €0.2 million (2016: €0.1 million).

## 9 Income taxes

Income tax expense represents the sum of current and deferred tax expenses.

### Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and OCI because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

### Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Takeaway.com N.V. is part of the fiscal unity in the Netherlands of which Takeaway.com is the parent.

Takeaway.com files a consolidated tax return on behalf of the fiscal unity. The income tax calculations for the entities in the fiscal unity are prepared as if each entity is a stand-alone entity with all deferred and current tax charges or benefits, receivables, and payables included in these consolidated financial statements (with intercompany transactions having been eliminated upon consolidation). No fiscal unity exists in other countries.

#### Income tax recognised directly in profit or loss

€'000	2017	2016
Current tax expense	(5,354)	(4,428)
Deferred tax benefit	968	810
<b>Total income tax recognised directly in profit or loss</b>	<b>(4,386)</b>	<b>(3,618)</b>

The current tax expenses relate entirely to the taxable result of the fiscal unity in the Netherlands. The deferred tax benefit relates to temporary differences in amortisation of other intangible assets.

#### Income tax recognised directly in shareholders' equity

€'000	2017	2016
Current tax benefit	–	3,549
<b>Total income tax recognised directly in shareholders' equity</b>	<b>–</b>	<b>3,549</b>

The current tax benefit in prior year related entirely to the deductible share issue cost. This amount was fully deducted from share premium in 2016 in accordance with IFRS.



### Reconciliation of the effective income tax rate

The income tax expense for the year reconciled to the accounting profit is as follows:

€'000	2017	2016
Loss before income tax	(37,639)	(27,269)
Income tax benefit calculated at 25%		
Dutch income tax	(9,410)	(6,817)
Effect of tax losses foreign operations	12,678	10,324
Non-deductible employee bonus shares	675	207
Effect of non-deductible expenses and deferred tax liability	490	(96)
Effect of tax rate differentials	(47)	–
<b>Income tax expense recognised in profit or loss</b>	<b>4,386</b>	<b>3,618</b>

The income tax rate for the 2017 and 2016 reconciliations above is the corporate tax rate of 20% (taxable profits up to €0.2 million and 25% for taxable profits in excess of €0.2 million) payable by corporate entities in the Netherlands on taxable profits under income tax law in the Netherlands.

### Current tax liabilities

€'000	2017	2016
Opening balance	533	894
Current tax expense	4,386	3,618
Income tax benefit share issue cost	–	(3,549)
Movements in deferred tax liability	968	810
Income taxes paid	(1,430)	(1,240)
<b>Balance at 31 December</b>	<b>4,457</b>	<b>533</b>

### Deferred tax liabilities

€'000	2017	2016
Opening balance	6,930	4,901
Additions	–	2,839
Releases	(968)	(810)
<b>Balance at 31 December</b>	<b>5,962</b>	<b>6,930</b>

### Unused tax losses

€'000	2017	2016
Yourdelivery	113,811	75,233
Sto2	26,010	13,635
Takeaway Express	2,635	–
<b>Balance at 31 December</b>	<b>142,456</b>	<b>88,868</b>

The unused tax losses relate primarily to the unused tax losses of Yourdelivery and Takeaway Express in Germany and Sto2 in Poland. The Group does not recognise the deferred tax asset relating to the accumulated unused tax losses in Germany and Poland as they do not meet the recognition criteria for an asset as at 31 December 2017 (2016: do not meet). A total of €0.1 million will expire in Poland in 2018. The unused tax losses of Yourdelivery and Takeaway Express have no statutory expiration.

## 10 Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses. All operating segments are regularly reviewed by the Group's Chief Operating Decision Maker (the Management Board) to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Operating segments that do not meet the quantitative thresholds and that have similar economic characteristics have been aggregated into a single reportable segment.

The Group's internal management reporting is focused on countries (being the operating segments) in which we operate.

The Management Board assesses the performance of operating segments based on the measures of segment orders, segment revenue, and segment adjusted EBITDA, in addition to our KPIs as described in the report of the Management Board.

The Group has three operating segments: the Netherlands, Germany and Other. The segments for the Netherlands, Germany and Other each include businesses with similar operating characteristics (revenue and marketing activities). The other smaller countries are considered the 'other operating segment' given the relative small size of its revenue in relation to the consolidated revenue.

Segment adjusted EBITDA includes allocations of expenses from supporting functions within the Group. Such allocations have been determined based on relevant measures that reflect the level of benefits of these functions to each of the operating segments. As the three operating segments serve only external customers, there is no inter-segment revenue. Interest income and expenses and tax are not allocated to the segments. There is no measure of segment assets and liabilities provided to the Management Board, as working capital of the Group is managed on a consolidated basis.

€'000	2017	2016
<b>REVENUE</b>		
The Netherlands	74,427	55,253
Germany	57,859	36,809
Other	34,192	19,579
<b>Total revenue</b>	<b>166,478</b>	<b>111,641</b>
<b>MARKETING EXPENSES</b>		
The Netherlands	(13,101)	(9,933)
Germany	(70,693)	(51,160)
Other	(32,842)	(21,507)
<b>Total marketing expenses</b>	<b>(116,636)</b>	<b>(82,600)</b>
<b>ADJUSTED EBITDA<sup>1</sup></b>		
The Netherlands	43,017	34,746
Germany	(47,024)	(39,402)
Other	(23,565)	(13,620)
<b>Total adjusted EBITDA<sup>1</sup></b>	<b>(27,572)</b>	<b>(18,276)</b>

<sup>1</sup> Non-IFRS financial measure (unaudited)

Total adjusted EBITDA attributed to operating segments can be reconciled to the net loss for the year is as follows:

€'000	2017	2016
Loss before income tax	(37,638)	(27,269)
Add back items not included in adjusted EBITDA <sup>1</sup> :		
• Finance income and expenses	198	1,764
• Long-term employee incentive costs	1,913	227
• Share of loss of joint ventures	189	115
• Depreciation and amortisation expenses	4,972	3,765
• Non-recurring items	2,794	3,122
<b>Adjusted EBITDA<sup>1</sup></b>	<b>(27,572)</b>	<b>(18,276)</b>

<sup>1</sup> Non-IFRS financial measure (unaudited)

Non-recurring items mainly relate to acquisition costs, and the expense related to the employee bonus shares as disclosed in note 19.

## 11 Goodwill

Goodwill arises from business combinations and represents the excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired company. Goodwill in respect of equity accounted investees is included in the carrying amount of the investment. Goodwill is measured at cost less accumulated impairment losses.

€'000	2017	2016
Cost	62,119	47,822
Additions	150	14,297
<b>Balance at 31 December</b>	<b>62,269</b>	<b>62,119</b>

### Business combinations acquired

The Group agreed on a small asset acquisition in December 2016 which became effective as per 1 January 2017 related to the Belgian and German assets of Eatingdesk S.A. and Bloomsburys GmbH, respectively, operating in Belgium and Germany under the Resto-In brand. Total consideration paid was €0.3 million and related goodwill amounted to €0.2 million as at 31 December 2017.

Goodwill recorded in connection with the 2017 acquisition represents future economic benefits specific to the Group arising from assets that do not qualify for separate recognition as intangible assets. Goodwill has been determined based on the value in use method. The primary reason for this small business combination is to further strengthen the Group's market share in Belgium and Germany. The expected benefits are the acquired consumers and restaurants.

### Provisional fair value accounting

The provisional fair value accounting for the acquisitions of the Dutch and Belgian operations of Just Eat Holding Limited through the purchase of the entire share capital of Just-Eat Benelux B.V. and Just-Eat België BVBA, the assets of MyLorry GmbH and the shares in Tante Bep B.V., became final in 2017. No changes in purchase price accounting for these acquisitions had to be made in 2017.

### Contingent considerations

The acquisition in 2017 resulted in a maximum achievable undiscounted contingent consideration of nil (2016: €4.4 million).

### Net cash flow on acquisition

The net cash flow on acquisition was related to consideration (including contingent consideration) paid for the following acquisitions:

€'000	2017	2016
Just Eat Benelux acquisition	4,155	18,263
Resto-in	300	–
<b>Total</b>	<b>4,455</b>	<b>18,263</b>

### Allocation of goodwill to CGUs and assumptions applied

Goodwill has been allocated for impairment testing purposes to three CGUs being Germany and Poland (Yourdelivery and Sto2), The Netherlands and Belgium, and Other. The allocation of the carrying value of goodwill to the respective CGUs is as follows:

€'000	2017	2016
CGU Germany and Poland	47,897	47,822
CGU the Netherlands and Belgium	14,130	14,055
CGU Other	242	242
<b>Total</b>	<b>62,269</b>	<b>62,119</b>

The recoverable amount of the cash-generating units is determined based on a value in use calculation which uses cash flow projections based on financial budgets and estimates approved by the Managing Directors covering a ten-year period (CGU Germany and Poland), and a five-year period (CGU the Netherlands and Belgium). The key assumptions on which these budgets are based are as follows

CGU	Germany and Poland	The Netherlands and Belgium
Forecast period	10 years	5 years
Revenue growth per annum in the first five years of planning period (CAGR)	31.1%	22.3%
Revenue growth per annum in the second five years of planning period (CAGR)	4.2%	n.a.
Long-run marketing as % of sales	25.0%	13.2%
Perpetual growth rate (%)	1.3%	0.5%
WACC (%)	11.0%	9.9%

IAS 36.33 suggests a five-year forecast period unless a longer period can be justified. In the case of the CGU Germany and Poland, we believe the business will not reach a steady state within five years, given the business exhibits high growth rates and operates in an under-penetrated, immature market. Hence, a ten-year forecast period is used and justifiable for the CGU Germany and Poland.

Revenue growth is determined based on either detailed planning on consumer cohort level, consistent with past experience (first three years) or management estimates based on market size and competitive position (fourth year and beyond). Considering our Dutch business has been in operation for 18 years and still achieves annual revenue growth in excess of 30%, the revenue growth estimates applied in the long-run are conservative.

Apart from revenue growth, the key determinant of profit in the long-run is the development of marketing expenses. In the Netherlands, marketing expenses are currently 18% of revenue, compared to 122% in Germany. This is primarily related to the relative competitive intensity in each market and our market share in those markets. The majority of our marketing expenses in Germany are currently focused on acquiring new consumers. As our brand awareness and our base of active consumers grows, the amount of marketing on a per order basis is expected to decline as more orders will come from returning rather than new consumers. As the business model is relatively new, there are limited examples of the long-run marketing cost in comparable markets, therefore we apply a higher level in Germany than the current level in the Netherlands due to the higher level of competition in Germany.

The WACC is determined based on a target capital structure of 100% equity (2016: 90%). The main inputs are the risk-free rate of 1.3% for CGU Germany and Poland (2016: 0.5%) and 0.5% for CGU the Netherlands and Belgium (2016: 0.5%), a market risk premium of between 5.8%-6.5% (2016: 5.6%) and an estimated beta of 1.5

(2016: 1.0). We do not apply a company-specific risk premium.

We cross-check the WACC with market estimates which reconcile to Takeaway.com's enterprise value. A higher WACC has been applied to CGU Germany and Poland compared to CGU the Netherlands and Belgium, due to the greater risk associated with the cash flows in Germany.

The cash flows beyond the ten-year and five-year periods have been extrapolated using a perpetual growth rate of 1.3% per annum for CGU Germany and Poland (2016: 0.5% per annum) and 0.5% for CGU the Netherlands and Belgium (2016: 0.5%) to align with the risk-free rate.

#### *Sensitivity analysis*

The impairment testing also includes an assessment if a reasonably possible change in a key assumption would cause the carrying amount to exceed the recoverable amount. A negative variance of 10% on the perpetual growth rate, or an increase in the WACC of 1%, would not cause the recoverable amount to end below the carrying amount.

## 12 Other intangible assets

Intangible assets acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over the assets' estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any change in estimates being accounted for on a prospective basis.

Software under development is carried at cost when it is probable that future economic benefits, attributable to the asset, will flow to the Group and when the cost can be measured reliably. Amortisation will start when the software is ready for use.

The following useful lives are used in the calculation of amortisation:

- Concessions, permits and intellectual property rights  
10 years
- Trade names, restaurant database, and software  
3 – 20 years
- Customer list 10 years

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

### **Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets acquired separately.



€'000	Concessions, permits and IP rights	Trade names, restaurant database and software	Customer list	Software under development	Total
<b>COST</b>					
Balance at 31 December 2015	1,250	9,853	13,410	–	24,513
Additions	–	587	10,782	157	11,526
Balance at 31 December 2016	1,250	10,440	24,192	157	36,039
Additions	52	928	53	677	1,710
Reclassifications	–	157	–	(157)	–
Disposals	–	(64)	–	–	(64)
<b>Balance at 31 December 2017</b>	<b>1,302</b>	<b>11,461</b>	<b>24,245</b>	<b>677</b>	<b>37,685</b>
<b>ACCUMULATED AMORTISATION</b>					
Balance at 31 December 2015	(501)	(862)	(5,518)	–	(6,881)
Amortisation expense	(112)	(579)	(2,281)	–	(2,972)
Balance at 31 December 2016	(613)	(1,441)	(7,799)	–	(9,853)
Amortisation expense	(124)	(730)	(2,942)	–	(3,796)
Reversal of accumulated amortisation on disposals	–	64	–	–	64
<b>Balance at 31 December 2017</b>	<b>(737)</b>	<b>(2,107)</b>	<b>(10,741)</b>	<b>–</b>	<b>(13,585)</b>
<b>Carrying value at 31 December 2016</b>	<b>637</b>	<b>8,999</b>	<b>16,393</b>	<b>157</b>	<b>26,186</b>
<b>Carrying value at 31 December 2017</b>	<b>565</b>	<b>9,354</b>	<b>13,504</b>	<b>677</b>	<b>24,100</b>

Trade names, restaurant database and the customer list relate primarily to the acquired assets of Yourdelivery GmbH and Just Eat Benelux.

Intangible assets other than goodwill are impaired if the carrying value exceeds the recoverable amount (i.e. the higher of fair value less costs of disposal and value in use). An impairment test is carried out on the intangible asset or CGU where there is an indication of impairment during the year. In such a case, the Managing Directors

determine the value in use by estimating the future cash flows expected to arise from the asset or CGU and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. In 2017, there were no indicators of impairment in relation to the intangible assets other than goodwill. The carrying amount of intangible assets other than goodwill as at 31 December 2017 was €24.1 million (31 December 2016: €26.2 million). No impairment loss was recognised during 2017 (2016: nil).

### 13 Property and equipment

Property and equipment are presented at cost less accumulated depreciation and, if applicable, less impairments in value. Depreciation is based on the estimated useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is recognised from the date an asset comes into use.

The following useful lives are used in the calculation of depreciation:

- Leasehold improvements 5 years
- Other equipment 5 years

The economic useful lives of the leasehold improvements have been aligned with the lease period agreed with the landlords.

An item of property and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

€'000	Leasehold improvements	Other equipment	Total
<b>COST</b>			
Balance at 31 December 2015	842	2,171	3,013
Additions	1,218	677	1,895
Balance at 31 December 2016	2,060	2,848	4,908
Additions	856	1,206	2,062
Disposals	(1)	(435)	(436)
<b>Balance at 31 December 2017</b>	<b>2,915</b>	<b>3,619</b>	<b>6,534</b>
<b>ACCUMULATED DEPRECIATION</b>			
Balance at 31 December 2015	(202)	(835)	(1,037)
Depreciation expense	(315)	(478)	(793)
Balance at 31 December 2016	(517)	(1,313)	(1,830)
Depreciation expense	(460)	(716)	(1,176)
Reversal of accumulated depreciation on disposals	1	435	436
<b>Balance at 31 December 2017</b>	<b>(976)</b>	<b>(1,594)</b>	<b>(2,570)</b>
<b>Carrying value at 31 December 2016</b>	<b>1,543</b>	<b>1,535</b>	<b>3,078</b>
<b>Carrying value at 31 December 2017</b>	<b>1,939</b>	<b>2,025</b>	<b>3,964</b>

## 14 Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in the consolidated financial statements using the equity method of accounting. When the Group's share of losses of a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

€'000	2017	2016
Opening balance	34	150
Increase in share capital	419	–
Share of loss for the year	(189)	(115)
Foreign currency exchange gain	(1)	(1)
<b>Balance at 31 December</b>	<b>263</b>	<b>34</b>

The Group holds 66% of the shares of Takeaway.com Asia, which owns 99% of the shares and voting rights in Vietnammm, a food delivery company operating in Vietnam as at 31 December 2017 (31 December 2016: 53% and 99% respectively). Takeaway.com Asia is accounted for as a joint venture using the equity method of accounting given that decisions about the relevant activities require the unanimous consent of the parties that collectively control the arrangement. Takeaway.com may, pursuant to the shareholders' agreement in respect of Takeaway.com Asia, be required to purchase the remaining shares from its joint venture partner as of 1 July 2018. The purchase price will be based on the fair value of the joint venture based on the latest results or the agreed minimum.

## 15 Loans carried at amortised cost

Reference is made to the accounting policy receivables in note 16.

€'000	2017	2016
Opening balance	845	405
Additions	14	523
Repayments	–	(83)
<b>Balance at 31 December</b>	<b>859</b>	<b>845</b>

Loans carried at amortised cost are fully related to Takeaway.com Asia.

## 16 Receivables

Receivables are initially recognised at fair value, and subsequently measured at amortised cost (if the time value is material), using the effective interest method, less a provision for impairment. A provision for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due, according to the original terms of the receivables.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised within other operating expenses. When a trade receivable is uncollectible, it is written off against the allowance account for doubtful debts. Subsequent recoveries of amounts previously written off are credited against other operating expenses.

€'000	2017	2016
Trade receivables online payment service providers	6,968	3,927
Trade receivables restaurants	1,726	913
Prepaid expenses and other receivables	6,328	4,803
<b>Balance at 31 December</b>	<b>15,022</b>	<b>9,643</b>

Trade receivables online payment service providers is related to indirect online payments (credit cards, PayPal, etc.) of orders by consumers. These orders are settled through intermediary online payment service providers.

€'000	2017	2016
Gross trade receivables restaurants	2,561	2,239
Allowance for doubtful debts	(835)	(1,326)
<b>Balance at 31 December</b>	<b>1,726</b>	<b>913</b>

The movement in the allowance for doubtful debts expense is as follows:

€'000	2017	2016
Opening balance	1,326	1,412
Additions	1,091	764
Write-offs	(1,582)	(850)
<b>Balance at 31 December</b>	<b>835</b>	<b>1,326</b>

No allowance for doubtful debts for the trade receivables from online payment service providers and for prepaid expenses and other receivables is deemed necessary as at 31 December 2017 (31 December 2016: nil).

The average credit period on sales of services is 30 days. No interest is charged on receivables. The Group has recognised an allowance for

doubtful debts of 100% against all receivables over 365 days because historical experience has been that receivables that are past due beyond 365 days are not recoverable.

Receivables disclosed above include amounts (see below for ageing analysis) that are past due at the end of the reporting period for which the Group has not recognised an allowance for doubtful debts because there has not been a significant change in credit quality and the amounts are still considered recoverable. Age of receivables past due but not impaired as at 31 December are specified as follows:

€'000	2017	2016
31 – 90 days	271	241
91 – 180 days	375	181
181 – 365 days	280	134
<b>Total</b>	<b>926</b>	<b>556</b>
Average age (in days)	58	66

In determining the recoverability of a receivable, the Group considers any change in the credit quality of the receivable from the date credit was initially granted up to the end of the reporting period. Concentration of credit risk is limited due to the fact that the restaurant base is large and unrelated.

There are no individually impaired receivables in 2017 and 2016 which have been placed under liquidation.

## 17 Inventories

Inventory is stated at the lower of cost and net realisable value and constitutes inventory in consignment. Inventory is valued on a first-in-first-out basis. Net realisable value represents the estimated selling price for inventory less all estimated costs of completion and costs necessary to make the sale.

€'000	2017	2016
GPRS terminals	767	381
Merchandise	877	425
<b>Balance at 31 December</b>	<b>1,644</b>	<b>806</b>

A provision for obsolescence is deemed not necessary as at 31 December 2017 and 31 December 2016, respectively.

## 18 Cash and cash equivalents

Cash and cash equivalents are stated at face value and comprise cash balances, deposits held on call with banks, and other short-term highly liquid investments (maturity less than 3 months from balance sheet date) that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

€'000	2017	2016
Bank balances	89,793	134,591
<b>Balance at 31 December</b>	<b>89,793</b>	<b>134,591</b>

As at 31 December 2017, the Group has issued bank guarantees amounting to €0.3 million (31 December 2016: €0.3 million), and has issued a letter of credit to an overseas supplier amounting to €0.2 million (31 December 2016: €0.2 million).

Cash and cash equivalents are not restricted in relation to cross-border cash movements or repatriation due to tax complications. Takeaway.com collects receivables (i.e. payments from its customers) from payment service providers and passes these amounts on to financial institutions (for, amongst other, payment to the restaurants listed on its portal). The Stichting Derdengelden Takeaway acts as a trustee between the payment service providers and the relevant financial institutions. At 31 December 2017 €3.1 million relates to cash in the Stichting Derdengelden Takeaway (2016: €1.4 million).

## 19 Capital and reserves

### Share capital

Ordinary share capital is classified as share capital. Preference share capital is classified as equity if it is non-redeemable, or redeemable only at the Company's option and any dividends are discretionary.

### Share premium

Share premium is the excess of the amount received by Takeaway.com over and above the nominal value of its ordinary and preference shares issued. Incremental costs directly attributable to the issue of new shares are shown in shareholders' equity as a deduction, net of tax, from the proceeds and are presented in share premium.

### Share-based payment arrangements

Equity-settled share-based payments to employees are measured at the fair value of the ordinary shares at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of ordinary shares that will eventually vest, with a corresponding increase in shareholders' equity. At the end of each reporting period, the Group revises its estimate of the number of ordinary shares expected to vest. The impact

of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

### Authorised share capital

The authorised share capital as at 31 December 2017 of the Company amounts to €7.0 million, divided into 87,500,000 ordinary shares with a nominal value of €0.04 each and 87,500,000 cumulative preference shares with a nominal value of €0.04 each.

### Ordinary share capital

The Company has issued 43,183,176 ordinary shares at nominal value €0.04, amounting to €1.7 million as at 31 December 2017 (31 December 2016: 43,183,176 ordinary shares at nominal value €0.04, amounting to €1.7 million). All ordinary shares have been issued and paid-in.

### Preference share capital

The Company has no outstanding preference shares as at 31 December 2017 and 2016.

### Call option cumulative preference shares

The Company has granted a call option to purchase cumulative preference shares to the Foundation Continuity for an indefinite period. Both the Company and the Foundation Continuity can



terminate the call option at any time by giving six months prior written notice, with the effect from the end of a calendar year. On each exercise of the call option, the Foundation Continuity is entitled to acquire from the Company up to a maximum number of cumulative preference shares corresponding to 100% of the issued ordinary shares at the time of an exercise of the call option which are held by parties other than the Foundation Continuity, the Company or any of the Company's subsidiaries minus the number of cumulative preference shares already held by the Foundation Continuity at that time (if any).

The Foundation Continuity may exercise the call option repeatedly, each time up to the aforementioned maximum. The call option can, inter alia, be exercised by the Foundation Continuity in order to:

- Prevent, delay or otherwise complicate an unsolicited takeover bid for or an unsolicited acquisition of ordinary shares by means of an acquisition at the stock market or otherwise; and/or
- Prevent and countervail concentration of voting rights in the General Meeting; and/or
- Resist unwanted influence by and pressure from shareholders to amend the strategy of the Management Board; and/or
- With respect to the foregoing, to give the Management Board and the Supervisory Board the opportunity to consider and to explore possible alternatives and, if required, to work these out and to implement one or more alternatives if any of the above events is occurring or threatening to occur and considered to be unsolicited and not in the interest of the Company, its undertaking and the companies affiliated with it, according to the (provisional)

judgement of the Board of the Foundation Continuity, and to enable the Company to (temporarily) neutralise the effects of such events.

Upon issue of cumulative preference shares, such shares will be paid-up in full at the expense of the reserves of the Company, unless the Foundation Continuity determines in the exercise notice that the cumulative preference shares will be paid-up in cash.

The Management Board is of the opinion that the call option does not represent a significant value as meant in IAS 1, paragraph 31, due to the fact that the likelihood that the call option will be exercised is remote. In the remote event that the call option is exercised, the cumulative preference shares that are issued are intended to be cancelled shortly after issuance (within one year period). The call option is therefore not accounted for in the financial statements, nor is any additional information, as meant in IAS 32 and 39, provided.

### **Share premium**

The share premium reserve amounts to €249.5 million as at 31 December 2017 (31 December 2016: €249.5 million).

### **Equity-settled employee benefits reserve**

The equity-settled employee benefits reserve as at 31 December 2017 relates to share options granted by the Company to each of the Managing Directors under the LTIPs, senior management under the ESOP, to the COO under a separate ESOP and shares issued by then

existing shareholders (from their personal shareholding) to qualifying employees under the employee bonus shares plan. Each share option converts into one ordinary share of the Company on exercise. No amounts are paid or payable by the Managing Directors, senior management, COO and qualifying employees on receipt of the share option or bonus shares, respectively. The share options carry neither rights to dividends nor voting rights. Share options may be exercised at any time from the dates of vesting to the dates of their expiry.

### STAK

The STAK is responsible for the management of the following plans:

- ESOP for senior management and certain other employees (equity-settled share-based payment arrangement);
- ESOP for the COO (equity-settled share-based payment arrangement);
- Employee bonus shares plan to qualifying employees.

### LTIP 2017–2019

The Company has an equity-settled performance-based LTIP 2017 – 2019 in place for the Management Board. Under this LTIP, conditional performance options are awarded to the Managing Directors. These options shall vest after three years. The vesting of these conditional performance options is subject to a service condition (continued employment) as well as five (non-market) performance conditions to be assessed over a three-year period.

The targets used for vesting of the conditional performance options granted under the LTIP 2017–2019 and their relative weights are as follows:

Targets	Relative weight
Order growth to exceed 25% per annum in the medium-term	20%
> 30% CAGR over 2015 Actual – 2018 Estimate	20%
Revenue growth to continue to exceed order growth after 2016	20%
Positive EBITDA margin for both Germany and the Company within 2 to 3 years after the IPO <sup>1</sup>	20%
The Netherlands EBITDA margin to continue to increase after 2016	20%

<sup>1</sup> The positive EBITDA margin for both Germany and the Company in this context means monthly positive EBITDA margins (whether or not the full year EBITDA margins are positive) as also disclosed in the prospectus on page 121

There are no market conditions related to the LTIP 2017–2019.

The maximum number of conditional performance options granted is calculated as 75% of the base salary of each Managing Director over the three-year period divided by the fair value of the conditional performance option at grant date. Only to the extent the performance conditions are achieved at the end of the three-year period of the LTIP 2017–2019 at the vesting date and subject to the respective Managing Directors' continued employment, the conditional performance options vest. Since a variable number of conditional performance options to the value of a fixed amount (75%

of the base salary of each Managing Director) is awarded, commonly known as share options 'to the value of', the Company has assessed the impact of the service condition and performance conditions on the long-term incentive costs for the LTIP. These conditions have no impact on the (grant-date) fair value of the conditional performance options themselves but only affect the total estimated long-term incentive costs in each year as the maximum expense is adjusted to reflect estimates of forfeitures of share options due to e.g. failing to achieve one or more of the non-market performance conditions. The Supervisory Board resolved that the number of conditional performance options granted under the LTIP 2017–2019, would be capped at one-fourth of the maximum number of conditional performance options that could have been granted. Changes in estimates in the achievement of these conditional performance conditions are – different from the (legal) grant – adjusted in the current year by means of a cumulative catch-up. Only at the end of the LTIP 2017–2019, the final result of the performance conditions will decide the ultimate number of conditional performance options to vest for each of the Managing Directors.

***Fair value of conditional performance options under the LTIP 2017–2019 granted in the year***

The weighted average fair value of the conditional performance options under the LTIP 2017–2019 granted as at 31 December 2016 is €0.1 million. The conditional performance options were priced using the Black-Scholes Merton option pricing model. The inputs to the model of the conditional performance options were as follows:

	Overall grant date 31 December 2016
Grant date share price	€23.50
Exercise price	€23.37
Expected volatility	33.99%
Expected dividend yield	0%
Risk-free rate	1.041%
Vesting period	3 years
Assumed life of share options	10 years

The assumptions for the LTIP 2017–2019 are based upon publicly available market data and internal information and are as follows:

- The maximum number of conditional performance options to be granted to the Managing Directors cannot exceed 75% of the base salary of each Managing Director;
- The exercise price is based on the average of the closing prices of the Company shares in the five days preceding the grant date;
- Expected volatility is based on the share price development of the Company on an annualised basis;
- No dividends are expected to be declared during the vesting period;
- The risk-free rate is based on bonds of the Dutch government;
- No early exercise of the share options is expected;
- It is expected that each of the Managing Directors will remain in service (no forfeitures).

Based on the inputs to the Black-Scholes model, the fair value at grant date is €10.38 per conditional share option.

### LTIP 2018–2020

The Company has an equity-settled performance-based LTIP 2018–2020 in place for the Management Board. Under this LTIP, conditional performance options are awarded to the Managing Directors. These options shall vest after three years. The vesting of these conditional performance options is subject to a service condition (continued employment) as well as five (non-market) performance conditions to be assessed over a three-year period.

The targets used for vesting of the conditional performance options granted under the LTIP 2018–2020 and their relative weights are as follows:

Targets	Relative weight
Order growth to exceed 25% per annum in the medium-term > 30% CAGR over 2015 Actual – 2018 Estimate	20%
Revenue growth to continue to exceed order growth after 2016	20%
Positive EBITDA margin for both Germany and the Company within 2 to 3 years after the IPO <sup>1</sup>	20%
The Netherlands EBITDA to continue to increase after 2016 <sup>2</sup>	20%

<sup>1</sup> The positive EBITDA margin for both Germany and the Company in this context means monthly positive EBITDA margins (whether or not the full year EBITDA margins are positive) as also disclosed in the prospectus on page 121

<sup>2</sup> Following the higher than expected growth of Scoober, also in the Netherlands, we amended the medium-term objective for the Netherlands from “Netherlands EBITDA margin to continue to increase” to “Netherlands EBITDA to continue to increase”

There are no market conditions related to the LTIP 2018–2020.

The maximum number of conditional performance options conditionally granted is calculated as 75% of the base salary of each Managing Director over the three-year period divided by the fair value of the conditional performance option at grant date. Only to the extent the performance conditions are achieved at the end of the three-year period of the LTIP 2018–2020 at the vesting date and subject to the respective Managing Director continued employment, the conditional performance options vest. Since a variable number of conditional performance options to the value of a fixed amount (75% of the base salary of each Managing Director) is awarded, commonly known as share options ‘to the value of’, the Company has assessed the impact of the service condition and performance conditions on the long-term incentive costs for the LTIP 2018–2020. These conditions have no impact on the (grant-date) fair value of the conditional performance options themselves but only affect the total estimated long-term incentive costs in each year as the maximum expense is adjusted to reflect estimates of forfeitures of conditional performance options due to e.g. failing to achieve one or more of the non-market performance conditions. Changes in estimates in the achievement of these performance conditions are – different from the (legal) grant – adjusted in the current year by means of accumulative catch-up. Only at the end of the LTIP 2018–2020, the final result of the performance conditions will decide the ultimate number of conditional performance options to vest for each of the Managing Directors.

*Fair value of conditional performance options under the LTIP 2018–2020 granted in the year*

The weighted average fair value of the conditional performance options under the LTIP 2018–2020 granted as at 31 December 2017 is €0.7 million. The conditional performance options were priced using the Black-Scholes Merton option pricing model. The inputs to the model of the conditional performance options were as follows:

	Overall grant date 31 December 2017
Grant date share price	€50.88
Exercise price	€49.06
Expected volatility	38.08%
Expected dividend yield	0%
Risk-free rate	0.5510%
Vesting period	3 years
Assumed life of share options	10 years

The assumptions for the LTIP 2018–2020 are based upon publicly available market data and internal information and are as follows:

- The maximum number of conditional share options to be granted to the Managing Directors cannot exceed 75% of the base salary of each Managing Director;
- The exercise price is based on the average of the closing prices of the Company shares in the five days preceding the grant date;
- Because we have a limited trading history as a public company, we have estimated volatility of our share price based on published historical volatilities of comparable publicly-traded companies in our vertical markets (peer group) over ten years.
- No dividends are expected to be declared during the vesting period;
- The risk-free rate is based on bonds of the Dutch government;
- No early exercise of the conditional performance options is expected;
- It is expected that each of the Managing Directors will remain in service (no forfeitures).

Based on the inputs to the Black-Scholes model, the fair value at grant date is €24.31 per conditional share option.

**ESOP for senior management**

The Company has an equity-settled ESOP for senior management and certain other employees. Under this ESOP, shares and share options are awarded to senior management and certain employees on an annual basis. The vesting of these shares and share options is solely subject to a service condition (continued employment of 2-3 years).

The contractual life of the share options is 10 years from the grant date.

The following share options under the ESOP for senior management were in existence as at 31 December 2017:

Option series	Number of share options granted	Grant date	Expiry date	Exercise price (in €)	Fair value at grant date (in €)
1	105,618	1 January 2017	1 January 2027	23.37	10.38
2	18,212	1 May 2017	1 May 2027	30.86	13.11
3	2,461	1 September 2017	1 September 2027	37.50	15.13

Share series	Number of shares granted	Grant date	Expiry date	Fair value at grant date (in €)
1	127,991	1 January 2017	1 January 2027	23.37
2	22,039	1 May 2017	1 May 2027	30.86
3	2,454	1 September 2017	1 September 2027	37.50

The vesting of the share options (option series 1 – 3) under the ESOP is 0% in the first year after the grant date, 67% in the second year after the grant date, and 33% in the third year after the grant date. However, given that the employee must remain in service, the long-term incentive costs are spread equally over the vesting period.

#### *Fair value of share options under the ESOP granted in the year*

The weighted average fair value of the share options under the ESOP granted during 2017 is €2.0 million (2016: not applicable). The share options were priced using the Black-Scholes Merton option pricing model. The inputs to the model of the share options were as follows:

	Series 1	Series 2	Series 3
Grant date share price	€23.50	€30.92	€39.00
Exercise price	€23.37	€30.86	€37.50
Expected volatility	33.99%	32.10%	30.59%
Expected dividend yield	0%	0%	0%
Risk-free rate	1.041%	1.147%	0.1343%
Vesting period	3 years	3 years	3 years
Assumed life of share options	10 years	10 years	10 years

The assumptions for the ESOP are based upon publicly available market data and internal information and are as follows:

- The maximum number of share options to be granted to the senior management is directly linked to the fixed salary of each employee;
- The exercise price is based on the average of the closing prices of the Company shares in the five days preceding the grant date;
- Expected volatility is based on the share price development of the Company on an annualised basis;
- No dividends are expected to be declared during the vesting period;
- The risk-free rate is based on bonds of the Dutch government;
- No early exercise of the share options is expected.

#### *ESOP (COO)*

The equity-settled ESOP for the COO holds 30,040 share options which were granted in April 2014. These share options vested at the end of March 2017 but have not been exercised as at 31 December 2017. The exercise price of these share options is €6.46. The fair value of these share options was €2.00.



**Employee bonus shares**

A total of 158,559 employee bonus shares were granted directly from a number of shareholders at a price of €23.00 to all employees after the initial public offering. As there was a service condition attached to the shares (continued service until 1 October 2017), IFRS requires an expense to be recognised for the shares with a corresponding offset in the equity-settled employee benefits reserve. An amount of €2.7 million has been recognised in 2017 in relation to the employee bonus shares (2016: €0.8 million) taking into account the actual forfeitures. As these shares were granted directly by the shareholders from their personal shareholdings, there was no cash impact for the Company, no new shares were issued by the Company, and this transaction does not have any impact on total shareholders' equity. The expense is recognised in line item 'Staff costs' with the offset in line item

'Equity-settled employee benefits reserve'. A total of 153,320 shares vested in October 2017 (5,239 bonus shares were forfeited during the year), the related amount was reclassified from the equity-settled employee benefits reserve directly to accumulated deficits.

Upon exercise, the employees received a depositary receipt for each share from the STAK. The employee bonus share plan ceased to exist after the issuance of the depositary receipts for shares by the STAK.

**Movements in share options during the year**

The following reconciles all share options (LTIPs and ESOPs) outstanding at the beginning and end of the year:

€'000	2017 Number of share options	2017 Weighted-average exercise price (in €)	2016 Number of share options	2016 Weighted-average exercise price (in €)
Opening balance	44,215	11.88	30,040	6.46
Grants during the year:				
• LTIP 2017-2019 <sup>1</sup>	5,242	23.37	14,175	23.37
• LTIP 2018-2020 <sup>2</sup>	33,165	49.06	–	–
• ESOPs	126,291	24.73	–	–
<b>Balance at 31 December</b>	<b>208,913</b>	<b>25.84</b>	<b>44,215</b>	<b>11.88</b>

<sup>1</sup> Amended to reflect the maximum number of conditional performance options granted to each managing director for the LTIP 2017-2019

<sup>2</sup> Reflecting the maximum number of conditional performance options granted to each managing director for the LTIP 2018-2020

### Share options exercised during the year

No share options were exercised in 2017 (2016: 102,079 share options as a result of the IPO, amounting to €1.2 million).

### Share options forfeited during the year

No share options were forfeited in 2017 (2016: 3,004 share options as part of the IPO).

### Weighted average exercise price of outstanding share options

The share options outstanding as at 31 December 2017 had a weighted average exercise price of €25.84 (31 December 2016: €11.88) and a weighted average remaining assumed life of 9 years (2016: 7 years).

### Long-term employee incentive costs

The long-term employee incentive costs for the year ended 31 December can be specified as follows:

€'000	2017	2016
LTIP 2017-2019	(102)	147
ESOPs	2,015	80
<b>Total long-term employee incentive costs</b>	<b>1,913</b>	<b>227</b>

### Cash flow

The adjustments in the consolidated statement of cash flows can be specified as follows:

€'000	2017	2016
LTIP and ESOPs	1,913	227
Employee bonus shares	2,734	828
<b>Balance at 31 December</b>	<b>4,647</b>	<b>1,055</b>

### Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency translation differences arising from the translation of the financial statements of foreign operations. When a foreign operation is sold, exchange differences that were recorded in shareholders' equity prior to the sale are reclassified from shareholders' equity to profit or loss as part of the gain or loss on divestment. This reserve is not available for distribution and is classified as a legal reserve under Dutch law.

### Accumulated deficits

Accumulated deficits are related to past net losses allocated to shareholders' equity based on decisions taken at the General Meeting.

## 20 Basic and diluted loss per share

### Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

### Diluted loss per share

Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all potential dilutive ordinary shares arising from share options and other equity-settled share-based plans.

For the share options, a calculation is performed to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares), based on the monetary value of the subscription rights attached to outstanding share options.

The number of shares calculated as above is compared with the number of shares that would have been issued, assuming the exercise of the share options. When the effect of the share options is anti-dilutive, the number is excluded from the calculation of diluted loss.

### Weighted average numbers of ordinary shares

The weighted average numbers of ordinary shares used in the calculation of basic and diluted loss per share are as follows:

Shares	2017	2016
For the purpose of basic loss per share	43,183,176	36,653,760
For the purpose of diluted loss per share	43,213,216	36,661,085

### Basic and diluted loss per share

The loss used in the calculation of basic and diluted loss per share are as follows:

€'000	2017	2016
Loss used in the calculation	(42,024)	(30,887)

## 21 Payables

Payables are initially measured at fair value. Transaction costs that are directly attributable to the issue of financial liabilities are deducted from the fair value of the financial liabilities on initial recognition.

€'000	2017	2016
Trade payables	12,067	14,897
Amounts due to restaurants	13,800	9,096
<b>Balance at 31 December</b>	<b>25,867</b>	<b>23,993</b>

The Group has a financial risk management policy in place to ensure that all payables are paid within the pre-agreed credit terms.

## 22 Other liabilities

€'000	2017	2016
Accrued staff expenses	1,556	1,109
VAT, wage tax and social security liabilities	2,265	8,176
Other liabilities	8,028	8,811
<b>Balance at 31 December</b>	<b>11,849</b>	<b>18,096</b>

VAT, wage tax and social security liabilities are divided per country and type of tax as follows:

€'000	Value added tax	Wage tax and social security liabilities
The Netherlands	469	759
Germany	918	–
Other	72	47
<b>Balance at 31 December 2017</b>	<b>1,459</b>	<b>806</b>

## 23 Financial instruments

### Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from 2016.

The capital structure of the Group consists of shareholders' equity (comprising issued ordinary and preference capital, reserves, and accumulated deficits as detailed in note 19) and short-term payables and other liabilities. The Group currently does not hold any borrowings with financial institutions or similar parties and is not subject to any externally imposed capital requirements.

The Management Board reviews the capital structure of the Group on a semi-annual basis. As part of this review, the Management Board considers the cost of capital and the risks associated with each class of capital.

#### *Solvency ratio*

The solvency ratio, defined as total shareholders' equity divided by total assets, was 76% as at 31 December 2017 (31 December 2016: 79%).

#### *Financial risk management objectives*

The Group's activities are exposed to a number of financial risks. The Group seeks to minimise the effects of market risk (i.e. currency risk, and other price risk), compliance risk, credit risk and liquidity risk based on charters and (in)formal policies. The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes and has no borrowings with financial institutions and other parties as at 31 December 2017.

The Group's international activities expose it to the financial risks of changes in foreign currency exchange rates and interest rates. The Group benefits from the natural hedge of foreign currency denominated assets being generally matched with liabilities. There has been no change to the Group's exposure to market risk or the manner in which these risks are managed and measured.

#### *Foreign currency risk*

Foreign exchange risk is the risk to earnings or capital arising from movement of foreign exchange rates. This risk is found in cross border investing and operating activities. The Group undertakes transactions denominated in foreign currencies. Consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not managed by foreign exchange contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at 31 December 2017 are €0.3 million (2016: €0.3 million), and €0.3 million (2016: €0.3 million), respectively. The Group is mainly exposed to the Swiss Franc and the Polish Zloty. Due to the limited financial assets and liabilities held in these currencies, the Group's sensitivity to changes in the relevant exchange rates is minor.

#### *Credit risk*

This is the current and prospective risk to earnings or capital arising from an obligor's failure to meet the terms of any contract with the Group or otherwise to perform as agreed. In the event the Group decides to assume more credit risk through asset concentrations or adoption of new credit standards in conjunction with untested business lines, it will properly evaluate the impact this action will have on its liquidity.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers and industry segments. Such risks are

monitored on a revolving basis and subject to frequent review. The Management Board periodically discusses the level of credit exposure by restaurants at its periodic meetings. The Group usually collects trade receivable within 7 days.

Trade receivables consists of a large number of unrelated restaurants in various geographical areas. The Group's credit risk is reduced by its business model which allows it to offset payables to restaurants against receivables. The Group does not have significant credit risk exposure to any single counterparty. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during 2017 (2016: did not exceed).

The credit risk on liquid funds is limited because the counterparties are financial institutions with high credit-ratings assigned by international credit-rating agencies. The main financial institution used by the Group has a long-term A ratings from Standard & Poor's with a positive outlook, (latest credit research 18 January 2018) (31 December 2016: one financial institution, long-term A rating with a stable outlook). The risk classes of monetary assets and liabilities as at 31 December are:

€'000	A rated	Not rated	2017	A rated	Not rated	2016
Trade and other receivables	–	15,022	15,022	–	9,643	9,643
Inventories	–	1,644	1,644	–	806	806
Cash	89,793	–	89,793	134,591	–	134,591
<b>Total monetary assets</b>	<b>89,793</b>	<b>16,666</b>	<b>106,459</b>	<b>134,591</b>	<b>10,449</b>	<b>145,040</b>
Trade and other payables	–	25,867	25,867	–	23,993	23,993
Current tax liabilities	–	4,457	4,457	–	533	533
Other liabilities	–	11,849	11,848	–	18,096	18,096
<b>Total monetary liabilities</b>	<b>–</b>	<b>42,173</b>	<b>42,172</b>	<b>–</b>	<b>42,622</b>	<b>42,622</b>

### Liquidity risk

This is the risk to earnings or capital arising from a possible scenario that the Group might not be able to meet its obligations when they come due, without incurring unacceptable losses.

Liquidity risk includes the inability to manage unplanned decreases or changes in funding sources. Liquidity risk also arises from a failure to recognise or address changes in the market conditions that affect the ability to liquidate assets quickly and with minimal loss in value.

Ultimate responsibility for liquidity risk management rests with the Management Board, which has established an appropriate liquidity risk approach for the management of the Group's short-, medium- and long-term funding and liquidity management requirements.

The Group manages liquidity risk by maintaining adequate reserves,

by continuously monitoring cash flows, and by matching the maturity profiles of financial assets and liabilities. All financial assets and liabilities as at 31 December 2017 and 31 December 2016 are for periods of less than 3 months.

### Fair value measurements

The Managing Directors consider that the carrying amounts of financial assets and financial liabilities recognised in the consolidated financial statements approximate their fair values due to their short nature.

## 24 Subsidiaries

Takeaway.com N.V. wholly-owns the following (in)direct subsidiaries:

Entity	Country of incorporation	Nature of business	Proportion of voting rights held in 2017	Proportion of voting rights held in 2016
Takeaway.com Group B.V.	The Netherlands	Holding	100%	100%
• Tante Bep B.V.	The Netherlands	Operating	100%	100%
• yd.Yourdelivery GmbH	Germany	Operating	100%	100%
• Sto2 Sp. z o.o.	Poland	Operating	100%	100%
• Takeaway Express GmbH	Germany	Operating	100%	100%
• Takeaway.com Central Core B.V.	The Netherlands	Operating	100%	100%
• Takeaway.com European Operations B.V.	The Netherlands	Operating	100%	–
• Takeaway.com Belgium BVBA	Belgium	Dormant	100%	100%
• Takeaway.com JE B.V.	The Netherlands	Dormant	100%	100%
• Takeaway.com Payments B.V.	The Netherlands	Dormant	100%	–



All entities have a similar year-end reporting date. Takeaway.com Payments and Takeaway.com European Operations were established in 2017 (Takeaway.com JE, Takeaway.com Belgium, Tante Bep and Takeaway Express were acquired in 2016). The Group did not dispose of subsidiaries during 2017 (2016: none).

## 25 Related party transactions

A related party is a person or entity that is related to the Group. These include both people and entities that have, or are subject to, the influence or control of the Group (e.g. key management personnel). Transactions with related parties are accounted for in accordance with the requirements of relevant IFRSs and takes into account the substance as well as the legal form.

Balances and transactions within the Group, which are related parties of the Group, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below.

### Trading transactions

During 2017, the Group did not enter into significant transactions with related parties that are not members of the Group (2016: none). No expense has been recognised in the current or prior years for bad or doubtful debts in respect of the amounts owed by related parties.

### Loans to related parties

During 2017, the Group did not enter into loans with related parties that are not members of the Group. In 2016, the Group had provided a loan in the amount of €83 thousand to Gribhold at a rate comparable to the average commercial rate of interest of 3.25%. This loan was repaid in the fourth quarter of 2016.

### Loans from related parties

There are no loans from related parties as at 31 December 2017 (31 December 2016: none).

### Transactions with key management personnel of the Company

The members of the Management Board and the Supervisory Board are considered key management personnel as defined in IAS 24. For details on their remuneration and interests held in the Company, reference is made to note 37. During 2017 (and 2016), no transactions involving conflicts of interest for members of the Management or Supervisory Board occurred.

### Other transactions

A total of €1.1 million in earn-out arrangement is included in other operating expenses (2016: €0.5 million). This earn-out arrangement was related to the acquisition of Yourdelivery (including Sto2) and was cancelled in 2017 in lieu of share options and shares under the ESOP.

Takeaway.com collects receivables (i.e. payments from its customers) from payment service providers and passes these amounts on to financial institutions (for, amongst other, payment to the restaurants listed on its portal). The Stichting Derdengelden Takeaway acts as a trustee between the payment service providers and the relevant financial institutions. At 31 December 2017 €3.1 million relates to cash in the Stichting Derdengelden Takeaway (2016: €1.4 million).

## 26 Off-balance sheet commitments

### Operating lease arrangements

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Operating leases relate to leases of office buildings and other tangible assets with lease terms of between 1 and 5 years. The Group does not have an option to purchase the leased land at the expiry of the lease periods. Non-cancellable operating lease arrangements as at 31 December can be specified as follows:

€'000	2017	2016
Not later than one year	2,129	1,956
Between one and five years	5,337	4,865
More than five years	–	319
<b>Total non-cancellable operating lease arrangements</b>	<b>7,466</b>	<b>7,140</b>

### Commitments for expenditure

The Group has commitments for expenditure as at 31 December 2017 of €0.7 million (31 December 2016: €1.5 million) related to media contracts, sponsoring and equipment investments.

## 27 Events after the reporting period

A subsequent event is a favourable or unfavourable event, that occurs between the reporting date and the date that the financial statements are authorised for issue. Events after the reporting date that provide evidence of conditions that existed at the reporting date are adjusted within the financial statements. Events that are indicative of a condition that arose after the reporting date of a material size or nature are disclosed below.

On 23 February 2018, Takeaway.com announced the signing of an agreement to acquire BGmenu in Bulgaria and Oliviera in Romania. Through this acquisition, Takeaway.com strengthens its position in Eastern Europe, in line with the strategy to further expand its leadership position on the continent. The payment consideration for the transaction is €10.5 million. To further accelerate growth, Takeaway.com will significantly invest in both Bulgaria and Romania.

# Company statement of profit or loss

for the year ended 31 December

€'000	Note	2017	2016
Management fee		20	20
Finance income		35	70
Staff costs	19, 37	(4,167)	(1,186)
Other operating expenses		(1,214)	(1,167)
Long-term employee incentive costs	19	92	(227)
Finance costs		(25)	(34)
Share of result of subsidiaries, net of tax	29	(37,401)	(28,586)
Loss before income tax		(42,660)	(31,110)
Income tax benefit		636	223
<b>Loss for the year</b>		<b>(42,024)</b>	<b>(30,887)</b>

# Company balance sheet

after proposed allocation of net loss for the year as at 31 December

€'000	Note	2017	2016
<b>ASSETS</b>			
Participations in associated companies	29	72,927	63,072
<b>Total non-current assets</b>		<b>72,927</b>	<b>63,072</b>
Receivables on group companies	30	5,992	5,750
Prepaid expenses and other receivables	18	99	35
Cash and cash equivalents	18	75,850	122,506
<b>Total current assets</b>		<b>81,941</b>	<b>128,291</b>
<b>Total assets</b>		<b>154,868</b>	<b>191,363</b>
<b>SHAREHOLDERS' EQUITY</b>			
Ordinary share capital	31	1,727	1,727
Preference share capital	31	–	–
Share premium	31	249,534	249,534
Equity-settled employee benefits reserve	31	2,161	1,076
Foreign currency translation reserve	31	(363)	231
Accumulated deficits	31	(103,280)	(64,818)
<b>Total shareholders' equity</b>		<b>149,779</b>	<b>187,750</b>
Other current financial liabilities		–	2,141
Payables	32	268	598
Current tax liabilities	33	4,459	533
Other liabilities	34	362	341
<b>Total current liabilities</b>		<b>5,089</b>	<b>3,613</b>
<b>Total shareholders' equity and liabilities</b>		<b>154,868</b>	<b>191,363</b>

The accompanying notes are an integral part of these consolidated financial statements.

## Notes to the Company financial statements

### 28 Summary of significant accounting policies

The financial statements of the Company are prepared in accordance with Part 9 of Book 2 of the Dutch Civil Code. Section 362(8), Book 2 of the Dutch Civil Code allows companies that apply IFRS as endorsed by the European Union in their consolidated financial statements to use the same measurement principles in the Company financial statements. Takeaway.com has prepared the Company financial statements using this provision.

### 29 Participations in associated companies

Participations in associated companies are stated at net asset value as the Company effectively exercises significant influence over the operational and financial activities of these participations. The net asset value is determined on the basis of IFRS applied by the Company.

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The movement in participations in associated companies is as follows:

€'000	2017	2016
Opening balance	63,072	49,391
Capital contribution	47,850	42,120
Share of loss for the year	(37,401)	(28,586)
Foreign currency exchange gain	(594)	147
<b>Balance at 31 December</b>	<b>72,927</b>	<b>63,072</b>

For details regarding our participations in associated companies (our subsidiaries), reference is made to note 24 of the consolidated financial statements.

### 30 Receivables on group companies

€'000	2017	2016
Receivables on group companies	5,992	5,750
<b>Balance at 31 December</b>	<b>5,992</b>	<b>5,750</b>

The receivables on group companies mainly relate to short-term financing by means of current accounts.

### 31 Shareholders' equity

Reference is made to the consolidated statement of changes in equity and note 19 of the consolidated financial statements.

### 32 Payables

€'000	2017	2016
Accounts payable	268	598
<b>Balance at 31 December</b>	<b>268</b>	<b>598</b>

### 33 Current tax liabilities

The current tax liability amounts to €4.5 million (2016: €0.5 million) and relates to the fiscal unity.

### 34 Other liabilities

€'000	2017	2016
Other liabilities	362	341
<b>Balance at 31 December</b>	<b>362</b>	<b>341</b>

The other liabilities mainly relate to accrued remunerations of the Management Board and Supervisory Board.

### 35 Employees

The Company had no full-time employees in 2017 (2016: none).  
The Managing directors are: Jitse Groen (CEO), Brent Wissink (CFO) and Jörg Gerbig (COO).

### 36 Fees and services by the external auditor

In accordance with article 2:382a of the Dutch Civil Code, the following table details the aggregate fees by our external auditor, Deloitte, including the foreign offices of Deloitte to the Group:

€'000	2017	2016
Audit services	238	255
Other assurance services	–	463
Tax advisory services	–	304
Other non-audit services	–	30
<b>Total</b>	<b>238</b>	<b>1,052</b>

The total remuneration to Deloitte for the statutory audit of 2017 for the Group amounted to €0.2 million (Deloitte 2016: €0.3 million). The total service fees paid/payable to the Deloitte network amounted to nil (2016: Deloitte €1.1 million).

The non-audit services provided in 2016 by the audit firm are mainly related to corporate income tax amounting to €0.3 million and other assurance services amounting €0.5 million. No non-audit services were provided by Deloitte after the listing of the ordinary shares of Takeaway.com at Euronext Amsterdam.

### 37 Remuneration Management Board

The remuneration policy for members of the Management Board was developed by the Supervisory Board and approved and adopted by the General Meeting. In accordance with the Code, the remuneration of the Supervisory Directors does not depend on the results of the Group.

The total remuneration of Management Board is as follows:

€'000	Jitse Groen (CEO)	Brent Wissink (CFO)	Jörg Gerbig (COO)	2017
Short-term benefits	432	378	337	1,147
Post-employment benefits	50	50	40	140
Share based payments	(38)	(33)	(31)	(102)
<b>Total</b>	<b>444</b>	<b>395</b>	<b>346</b>	<b>1,185</b>

€'000	Jitse Groen (CEO)	Brent Wissink (CFO)	Jörg Gerbig (COO)	2016
Short-term benefits	331	94	85	510
Post-employment benefits	22	13	10	45
Share based payments	55	48	44	147
<b>Total</b>	<b>408</b>	<b>155</b>	<b>139</b>	<b>702</b>



The total remuneration of Supervisory Board is as follows:

€'000	2017	2016
Adriaan Nühn (Chairman)	65	16
Corinne Vigreux	50	13
Ron Teerlink	50	13
Sake Bosch	50	13
<b>Total</b>	<b>215</b>	<b>55</b>

No loans, advances or guarantees were granted to members of Management and Supervisory Board in 2017 (2016: none).

Reference is made to the remuneration report for more details.

### 38 Loans, prepayments and guarantees by subsidiaries

As at 31 December 2017, there were no loans, prepayments or guarantees provided by subsidiaries (31 December 2016: none).

### 39 Off-balance sheet commitments

The Company forms a fiscal unity for purposes of Dutch tax law (CIT and VAT) and is, as such, jointly and severally liable for the tax debts of the fiscal unity. The fiscal unity consists of the Company and the following (indirect) subsidiaries:

- Takeaway.com Group B.V.
- Takeaway.com Central Core B.V.
- Takeaway.com JE B.V.
- Tante Bep B.V.
- Takeaway.com European Operations B.V.

The Company has issued declarations of joint and several liabilities for Takeaway.com Group, Takeaway.com Central Core and Takeaway.com European Operations, in accordance with Section 403 of Part 9 of Book 2 of the Dutch Civil Code.

### 40 Proposed loss allocation

The Management Board proposes to allocate the net loss 2017 of €42.0 million to accumulated deficits which has already been reflected in the financial statements.

Amsterdam, 8 March 2018

#### Management Board

<i>Jitse Groen</i>	<i>Jörg Gerbig</i>	<i>Brent Wissink</i>
CEO	COO	CFO

#### The Supervisory Board

<i>Adriaan Nühn</i>	<i>Corinne Vigreux</i>	<i>Ron Teerlink</i>	<i>Sake Bosch</i>
Chairman	Vice-chairman		

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## **Statutory provision with respect to appropriation of result**

According to the Company's articles of association, the Company's result is freely at the disposal of the shareholders, provided that total shareholders' equity exceeds the called-up and paid-up capital of the Company, increased by legal and statutory reserves.

## **Foundation Continuity**

For a description of the Foundation Continuity, reference is made to "Governance & Compliance" in this annual report.

## Independent auditor's report

To the shareholders and the Supervisory Board of Takeaway.com N.V.

### Report on the audit of the financial statements 2017 included in the annual report

#### Our opinion

We have audited the accompanying financial statements 2017 of Takeaway.com N.V., based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of Takeaway.com N.V. as at 31 December 2017, and of its result and its cash flows for 2017 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Takeaway.com N.V. as at 31 December 2017, and of its result for 2017 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at 31 December 2017.
2. The following statements for 2017: the consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows.
3. The notes to the consolidated financial statements comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet as at 31 December 2017.
2. The company statement of profit or loss for 2017.
3. The notes to the company financial statements comprising a summary of the accounting policies and other explanatory information.

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Takeaway.com N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO,

Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Materiality**

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 1.400.000 (2016: EUR 1.000.000). The materiality is based on 0.9% of revenues and is higher compared to last year due to increased revenues. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the Supervisory Board that misstatements in excess of EUR 70.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

### **Scope of the group audit**

Takeaway.com N.V. is at the head of a group of entities. The financial information of this group is included in the consolidated financial statements of Takeaway.com N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities in terms of size and financial interests or where significant risks or complex activities were present, leading to a full scope audit for 3 components (Netherlands, Germany and Poland). We have performed audit procedures ourselves at group entities and the operations in the Netherlands, including foreign operations that were administered and driven on the IT system in the Netherlands. Furthermore, we performed audit procedures at group level on areas such as consolidation, disclosures, goodwill and intangible assets. Specialists were involved amongst others in areas of IT and valuation testing.

Full scope audits were performed on the German and Polish operations, which account for respectively 35% and 5% of revenues. The group audit team provided detailed written instructions to the German and Polish component audit team. The instructions comprised the requirements for the component audit teams, and detailed significant audit areas and information obtained centrally but also relevant to the audit of the component. Further, we developed a plan for overseeing the work of the component audit

team. This included procedures such as visiting the component throughout the year, performing file reviews, holding conference calls, attending meetings, and reviewing component audit team deliverables to gain sufficient understanding of the work performed.

We have:

- Performed audit procedures ourselves at group entities in The Netherlands.
- Used the work of other auditors when auditing the German and Polish components.
- Performed review procedures or specific audit procedures at other group entities.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion about the consolidated financial statements.

### **Our 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. We have communicated the key audit matters to the Supervisory Board. The key audit matters are not a comprehensive reflection of all matters discussed.

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. Last year we included the purchase price allocation of Just Eat as a key audit matter in relation to the acquisition of Just Eat during 2016. Since there were no acquisitions made in 2017, this key audit matter was not relevant for our 2017 audit.

### **Key audit matter – valuation of goodwill**

The group has recorded a significant amount of goodwill that is subject to an annual impairment test. The goodwill is allocated to the cash generating units within the three reportable segments and amounts to EUR 62.3 million as at 31 December 2017 (2016: EUR 62.1 million).

An impairment arises when the recoverable amount for a cash generating unit is lower than the carrying amount recorded. Based on the impairment test, no impairment losses have been identified by management. The impairment review is based on valuation models that require the input of estimated future cash flows as well as other key assumptions from management.

### **How the key audit matter was addressed in the audit**

We have reviewed the impairment models and involved valuation experts in understanding the models used and the key assumptions applied.

We have evaluated the internal controls related to the preparation of the impairment models and the review of the forecasted cash flows, growth rates, discount rates and other relevant assumptions. In our audit procedures we also compared actual performance to previous assumptions applied to understand the quality of the estimates and address the risk of bias. Furthermore we compared the input with financial plans and other available information.

Finally we have assessed the adequacy of disclosure notes including those relating to the sensitivity of management's assumptions. Reference is made to note 11 of the consolidated financial statements. Our audit procedures are deemed appropriate and sufficient to address the risks of material misstatements.

#### *Key audit matter – Revenue recognition*

Total revenues recorded amount to EUR 166.5 million (2016: EUR 111.6 million) and are recognized based on the considerations specified in contracts and based on customary business practices. During 2017 the revenue accounting for Germany and Poland was centralized and is currently performed out of the Netherlands.

#### *How the key audit matter was addressed in the audit*

Our audit procedures during 2017 have been modified in order to adapt a central audit approach to revenues and related balances. As a result the revenues (and related balances) related to Germany and Poland have been audited by the Dutch team for the second half of 2017. The audit procedures included, like in former years and amongst others, evaluating management's controls relating to

revenue recognition, including the commission percentage applied and the timing of revenue recognition. In addition we have performed substantive testing and analytical procedures. We also assessed whether the revenue recognition policies adopted are in compliance with IFRS-EU. Furthermore, we have involved our IT specialists to determine whether the systems migration was properly performed.

Reference is made to note 3 of the consolidated financial statements. Our audit procedures are deemed appropriate and sufficient to address the risks of material misstatements.

## Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contain other information that consists of:

- Other information included in the annual report
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code
- Other information included in the annual report

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.



We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements. Management is responsible for the preparation of the other information, including the Report of the Management Board in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

### Engagement

We were engaged by the Supervisory Board as auditor of Takeaway.com N.V. on November 1, 2014, as of the audit for the year 2014 and have operated as statutory auditor ever since that financial year.

### No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

### Description of responsibilities regarding the financial statements

#### *Responsibilities of management and the Supervisory Board for the financial statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the company's financial reporting process.

*Our responsibilities for the audit of the financial statements*

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit. In this respect we also submit an

additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

We provide the Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory Board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, March 9, 2018

**Deloitte Accountants B.V.**

Initial for identification purposes:

*I.A. Buitendijk*

## Three-year key figures

These figures are derived from the annual report of the related years.

€'000 unless stated otherwise	2017	2016	2015
<b>KEY FINANCIAL INDICATORS</b>			
Revenue	166,478	111,641	76,736
• The Netherlands	74,427	55,253	41,871
• Germany	57,859	36,809	24,085
• Other	34,192	19,579	10,780
Gross profit	139,505	96,032	69,382
Marketing expenses	(116,636)	(82,600)	(59,048)
Adjusted EBITDA <sup>2</sup>	(27,572)	(18,276)	(13,788)
• The Netherlands	43,017	34,746	26,463
• Germany	(47,024)	(39,402)	(28,568)
• Other	(23,565)	(13,620)	(11,683)
Loss for the period	(42,024)	(30,887)	(19,566)
<b>KEY PERFORMANCE INDICATORS</b>			
Restaurants <sup>1</sup>	32,929	28,787	28,714
Active Consumers ('000s) <sup>1</sup>	11,500	8,899	6,806
Orders ('000s)	68,291	49,321	33,711
• The Netherlands	27,446	21,083	15,946
• Germany	23,946	17,341	11,693
• Other	16,899	10,897	6,072
Returning Active Consumers as % of Active Consumers <sup>1</sup>	59%	57%	53%

<sup>1</sup> Includes United Kingdom, for which operations were discontinued in August 2016

<sup>2</sup> Unaudited

## Three-year key figures (continued)

€'000 unless stated otherwise	2017	2016	2015
Orders per Returning Active Consumer	10.7	10.5	10.1
Average Order Value (€) <sup>1</sup>	19.23	19.09	19.32
GMV (in millions €) <sup>1</sup>	1,313.2	941.7	651.3
<b>CAPITAL EMPLOYED</b>			
Balance sheet total	197,914	237,302	78,513
Total shareholders' equity	149,779	187,750	49,425
<b>CASH FLOWS</b>			
Net cash used in operating activities	(36,167)	(3,385)	(3,832)
Net cash used in investing activities	(8,660)	(32,124)	(1,724)
Net cash generated by financing activities	–	165,659	–
Net increase/(decrease) in cash and cash equivalents	(44,827)	130,150	(5,556)
<b>DATA PER SHARE (IN THOUSANDS)</b>			
Weighted average shares outstanding as at 31 December	43,183,176	36,653,760	34,548,260
<b>PERSONNEL</b>			
FTE at year-end	1,171	720	400

<sup>1</sup> Includes United Kingdom, for which operations were discontinued in August 2016

<sup>2</sup> Unaudited

## Company addresses

### Head office

#### Takeaway.com N.V.

Oosterdoksstraat 80  
1011 DK Amsterdam, the Netherlands  
E-mail: [press@takeaway.com](mailto:press@takeaway.com)  
Internet: [www.takeaway.com](http://www.takeaway.com)  
Twitter: [@takeaway](https://twitter.com/takeaway)

Chamber of Commerce Amsterdam, the Netherlands  
Trade registry no. 08142836  
VAT no NL815697661B01

### Our other offices

#### Takeaway.com

Koninklijk Pakhuis bus 411  
Havenlaan 86C  
1000 Brussels  
Belgium

Brouwerijstraat 10  
7523 XD Enschede  
The Netherlands

#### yd.yourdelivery GmbH

Am Karlsbad 16  
10785 Berlin  
Germany

#### sto2 Sp. z.o.o.

ul. Rybacka 9  
53-656 Wrocław  
Poland

## Glossary

**Active Consumers** Unique customer accounts (identified by a unique email address) by whom at least one order has been placed on Takeaway.com's platform in the preceding 12 months

**Active markets** Takeaway.com's leading markets as well as France (discontinued in February 2018), Luxembourg, Portugal and Switzerland

**Addressable Population** Population in a country above 15 years old

**Adjusted EBITDA** The Group's profit or loss for the period before depreciation, amortisation, finance income and expenses, long-term employee incentive costs, employee bonus shares, share of profit/ (loss) of joint ventures, non-recurring items and income tax expense

**Adjusted EBITDA margin** EBITDA as a percentage of revenue for the relevant period

**AFM register** Register as referred to in section 1:107 FMSA kept by AFM, which is accessible through its website

**Annual report** Report consisting of the Message from the CEO, Management Report, within the meaning of section 2:391 of the Dutch Civil Code, Governance & Compliance, Risk Management, Consolidated financial statements, Company financial statements, and Other information

**Articles of association** Articles of association of the Company

**Average order value** The Company's GMV divided by the number of orders in a particular period

**CEO** Chief Executive Officer of the Company

**CFO** Chief Financial Officer of the Company

**CGCM** Dutch Corporate Governance Code Monitoring Committee

**CGU** Cash-generating unit

**Code** Dutch Corporate Governance Code, as amended

**Company** Takeaway.com N.V.

**Company financial statements** Financial statements of the Company for the year ended 31 December 2017

**Consolidated financial statements** Consolidated financial statements of the Group for the year ended 31 December 2017

**Continental Europe** Mainland Europe, excluding, in particular, the United Kingdom, Iceland, Ireland and Turkey

**Continuïteit Takeaway.com** Continuïteit Takeaway.com B.V.

**COO** Chief Operating Officer of the Company

**CPO** Marketing cost per order

**Deloitte** Deloitte Accountants B.V.

**ESOP** Employee Share Option Plan of the Company

€ Euro

**Financial statements** The consolidated financial statements of the group and company financial statements of the company

**Food Tracker** Realtime estimation of arrival of food delivery

**FTE** Full-time equivalents

**Foundation Continuity** Stichting Continuïteit Takeaway.com

**General Meeting** The corporate body, the general meeting of the Company, or its meeting, as the case may be

**GMV** The group's gross merchandise value which is the total value of merchandise (food) sold as a result of orders in a particular period

**Gribhold** Gribhold B.V., the personal holding company of the Company's CEO

**Group** Takeaway.com N.V. and its direct and indirect subsidiaries

**IAS** International Accounting Standards

**IASB** International Accounting Standards Board

**IFRS** International Financial Reporting Standards as adopted by the European Union

**Insider dealing policy** Insider dealing policy of Takeaway.com

**IPO** Initial public offering of the company's ordinary shares on Euronext Amsterdam

**KPIs** Key performance indicators that the Management Board uses to analyse the Company's business and financial performance and help develop long-term strategic plans



**Leading Markets** Markets in the Netherlands, Germany, Belgium, Austria and Poland

**LTIP** Long-Term Incentive Plan of the Company

**Management Board** The management board of the Company

**Managing Directors** Members of the Management Board

**Net working capital** Net working capital excluding restaurant-related items: receivables from payment service providers, restaurant payables and restaurant receivables

**OCI** Other comprehensive income / (loss)

**Online payments** Online payment by means of debit or credit card or other forms of cashless payment such as PayPal® or Bitcoin®

**Orders** Orders by customers processed through the Group's websites and mobile applications, i.e. excluding orders processed through third party websites

**Orders per Returning Active Consumer** Calculated as the number of orders per returning Active Consumer during the period divided by the average number of returning Active Consumers during the period

**Prime Ventures** PTV III Holding 17 B.V. together with Prime III Co-Investment Vehicle I B.V., with registered business address at Museumplein 5A, 1071 DJ Amsterdam, the Netherlands

**Restaurants** The total number of restaurants listed on the Group's platform as at a particular date

**Restaurant delivery services** Service offered by Takeaway.com whereby we transmit the order from the consumer to the restaurant and we also deliver the meal to the consumer using our Scoober service

**Returning active consumers** Active Consumers who have ordered more than once in the preceding 12 months

**Scoober** Restaurant delivery services offered by Takeaway.com whereby we transmit the order from the consumer to the restaurant and we also deliver the meal to the consumer

**STAK** Stichting Administratiekantoor Takeaway.com

**Sto2** sto2 Sp. z o.o.

**Supervisory Board** The supervisory board of the Company

**Supervisory Directors** Members of the Supervisory Board

**Takeaway.com** Takeaway.com N.V. together with its direct and indirect subsidiaries

**Takeaway.com Asia** Takeaway.com Asia B.V.

**Takeaway.com Belgium** Takeaway.com Belgium BVBA

**Takeaway.com Central Core** Takeaway.com Central Core B.V.

**Takeaway.com European Operations** Takeaway.com European Operations B.V.

**Takeaway Express** Takeaway Express GmbH (operating under the trade name Food Express)

**Takeaway.com Group** Takeaway.com Group B.V.

**Takeaway.com JE** Takeaway.com JE B.V.

**Takeaway.com Payments** Takeaway.com Payments B.V.

**Tante Bep** Tante Bep B.V.

**Vietnammm** Vietnam MM Co. Ltd.

**White label** Orders processed by Takeaway.com but made by the consumer via a non-Takeaway.com website, e.g. a restaurant or chain's own site. A small fixed fee is earned on these orders instead of a commission and they are not counted towards order or GMV total

**WACC** Weighted Average Cost of Capital

**Yourdelivery** yd.yourdelivery GmbH

**About this report**

This annual report is available as a PDF, on our website [www.takeaway.com](http://www.takeaway.com) and as a limited print version.

**Forward-looking statements**

This annual report contains forward-looking statements. These statements are only predictions and are not guarantees. Actual events or the results of our operations could differ materially from those expressed or implied in the forward-looking statements. Forward looking statements are typically identified by the use of terms such as “may,” “will,” “should,” “expect,” “could,” “intend,” “plan,” “anticipate,” “estimate,” “believe,” “continue,” “predict,” “potential” or the negative of such terms and other comparable terminology.

By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. Actual results may differ materially from those expressed in these forward-looking statements, and you should not place undue reliance on them. For a discussion of factors that could cause future results to differ from such forward-looking statements, see also section Risk Management of this annual report.

**Third-party market data**

Statements regarding market share, including the group's competitive position, contained in this annual report are based on outside sources such as specialised research institutes, industry and dealer panels in combination with management estimates.



**Takeaway.com**

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THE NETHERLANDS