

# Delivering on path to profitability

## Operational Overview<sup>1</sup>

- **Excellent progress on path to profitability, delivering positive adjusted EBITDA\* in H2 2022** - significantly ahead of expectations; material improvement in adjusted EBITDA margin (as a % of GTV)\* to 0.2% in H2 2022 from (1.5)% in H1 2022 and (2.7)% in H2 2021.
- **Strong execution on operational initiatives underpinning the key 2022 profit levers:** optimisation of consumer fees, efficiency gains in the rider network and efficient targeting of marketing spend; further actions taken in early 2023 to drive overhead savings.
- **Good year of growth in challenging market conditions** with gross profit up 30%, revenue up 14% and gross transaction value\* ('GTV') up 9% year-on-year (7% in constant currency\*). Continued market share gains in UKI and key International markets such as France and Italy (based on third-party data).
- **Strengthened consumer value proposition, including leading on-demand grocery position** (11% of GTV in H2 2022, with >18k sites at end-2022); measured roll-out of Deliveroo Hop and Hop as a Service.
- **Continued growth of advertising platform** with ad revenue reaching annualised run-rate of £40 million or 0.6% of GTV in Q4 2022, reflecting that this is an effective way for merchants to drive incremental demand.
- **Further optimised portfolio of markets** with launch in Qatar in October 2022 and exits from Australia and the Netherlands in November 2022, reflecting discipline in our approach to capital allocation.
- **Healthy balance sheet maintained** with net cash\* of £1.0 billion (2021: £1.3 billion); free cash\* outflow reduced significantly to £(74) million in H2 2022 from £(169) million in H1 2022. New share purchase programme of £50 million announced today; previous £75 million programme completed in January 2023.
- **Loss for the year** (including continuing and discontinued operations) improved by £36 million to £(294) million.

## Summary Financial Information

£ million unless stated	2022	2021 (restated) <sup>A</sup>	Change
<b>Continuing operations</b>			
Gross transaction value*	6,848.1	6,304.6	9%
Revenue	1,974.7	1,735.0	14%
Gross profit	643.2	495.1	30%
Gross profit margin (as % of GTV)*	9.4%	7.9%	150 bps
Adjusted EBITDA*	(45.0)	(100.0)	(55)%
Adjusted EBITDA margin (as % of GTV)*	(0.7)%	(1.6)%	90 bps
<b>Continuing operations and Australia and the Netherlands</b>			
Gross transaction value*	7,082.4	6,631.0	7%
Revenue	2,040.7	1,824.4	12%
Gross profit	650.5	497.3	31%
Gross profit margin (as % of GTV)*	9.2%	7.5%	170 bps
Adjusted EBITDA*	(70.5)	(131.4)	(46)%
Adjusted EBITDA margin (as % of GTV)*	(1.0)%	(2.0)%	100 bps

<sup>1</sup> Deliveroo ended operations in Australia and the Netherlands on 16 November 2022 and 30 November 2022, respectively, and in Spain on 29 November 2021; all three markets are treated as discontinued operations. To provide a better understanding of performance for the ongoing operations, analysis of the Company's results in this announcement is on a continuing operations basis, which excludes results from Australia, the Netherlands and Spain for current and comparative periods, unless otherwise stated.

### Continuing and discontinued operations

Loss for the year	(294.1)	(330.5)	(11)%
Free cash flow*	(243.1)	(238.7)	2%
Net cash*	999.6	1,290.9	(23)%

\* Alternative performance measure ('APM'), refer to glossary on page 50 for further details

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

^The comparative information has been restated to account for a charge in relation to the non-employee options granted in February and March 2021.

## 2023 Outlook

- **2023 GTV growth** anticipated to be low- to mid- single digits (in constant currency); growth in Q1 expected to be broadly flat, with growth improving through the year as we continue to deliver on our plans and the comparison base eases.
- **2023 adjusted EBITDA** expected to continue to improve and to be in the range of £20-50 million, weighted to H2.

Will Shu, Founder and CEO of Deliveroo, said:

*"I'm proud of our performance in the past 12 months. Our team has delivered in difficult market conditions, with continued growth and share gains in our key markets. I'm particularly pleased that the Company reached adjusted EBITDA profitability in the second half of last year. This is a significant step on our path to sustainable cash generation, and we achieved this milestone a year earlier than our guidance by executing our strategy successfully despite headwinds from the market environment."*

*The macroeconomic outlook for the year ahead remains uncertain, but our record in the past 12 months makes me optimistic about our ability to adapt and continue to deliver on our plans to drive profitable growth. I want to thank the whole Deliveroo team and our consumers, riders and merchants for their ongoing commitment and I look forward to more progress together in 2023."*

## Contact information

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### Analyst and investor call

A conference call and webcast with Q&A for analysts and investors will be held today at 09:00 GMT / 10:00 CET. Registration details as follows:

Conference call: [https://secure.emincote.com/client/deliveroo/fy-2022/vip\\_connect](https://secure.emincote.com/client/deliveroo/fy-2022/vip_connect)

Webcast: <https://secure.emincote.com/client/deliveroo/fy-2022>

The webcast will also be available to view at <https://corporate.deliveroo.co.uk/>. A replay will be made available later.

### About Deliveroo plc ('Deliveroo' or 'the Company')

Deliveroo is an award-winning delivery service founded in 2013 by William Shu and Greg Orlowski. Deliveroo works with approximately 176,000 best-loved restaurants and grocery partners, as well as around 150,000 riders to provide the best food delivery experience in the world. Deliveroo is headquartered in London, with offices around the globe. Deliveroo operates across 10 markets, including Belgium, France, Hong Kong, Italy, Ireland, Kuwait, Qatar, Singapore, United Arab Emirates and the United Kingdom.

Further information regarding Deliveroo is available on the Company's website at <https://corporate.deliveroo.co.uk/>.

### Additional notes

This announcement may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may", "anticipate", "estimate", "plan", "project", "will", "can have", "likely", "should", "would", "could" and any other words and terms of similar meaning or the negative thereof. These forward-looking statements are subject to risks, uncertainties and assumptions about the Company and its subsidiaries and its investments, including, among other things, the development of its business, trends in its operating environment, and future capital expenditures and acquisitions. The forward-looking statements in this announcement speak only as at the date of this announcement. These statements reflect the beliefs of the Directors, (including based on their expectations arising from pursuit of the Group's strategy) as well as assumptions made by the Directors and information currently available to the Company. Further, certain forward-looking statements are based upon assumptions of future events which may not prove to be accurate and none of the Company nor any member of the Group, nor any of such person's affiliates or their respective directors, officers, employees, agents and/or advisors, nor any other person(s) accepts any responsibility for the accuracy or fairness of the opinions expressed in this announcement or the underlying assumptions. Actual events or conditions are unlikely to be consistent with, and may differ significantly from, those assumed. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. No representation or warranty is made that any forward-looking statement will come to pass. No one undertakes to update, supplement, amend or revise any forward-looking statements. You are therefore cautioned not to place any undue reliance on forward-looking statements.

## Operating and Strategic Review

In this section, all growth rates are year-on-year and in reported currency unless otherwise stated, and all figures exclude results from Australia and the Netherlands, where operations ended on 16 November 2022 and 30 November 2022, respectively, and Spain, where operations ended on 29 November 2021 (all three markets are treated as discontinued operations). The following commentary includes discussion of statutory measures such as revenue and operating loss, as well as alternative performance measures ('APMs') such as gross transaction value ('GTV'), gross profit margin (as % of GTV) and adjusted EBITDA, as the business also uses these metrics to monitor and assess performance. A full list of APMs and their definitions can be found on page 50. More detailed discussion of statutory results is contained in the Financial Review beginning on page 8.

### 1. Key Developments in 2022

#### Path to profitability

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

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

#### Growth

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

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

#### On-demand grocery

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

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

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

## **Advertising**

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

## **Portfolio optimisation**

In every market, our strategy is to focus on winning local market share positions, which is critical for overall profitability. The aggregation of these hyperlocal market positions drives national market share; for us national market share is primarily an output rather than an objective: our focus is on the neighbourhood. Where we have been able to build these leading hyperlocal positions, we continue to strengthen them. Italy is a great example - during 2022, we reached the national number one position, built on our strong local positions, with a particular focus on Lombardy and Northern Italy more broadly.

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

## **Riders - engagement**

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

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

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

## 2. The three sides of the marketplace

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

### Consumers

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

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

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

### Merchants

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



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

### **Riders status - material developments**

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

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

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

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

## Financial Review

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

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

\* Alternative performance measure ('APM'), refer to glossary on page 50 for further details.

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



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

\* Alternative performance measure ('APM'), refer to glossary on page 50 for further details

## 1. Group operating performance and income statement (see page 16)

### Gross transaction value

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

### Revenue

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

### Gross profit

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

## Administrative expenses

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

\* Alternative performance measure ('APM'), refer to glossary on page 50 for further details

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

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

## Other operating income and other operating expenses

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

## Adjusted EBITDA

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

\* Alternative performance measure ('APM'), refer to glossary on page 50 for further details

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

## Finance income and finance costs

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

## Income tax charge

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

## Discontinued operations

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

## Loss for the year

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

## 2. Segment operating performance

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

### UK and Ireland

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

\* Alternative performance measure ('APM'), refer to glossary on page 50 for further details

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

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

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

## International<sup>2</sup>

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

\* Alternative performance measure ('APM'), refer to glossary on page 50 for further details

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

In International, GTV grew to £2,959.9 million in 2022, an increase of 5% in constant currency. Orders grew by 3% to 140.8 million, primarily driven by a 4% increase in monthly active consumers and GTV per order which was up 1% in constant currency to £21.0. Revenue grew 13% to £855.3 million, primarily due to the increase in GTV. Adjusted EBITDA was £48.2 million, compared to £(28.0) million in 2021, due to gross profit improvements and marketing and overheads remaining broadly flat. Adjusted EBITDA was £7.7 million in H1 2022 and £40.5 million in H2 2022, with the sequential movement reflecting both gross profit expansion and lower marketing and overheads.

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

<sup>2</sup> On 16 and 30 November 2022, Deliveroo ceased operations in Australia and the Netherlands, respectively, and in Spain on 29 November 2021. These markets have been classified as a Discontinued Operation in accordance with IFRS 5 and as such the results from these markets are not included in this section.

### 3. Cash flow statement (see page 21)

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

#### Cash flows from operating activities

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

#### Cash flows used in investing activities

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

#### Cash flows from financing activities

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

### 4. Balance sheet (see page 18)

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

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

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

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

## 5. Share purchase plan

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

Deliveroo is today announcing a further share purchase programme of up to £50 million to acquire Class A Ordinary Shares. The programme is expected to commence shortly and to be completed during 2023.

## 6. Dividend and Dividend Policy

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



# Consolidated Income Statement and Statement of Comprehensive Loss

For the year ended 31 December 2022

	Note	2022 £m	2021 (restated)*^ £m
<b>Continuing operations</b>			
Revenue	5	1,974.7	1,735.0
Cost of sales		(1,331.5)	(1,239.9)
<b>Gross profit</b>		<b>643.2</b>	<b>495.1</b>
Administrative expenses		(884.0)	(771.2)
Other operating income		7.8	3.1
Other operating expenses		(12.6)	(17.1)
<b>Operating loss</b>		<b>(245.6)</b>	<b>(290.1)</b>
Finance income		17.8	9.4
Finance costs		(2.8)	(1.1)
<b>Loss before income tax</b>		<b>(230.6)</b>	<b>(281.8)</b>
Income tax charge	7	(11.9)	(7.4)
<b>Loss for the year from continuing operations</b>		<b>(242.5)</b>	<b>(289.2)</b>
<b>Discontinued operations</b>			
Loss for the year from discontinued operations	8	(51.6)	(41.3)
<b>Loss for the year</b>	<b>6</b>	<b>(294.1)</b>	<b>(330.5)</b>

	Note	2022 £	2021 £
<b>Loss per share</b>			
<b>From continuing operations</b>			
- Basic	10	(0.13)	(0.17)
- Diluted	10	(0.13)	(0.17)
<b>From continuing and discontinued operations</b>			
- Basic	10	(0.16)	(0.19)
- Diluted	10	(0.16)	(0.19)

	Note	2022 £m	2021 £m
<b>Other comprehensive loss</b>			
<b>Loss for the year</b>	<b>6</b>	<b>(294.1)</b>	<b>(330.5)</b>
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Currency translation		5.2	(8.5)
<b>Total comprehensive loss for the year</b>		<b>(288.9)</b>	<b>(339.0)</b>

\*^ Results for the year ended 31 December 2021 have been restated to reflect the reclassification of Deliveroo Netherlands BV and Deliveroo Australia Pty Ltd as discontinued operations, which are described in more detail in note 8 and to account for a charge in relation to the non-employee options granted in February and March 2021.

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 22 to 49.

## Consolidated Statement of Financial Position

As at 31 December 2022

	Note	2022 £m	2021 (restated) £m
<b>Non-current assets</b>			
Property, plant and equipment	11	49.3	33.7
Right-of-use assets	13	73.5	39.8
Intangible assets	12	72.9	52.8
Deferred tax asset	14	4.1	10.7
Investments in financial assets		2.9	2.9
Trade and other receivables		22.6	17.3
<b>Total non-current assets</b>		<b>225.3</b>	<b>157.2</b>
<b>Current assets</b>			
Inventory		19.4	18.2
Trade and other receivables		109.6	103.7
Other treasury deposits		50.5	-
Cash and cash equivalents		949.1	1,290.9
<b>Total current assets</b>		<b>1,128.6</b>	<b>1,412.8</b>
<b>Total assets</b>		<b>1,353.9</b>	<b>1,570.0</b>
<b>Non-current liabilities</b>			
Lease liabilities	13	(61.5)	(36.4)
Provisions	16	(143.2)	(81.7)
<b>Total non-current liabilities</b>		<b>(204.7)</b>	<b>(118.1)</b>
<b>Current liabilities</b>			
Trade and other payables	15	(332.8)	(368.0)
Lease liabilities	13	(12.3)	(10.2)
<b>Total current liabilities</b>		<b>(345.1)</b>	<b>(378.2)</b>
<b>Total liabilities</b>		<b>(549.8)</b>	<b>(496.3)</b>
<b>Net assets</b>		<b>804.1</b>	<b>1,073.7</b>

<b>Equity</b>			
Share capital	17	9.3	9.3
Share premium		-	1,013.0
Own shares	18	(66.0)	-
Merger reserve		1,288.5	1,288.5
Share option reserve		183.2	183.2
Accumulated losses		(604.5)	(1,408.7)
Foreign currency translation reserve		(6.4)	(11.6)
<b>Total equity</b>		<b>804.1</b>	<b>1,073.7</b>

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 22 to 49.



# Consolidated Statement of Changes in Equity

For the year ended 31 December 2022

	Note	Share capital (note 17)	Share premium	Own Shares (note 18)	Merger reserve	Share option reserve	Accumulated losses	Foreign currency translation reserve	Total
		£m	£m		£m	£m	£m	£m	£m
<b>At 1 January 2021</b>		7.1	-	-	1,153.5	153.3	(1,135.7)	(3.1)	175.1
Loss for the year (restated)		-	-	-	-	-	(330.5)	-	(330.5)
Other comprehensive loss for the year		-	-	-	-	-	-	(8.5)	(8.5)
<b>Total comprehensive loss for the year</b>		-	-	-	-	-	(330.5)	(8.5)	(339.0)
Issue of share capital		2.2	1,013.0	-	135.0	-	-	-	1,150.2
Share-based payment awards (restated)		-	-	-	-	35.6	57.5	-	93.1
Deferred tax	14	-	-	-	-	(5.7)	-	-	(5.7)
<b>At 31 December 2021</b>		9.3	1,013.0	-	1,288.5	183.2	(1,408.7)	(11.6)	1,073.7
Loss for the year		-	-	-	-	-	(294.1)	-	(294.1)
Other comprehensive income for the year		-	-	-	-	-	-	5.2	5.2
<b>Total comprehensive (loss)/income for the year</b>		-	-	-	-	-	(294.1)	5.2	(288.9)
Own shares acquired during the year		-	-	(66.0)	-	-	-	-	(66.0)
Reduction of share premium		-	(1,013.0)	-	-	-	1,013.0	-	-
Employee share-based payment awards		-	-	-	-	-	85.3	-	85.3
Deferred tax	14	-	-	-	-	-	-	-	-
<b>At 31 December 2022</b>		9.3	-	(66.0)	1,288.5	183.2	(604.5)	(6.4)	804.1

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 22 to 49.

# Consolidated Statement of Cash Flows

For the year ended 31 December 2022

	Note	2022 £m	2021 £m
<b>Cash flows from operating activities</b>			
<b>Net cash used in operating activities</b>	<b>19</b>	<b>(144.2)</b>	<b>(171.5)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	11	(30.1)	(21.4)
Acquisition of intangible assets	12	(50.3)	(34.6)
Purchase of financial assets		-	(2.9)
Purchase of other treasury deposits		(50.5)	-
Interest received		11.0	0.5
<b>Net cash used in investing activities</b>		<b>(119.9)</b>	<b>(58.4)</b>
<b>Cash flows from financing activities</b>			
Net proceeds from issue of share capital	17	-	1,150.2
Payments of lease liabilities	13	(15.7)	(10.0)
Interest on lease liabilities	13	(2.8)	(1.2)
Purchase of own shares	18	(66.0)	-
<b>Net cash (used in)/from financing activities</b>		<b>(84.5)</b>	<b>1,139.0</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(348.6)</b>	<b>909.1</b>
Cash and cash equivalents at the beginning of the year		1,290.9	379.1
Net foreign exchange differences on cash and cash equivalents		6.8	2.7
<b>Cash and cash equivalents at the end of the year</b>		<b>949.1</b>	<b>1,290.9</b>

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 22 to 49.

# Notes to the condensed set of financial statements

For the year ended 31 December 2022

## 1. General information

Deliveroo plc (the 'Company') and its subsidiaries (together, the 'Group') is a public limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006 (Registration number 13227665). The Group's ultimate controlling party is Will Shu.

The address of the registered office is The River Building, Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE.

## 2. Summary of accounting policies

### Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the International Financial Reporting Standards Interpretations Committee ('IFRS IC') interpretations as adopted by the United Kingdom, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value. The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the International Accounting Standards Board ('IASB'). The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice)

The significant accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all years presented.

The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2022 or 2021, within the meaning of Section 435 of the Companies Act 2006 (the "Act") but is derived from those accounts on which an unqualified audit opinion has been issued. Statutory accounts for 2021 have been delivered to the Registrar of Companies and those for 2022 will be delivered following the company's Annual General Meeting. The auditors have reported on those accounts: their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006.

### Discontinued operations

A discontinued operation is a component of the Group for which operations and cash flows can be clearly separated from the rest of the Group and which represents a major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the income statement. Comparatives are re-presented accordingly.



## Going concern

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

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

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

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

## Revenue

Revenue arises from commissions, consumer fees, restaurant sign-up fees, Hop sales, packaging sales and advertising. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received for goods and services provided in the normal course of business, net of discounts, rebates, refunds, the delivery fee portion of certain consumer credits utilised, VAT and other sales-related taxes.

### Commissions

The Group is considered to be an agent with respect to the food and beverage ordered on the platform, as it is not materially subject to inventory risk or pricing risk, but instead receives a commission as remuneration from merchants. Payment for purchases of food, beverages and other products is collected by the Group from the end consumer, and funds are remitted to the merchant, net of the commission fee.

Revenue from commissions is earned and recognised at the point of order fulfilment when all performance obligations are fulfilled.

### Consumer fees

Consumer fees are paid per order, as well as on a subscription basis for Deliveroo Plus. Fees payable on an order-by-order basis are recognised at the point of order fulfilment, when the performance obligation is fulfilled. Subscription fees are recognised on a straight-line basis over the period of the subscription.

In situations where customers are dissatisfied with the quality of the service provided, and the Group is at fault, customers may be offered a refund or credit for future orders. Due to the nature of the service, refunds are typically processed and recorded almost immediately as a deduction to revenue. Credit for future orders is added to a customer's account, and this is applied to the next order. A corresponding adjustment to revenue is recognised for the expected utilisation of credits in issue at the end of the financial year. This is based on actual data in respect of available credit, as well as historical usage patterns.

### **Restaurant sign-up fees**

Sign-up fees are payable when a new restaurant joins Deliveroo. Fees comprise set-up on the platform and payment for restaurant equipment, enabling partner restaurants to receive orders. These fees are split, and the portion that relates to the restaurant equipment is recognised on receipt of the assets. The remainder is deferred and recognised over the assumed life of the partner. Certain partners receive rebates, and revenue is adjusted by the expected rebates which are realised on a case-by-case basis.

### **Hop sales**

Revenue from Hop is recognised when the grocery has been delivered, and performance obligations are fulfilled.

### **Packaging sales**

Revenue from the sale of packaging is recognised when the packaging has been delivered, and performance obligations are fulfilled.

### **Advertising**

Revenue arising from advertising services is recognised when Deliveroo's obligations under the advertising contract are fulfilled, being either when the positioning is delivered, or clicks or actions are generated.

### **Exceptional items**

Exceptional items are separately identifiable income and expenditure arising from activities or events outside the normal course of business, and which are deemed material to the understanding of the accounts. They are items of income or expense that are qualitatively or quantitatively material and are significant or unusual in nature or amount.

Exceptional items include market exit costs, proposed 'deal' (mergers and acquisitions related) costs and other project costs, settlements and professional fees in relation to legal and regulatory investigations, and restructuring costs.

### **Income taxes**

Any tax expense or credit recognised in the income statement is based on the results for the period as adjusted for items which are disallowed or not taxed. It is based on tax rates and laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is calculated using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax on temporary differences associated with investments in subsidiaries and joint ventures is not recognised if reversal of these temporary differences can be controlled by the Group and it is probable that reversal will not occur in the foreseeable future.

Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realisation, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognised to the extent that it is probable that they will be able to be utilised against future taxable income, based on the Group's forecast of future operating results which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. Deferred tax liabilities are always provided for in full.

Deferred tax assets and liabilities are offset only when the Group has a right and intention to set off current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognised as a component of tax income or expense in profit or loss, except where they relate to items that are recognised in other comprehensive income or directly in equity, in which case the related deferred tax is also recognised in other comprehensive income or equity respectively.

## Intangible assets

### Initial recognition

#### Capitalised development costs

For internally-developed customised software, expenditure on the research phase of projects to develop new software for IT is recognised as an expense as incurred.

Costs that are directly attributable to a project's development phase are recognised as intangible assets, provided they meet the following recognition requirements:

- the development costs can be measured reliably;
- the project is technically and commercially feasible;
- the Group intends to, and has sufficient resources to, complete the project;
- the Group has the ability to use or sell the software; and
- the software will generate probable future economic benefits.

Development costs not meeting these criteria for capitalisation are expensed as incurred.

For 'Software as a Service' ('SaaS') arrangements, we capitalise costs only relating to the configuration and customisation of SaaS arrangements as intangible assets where Deliveroo has control of the software.

Acquired software relates to assets purchased as part of the acquisition of assets from Omakase Inc. and was developed in-house prior to acquisition by Roofoods Ltd. It was valued by an external valuation company and is allocated to the cash-generating unit 'Roofoods Ltd' which is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount, then the impairment loss is allocated first to reduce the carrying amount of goodwill, and then to the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the unit.

#### Subsequent measurement

All intangible assets, including internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The useful life applied for all internally generated software is three years and for acquired software is ten years. Amortisation of intangible assets is recorded within 'administrative expenses' in the consolidated income statement.

Subsequent expenditure on maintenance of computer software is expensed as incurred.

### Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, driver, restaurant and store equipment, IT and office equipment and assets under construction.

Property, plant and equipment is initially recognised at acquisition cost, including any costs directly attributable to bringing the assets to the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment is subsequently measured at cost less subsequent accumulated depreciation and impairment losses. Assets under construction are not depreciated as they are not yet in use. Once construction is completed, the assets are transferred to the relevant fixed asset category.

Depreciation is recognised on a straight-line basis to write down cost to estimated residual value. The following useful lives are applied:

- leasehold improvements: the shorter of the lease term or 10 years;
- driver, restaurant and store equipment: 2-5 years; and
- IT and office equipment: 3 years.

Material residual value estimates and estimates of useful life are updated as required and reviewed at least annually. Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the disposal proceeds and the carrying amount of the assets and are recognised through profit or loss.

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement in those expense categories consistent with the function of the impaired asset.

## Leases

### The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate. The incremental borrowing rate is determined by reference to financing quotes available to the Group.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the periods presented. The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying right-of-use asset. If a lease transfers ownership of the underlying right-of-use asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying right-of-use asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as required.

The Group used the practical expedient as a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement, as permitted by IFRS 16.

### Goodwill

Goodwill is not amortised but is instead reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination.

Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount, then the impairment loss is allocated first to reduce the carrying amount of goodwill, and then to the other assets of the cash-generating unit pro rata on the basis of the carrying amount of each asset in the unit.

### Trade and other payables

Trade and other payables include obligations to pay for goods and services acquired in the normal course of business, amounts outstanding on purchases and other amounts due to third parties, including restaurants. They are recognised as current liabilities if payment is due in one year or less. If payment is due in over a year, they are presented as non-current liabilities.

### Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Group and amounts can be estimated reliably. Either the timing or the amount of the outflow will be uncertain.

Provisions are measured at the estimated cost required to settle the present obligation, based on the most reliable evidence available at the reporting date, including risks and uncertainties associated with the present obligation.

Provisions are discounted where the time value of money is considered to be material. No liability is recognised if an outflow of economic resources as a result of present obligation is not probable. Such situations are disclosed as contingent liabilities, unless the outflow of resources is remote, in which case no disclosure is included.

### Equity and reserves

Share capital represents the fair value of shares that have been issued. Any transaction costs directly attributable to the issuing of new shares are deducted from share premium, net of any related income tax benefits.

Other components of equity include the following:

- share premium – comprises the difference between the value of the shares on issue and their nominal value;
- share options reserve – comprises equity-settled share-based remuneration;
- foreign currency translation reserve – comprises foreign currency translation differences arising on the translation of financial statements of the Group's foreign entities into Sterling;
- accumulated losses – comprises all current and prior period retained losses;
- merger reserve – comprises the difference between the fair value of Roofoods Ltd as at 6 April 2021 and the nominal value of shares acquired by Deliveroo plc as part of the share-for-share exchange which took place prior to Admission; and
- own shares – comprises the shares of the Parent Company Deliveroo plc that are held by the Roofoods Ltd Employee Benefit Trust. Own shares are recorded at cost and deducted from equity.

All transactions with owners of the Parent are recorded separately within equity.

### 3. Significant accounting judgements, estimates and prior period adjustment

When preparing the financial statements, management has made a number of estimates and assumptions regarding the future and has made some significant judgements in applying the Group's accounting policies. Accounting estimates are reviewed on an ongoing basis, and revisions to such estimates are recognised in the current and future periods as applicable.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below:

#### Provisions and contingent liabilities

The independent contractor status of riders, which applies in most of the jurisdictions in which we operate, has been and is likely to continue to be the subject of challenge in certain markets, including some of our key markets. We have been and are involved in legal proceedings, under which the independent contractor status of our riders is under review. The recognition of legal provisions (note 16) and associated contingent liabilities (note 20) arising from such matters involves management estimates of the present value of the potential costs required to settle obligations. Provisions are calculated based on the information available at the time of signing these accounts. Key inputs to the calculations of such provisions include the likelihood of receiving claims, the scope of those claims, the likelihood of making payments, an assessment of the time value of money and the risks specific to each potential obligation. A change in the assessment of these assumptions could materially change the measurement of a provision or contingent liability. In rare circumstances, where there are too many variables, the Directors may conclude it is not possible to estimate a contingent liability and disclose the fact. It is expected that the resolutions to these matters may extend over several years.

The following are the critical judgements, apart from those involving estimations (which are dealt with separately above), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The recognition of a provision requires judgement as to the likelihood of economic outflow. Where the Group has a possible obligation as a result of a past event, it will disclose a contingent liability. Changes to circumstances or the assessed likelihood of success or the quantification of the amount that the Company would rationally be willing to pay to settle the obligation may result in a contingent liability becoming a provision, or the remeasurement of a provision, and such judgements are reviewed in accordance with the recognition criteria set out in IAS 37 'Provisions, Contingent Liabilities and Contingent Assets', on a regular basis. See notes 16 and 20 for detail of the amounts provided and disclosed as a contingent liability.

#### Discontinued operations

The identification of the closure of Deliveroo's Netherlands and Australia businesses in 2022 (and Spain in 2021) as discontinued operations required judgement in interpreting IFRS 5 'Discontinued Operations'. IFRS 5 states that a discontinued operation comprises a component of an entity that either has been disposed of, or is classified as held for sale and represents a separate major line of business, or geographical area of operations.

The Directors have concluded that Deliveroo Netherlands BV and Deliveroo Australia Pty Ltd are separate entities and separate geographical areas of operations for which the results of these businesses are quantitatively and qualitatively significant. As such, the Netherlands and Australia have been classified as discontinued operations in accordance with IFRS 5.



### Consumer acquisition and retention costs

The Group invests in marketing specifically to drive consumer acquisition and retention. Some of this spend is in the form of credits that can be applied to the consumer's account for an order on the Deliveroo platform, where those orders are placed in accordance with the terms and conditions of the credit. The customer for the provision of the delivery service is the consumer, with Deliveroo being the principal. IFRS 15 'Revenue from Contracts with Customers' does not specify requirements or guidance on the treatment of such costs where the consideration payable to the customer exceeds the transaction price (i.e. the delivery fee revenue from that consumer), since the consumer is Deliveroo's customer in the delivery relationship. As such, judgement is applied in the classification of such costs. For the delivery fee element of the associated order, the cost of the credit is recognised as a debit to revenue. The excess of the cost of the credit is recognised as a marketing cost, having first offset any historical cumulative delivery fee revenue, reflecting the nature of the cost as a consumer acquisition and retention tool, and the nature of the marketplace business, where Deliveroo is the agent for the provision of food and beverage. Any subsequent sales to that consumer are recognised as revenue in the usual way (i.e. without adjusting the amount previously reflected as a marketing cost). Our judgement is that this better reflects the nature of these costs and the understanding of the Group's financial performance, rather than treating the entire amount as negative revenue. This has contributed to the overall increase in sales and marketing expenses in the year, and comprises £28.3 million (2021: £41.3 million) of sales and marketing costs.

### Prior period adjustment

The 2021 share based payments charge has been restated to account for a charge in relation to the non-employee options granted in February and March 2021; this impacts continuing operations only.

## 4. Segment information

Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance focuses on a geographical split of the Group between 'UK and Ireland' and 'International' (being overseas jurisdictions other than UK and Ireland). 'UK and Ireland' and 'International' are reportable segments with the 'International' segment comprising eight operating segments (France, Italy, Belgium, Hong Kong, Singapore, UAE, Kuwait and Qatar).

All operating segments primarily generate revenue through the operation of an on-demand food platform and have similar economic characteristics. As such, it is appropriate to aggregate all 'International' operating segments as one reportable segment under IFRS 8 paragraph 22.

The CODM primarily uses a measure of adjusted earnings before interest, tax, depreciation and amortisation (adjusted EBITDA, see below) to assess the performance of the operating segments.

The segments primarily generate revenue through the operation of an on-demand food delivery platform.

In the presentation of segment information, the heading 'Other', which is not a reportable operating segment, is included to facilitate the reconciliation of segmental revenue and adjusted EBITDA with the Group's revenue and adjusted EBITDA. 'Other' primarily represents head office and Group services.

Finance income and costs are not allocated to segments, as this type of activity is driven by the central treasury function, which manages the cash position of the Group.

Netherlands and Australia operations were discontinued during 2022. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more detail in note 8. The following is an analysis of the Group's revenue and results by reportable segment:

2022	UK and Ireland	International	Segments total	Other	Total
	£m	£m	£m	£m	£m
<b>Revenue</b>	1,119.4	855.3	1,974.7	-	1,974.7
Cost of sales	(713.9)	(617.6)	(1,331.5)	-	(1,331.5)
Other operating income	6.7	1.1	7.8	-	7.8
Administrative expenses	(249.0)	(183.3)	(432.3)	(251.1)	(683.4)
Other operating expenses	(5.3)	(7.3)	(12.6)	-	(12.6)
<b>Adjusted EBITDA*</b>	<b>157.9</b>	<b>48.2</b>	<b>206.1</b>	<b>(251.1)</b>	<b>(45.0)</b>
Share based payments charge and accrued	-	-	-	(68.8)	(68.8)
Exceptional costs*	(6.9)	(8.0)	(14.9)	(55.5)	(70.4)
Depreciation and amortisation					(61.4)
Finance income					17.8
Finance costs					(2.8)
<b>Loss before income tax</b>					<b>(230.6)</b>
<b>Income tax charge</b>					<b>(11.9)</b>
Loss for the year from discontinued operations					<b>(51.6)</b>
<b>Loss after tax and discontinued operations</b>					<b>(294.1)</b>

2021 (restated)*^	UK and Ireland	International	Segments total	Other	Total
	£m	£m	£m	£m	£m
<b>Revenue</b>	980.7	754.3	1,735.0	-	1,735.0
Cost of sales	(650.4)	(589.5)	(1,239.9)	-	(1,239.9)
Other operating income	0.2	2.3	2.5	-	2.5
Administrative expenses	(229.8)	(187.6)	(417.4)	(163.1)	(580.5)
Other operating expenses	(9.6)	(7.5)	(17.1)	-	(17.1)
<b>Adjusted EBITDA*</b>	<b>91.1</b>	<b>(28.0)</b>	<b>63.1</b>	<b>(163.1)</b>	<b>(100.0)</b>
Share based payments charge and accrued National Insurance on share options	-	-	-	(109.5)	(109.5)
Exceptional income*	-	0.6	0.6	-	0.6
Exceptional costs*	(18.0)	(6.3)	(24.3)	(14.9)	(39.2)
Depreciation and amortisation					(42.0)
Finance income					9.4
Finance costs					(1.1)
<b>Loss before income tax</b>					<b>(281.8)</b>
<b>Income tax charge</b>					<b>(7.4)</b>
Loss for the year from discontinued operations					<b>(41.3)</b>
<b>Loss after tax and discontinued operations</b>					<b>(330.5)</b>

\*^ Results for the year ended 31 December 2021 have been restated to reflect the reclassification of Deliveroo Netherlands BV and Deliveroo Australia Pty Ltd. as discontinued operations, which are described in more detail in note 8, and to account for a charge in relation to the non-employee options granted in February and March 2021.

No single customer contributed 10% or more to the Group's revenue in either 2022 or 2021.

Revenues presented by reporting segment are in respect of transactions with external customers only.

The measurement of current assets and liabilities by reportable segment is not included in this note disclosure as this information is not regularly reviewed by the CODM for decision making purposes.

## Geographical information

The Group's non-current assets, excluding trade and other receivables, financial instruments, deferred tax assets and other financial assets, split by geographical location are detailed below:

	2022	2021
	£m	£m
<b>Non-current assets</b>		
UK and Ireland	147.0	97.7
Rest of the World	48.7	28.6
<b>Total non-current assets</b>	<b>195.7</b>	<b>126.3</b>

## 5. Revenue

The Group's revenue is analysed as follows:

	2022	2021
	£m	£m
UK & Ireland	1,119.4	980.7
Rest of the World	855.3	754.3
<b>Total revenue</b>	<b>1,974.7</b>	<b>1,735.0</b>

	2022	2021
	£m	£m
Point in time	1,909.6	1,671.9
Over time	65.1	63.1
<b>Total revenue</b>	<b>1,974.7</b>	<b>1,735.0</b>

Contract balances are immaterial to the Group and therefore no disclosure is provided. There have been no significant changes to the contract balances in the current financial year.

## 6. Loss for the year

Loss for the year from continuing and discontinued operations is stated after charging/(crediting):

	2022	2021
	£m	£m
Depreciation of plant, property and equipment (see note 11)	12.8	8.9
Depreciation of right-of-use assets (see note 13)	18.7	10.7
Amortisation expense (see note 12)	30.3	23.7
Loss on disposal of property, plant and equipment (see note 11)	2.6	1.3
Auditor's remuneration	2.5	4.4
Sales and marketing costs	225.8	281.2
Staff costs	382.0	284.7
Exceptional items (see note 9)	92.4	43.0
Impairment of right-of-use assets (see note 13)	3.7	0.2

Staff costs are shown gross of capitalised development costs.

During the year, the Group incurred £77.5 million of research and development costs (2021: £42.0 million).

## 7. Income tax expense

	2022	2021
	£m	£m
Current tax charge for the year	6.4	3.4
Current tax charge relating to prior year adjustment	2.8	0.3
Deferred tax charge relating to the current year	2.9	4.0
Deferred tax credit relating to prior year adjustment	(0.2)	(0.3)
<b>Total</b>	<b>11.9</b>	<b>7.4</b>

The standard rate of corporation tax applied to reported loss in the UK is 19.00% (2021: 19.01%). Taxation for other jurisdictions is calculated at the prevailing rates in the respective jurisdictions.

The reconciliation between the tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31 December 2022 and 2021 is as follows:

	2022	2021 (restated)
	£m	£m
Loss before income tax	(230.6)	(281.8)
<b>Loss before tax multiplied by the tax rate of 19.00% (2021: 19.01%)</b>	<b>(43.8)</b>	<b>(53.6)</b>
Losses not recognised	42.4	64.0
Recognition of tax losses – deferred tax	7.3	(1.1)
Permanent differences	3.9	3.2
Movement in other unrecognised temporary differences	(1.8)	(5.7)
Adjustment in respect of prior years	2.8	0.2
Effect of changes in tax rates	(0.2)	(0.3)
Other taxes	1.3	0.7
<b>Total</b>	<b>11.9</b>	<b>7.4</b>

In the UK, a corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will impact the Group's future tax charge accordingly.

The Group operates across a number of different jurisdictions, which results in various cross-border transactions arising between Group companies. In line with the Organisation for Economic Co-operation and Development ('OECD') guidelines, the Group bases its transfer pricing policy on the 'arm's length principle'. In certain situations, different tax authorities may seek to attribute further profit to activities being undertaken in their jurisdiction which could lead to double taxation, which the Group will seek to mitigate if it arises.

To address concerns about uneven profit distribution and tax contributions of large multinational corporations, various agreements have been reached at the global level, including an agreement by over 135 jurisdictions to introduce a global minimum tax rate of 15%. In December 2021, the OECD released a draft legislative framework, followed by detailed guidance released in March 2022, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. At 31 December 2022, none of the jurisdictions in which the Group operates had enacted or substantively enacted the tax legislation related to the top-up tax. Based on the information available on 31 December 2022, Management does not expect this to have a material financial impact on the Group. Management is closely monitoring the progress of the legislative process in each jurisdiction the Group operates in.

## 8. Discontinued operations

During 2022, the Group ended operations in the Netherlands and Australia (and Spain in 2021). The Group has determined that achieving and sustaining a top-tier market position in these countries would require a disproportionate level of investment with highly uncertain long-term potential returns and the expected return on such investment is not commensurate with Deliveroo's risk/reward thresholds.

The results of the discontinued operations, which have been included in the consolidated income statement, were as follows:

	2022	2021
	£m	£m
Revenue	66.2	113.7
Expenses	(113.7)	(156.4)
Loss before tax	(47.5)	(42.7)
Attributable tax (expense)/credit	(4.1)	1.4
<b>Net loss attributable to discontinued operations (attributable to owners of the Company)</b>	<b>(51.6)</b>	<b>(41.3)</b>



## 9. Exceptional items

The following have been recognised as exceptional items where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business that are deemed material to the understanding of the accounts. Exceptional items for the year include market exit costs, proposed mergers and acquisitions ('M&A') and other project costs, settlements and professional fees in relation to legal and regulatory investigations, restructuring costs and costs associated with preparation for the Initial Public Offering.

	2022	2021
	£m	£m
<b>From continuing operations</b>		
Coronavirus relief grants	-	(0.6)
Coronavirus-related costs	0.5	1.3
Legal and regulatory costs	62.6	10.8
Initial Public Offering and deal costs	0.8	27.1
Restructuring costs	6.5	-
<b>Total exceptional items from continuing operations</b>	<b>70.4</b>	<b>38.6</b>
From discontinued operations	22.0	4.4
<b>Total exceptional items</b>	<b>92.4</b>	<b>43.0</b>

## 10. Loss per share

The calculation of the basic and diluted loss per share is based on the following data. All losses are from continuing and discontinued operations.

	2022	2021 (restated)
Loss	£m	£m
Loss for the year from continuing operations	(242.5)	(289.2)
Loss for the year	(294.1)	(330.5)

  

	2022	2021
Number of shares		
Weighted average number of Ordinary Shares outstanding	1,836,841,624	1,707,650,646

  

	2022	2021
From continuing operations	£	£
Loss per share		
- Basic	(0.13)	(0.17)
- Diluted	(0.13)	(0.17)
From continuing and discontinued operations		
Loss per share		
- Basic	(0.16)	(0.19)
- Diluted	(0.16)	(0.19)

There was no difference between basic earnings per share and diluted earnings per share for the year ended 31 December 2022 and the year ended 31 December 2021, since the effect of all potentially dilutive shares outstanding was anti-dilutive.

## 11. Property, plant and equipment

	Leasehold improvements	IT and office equipment	Driver, restaurant and store equipment	Assets under construction	Total
	£m	£m	£m	£m	£m
<b>Cost</b>					
At 1 January 2021	25.0	8.0	13.2	2.1	48.3
Additions	1.6	0.7	1.8	17.3	21.4
Disposals	(1.5)	-	(2.1)	(0.9)	(4.5)
Transfers between categories	11.3	-	3.1	(14.4)	-
Currency translation	(0.2)	(0.2)	(0.2)	(0.1)	(0.7)
At 31 December 2021	36.2	8.5	15.8	4.0	64.5
Additions	1.7	2.6	2.9	22.9	30.1
Disposals	(1.0)	(0.2)	(0.5)	(1.8)	(3.5)
Transfers between categories	16.2	-	4.0	(20.2)	-
Currency translation	1.4	(0.3)	0.3	(0.1)	1.3
<b>At 31 December 2022</b>	<b>54.5</b>	<b>10.6</b>	<b>22.5</b>	<b>4.8</b>	<b>92.4</b>
<b>Accumulated depreciation</b>					
At 1 January 2021	(11.6)	(6.1)	(7.7)	-	(25.4)
Charge for the year	(5.1)	(1.4)	(2.4)	-	(8.9)
Eliminated on disposal	1.2	0.1	1.9	-	3.2
Currency translation	0.1	0.1	0.1	-	0.3
At 31 December 2021	(15.4)	(7.3)	(8.1)	-	(30.8)
Charge for the year	(8.1)	(1.0)	(3.7)	-	(12.8)
Elimination on disposal	0.4	-	0.5	-	0.9
Currency translation	(0.6)	0.2	-	-	(0.4)
<b>At 31 December 2022</b>	<b>(23.7)</b>	<b>(8.1)</b>	<b>(11.3)</b>	<b>-</b>	<b>(43.1)</b>
<b>Net book value</b>					
<b>At 31 December 2022</b>	<b>30.8</b>	<b>2.5</b>	<b>11.2</b>	<b>4.8</b>	<b>49.3</b>
At 31 December 2021	20.8	1.2	7.7	4.0	33.7

## 12. Intangible assets

	Goodwill	Acquired software	Capitalised development expenditure	Total
	£m	£m	£m	£m
<b>Cost</b>				
At 1 January 2021	4.9	9.8	70.0	84.7
Additions	-	-	34.6	34.6
At 31 December 2021	4.9	9.8	104.6	119.3
Additions	-	-	50.3	50.3
Currency translation	-	0.2	(0.1)	0.1
<b>At 31 December 2022</b>	<b>4.9</b>	<b>10.0</b>	<b>154.8</b>	<b>169.7</b>
<b>Accumulated amortisation</b>				
At 1 January 2021	-	(3.4)	(39.4)	(42.8)
Amortisation charge for the year	-	(1.3)	(22.4)	(23.7)
At 31 December 2021	-	(4.7)	(61.8)	(66.5)
Amortisation charge for the year	-	(1.1)	(29.2)	(30.3)
<b>At 31 December 2022</b>	<b>-</b>	<b>(5.8)</b>	<b>(91.0)</b>	<b>(96.8)</b>
<b>Net book value</b>				
<b>At 31 December 2022</b>	<b>4.9</b>	<b>4.2</b>	<b>63.8</b>	<b>72.9</b>
At 31 December 2021	4.9	5.1	42.8	52.8

Goodwill was recognised on the acquisition of assets from Omakase Inc. It has been allocated to the cash-generating unit ('CGU') 'Roofoods Ltd'. The recoverable amount of the group of CGUs is determined from value-in-use calculations. The key assumptions in these calculations comprise discount rates, growth rates, pricing fluctuations and changes to direct costs. These assumptions are consistent with available external information sources. Discount rates are estimated to reflect current market assessments of the time value of money. The discount rate used was 15.0%. A terminal growth rate of 2.5% was used to extrapolate cash flow beyond the forecast period.

For the purpose of the goodwill impairment review, management prepares cash flow forecasts for a period of five years. Thereafter a growth rate is applied that does not exceed the long-term average growth rate for the industry and geography. There is no reasonably possible change in any key assumptions that would cause the carrying amount to exceed the recoverable amount.

## 13. Leases

Right-of-use assets	Buildings £m	Equipment £m	Total £m
<b>Cost</b>			
At 1 January 2021	45.7	1.6	47.3
Additions	21.0	-	21.0
Disposals	(2.3)	(0.7)	(3.0)
Impairment	(0.3)	-	(0.3)
Currency translation	(0.5)	-	(0.5)
At 31 December 2021	63.6	0.9	64.5
Additions	57.4	-	57.4
Disposals	(9.0)	-	(9.0)
Impairment	(6.2)	-	(6.2)
Currency translation	2.2	-	2.2
<b>At 31 December 2022</b>	<b>108.0</b>	<b>0.9</b>	<b>108.9</b>
<b>Accumulated depreciation</b>			
At 1 January 2021	(16.1)	(1.0)	(17.1)
Depreciation charge for the year	(10.5)	(0.2)	(10.7)
Disposals	2.0	0.7	2.7
Impairment	0.1	-	0.1
Currency translation	0.3	-	0.3
At 31 December 2021	(24.2)	(0.5)	(24.7)
Depreciation charge for the year	(18.5)	(0.2)	(18.7)
Disposals	7.0	-	7.0
Impairment	2.5	-	2.5
Currency charge for the year	(1.5)	-	(1.5)
<b>At 31 December 2022</b>	<b>(34.7)</b>	<b>(0.7)</b>	<b>(35.4)</b>
<b>Carrying amount</b>			
<b>At 31 December 2022</b>	<b>73.3</b>	<b>0.2</b>	<b>73.5</b>
At 31 December 2021	39.4	0.4	39.8

Amounts to be recognised in profit and loss	2022	2021
	£m	£m
Depreciation expense on right-of-use assets	18.7	10.7
Interest expense on lease liabilities	2.8	1.2
Expense relating to short-term leases	-	0.5

Total cash outflow for leases in 2022 was £18.5 million (2021: £11.2 million) for the Group.

The Group holds a number of property leases in association with the Editions and Hop businesses, together with one or more offices leased in each country in which we trade. Contracts vary in length from less than 12 months up to 15 years. There are also a smaller number of leases held in relation to equipment, primarily at our Editions sites.

Lease liabilities	2022	2021
	£m	£m
Current	12.3	10.2
Non-current	61.5	36.4
<b>Total</b>	<b>73.8</b>	<b>46.6</b>

The carrying amount of the lease liabilities and movements during the period are as follows:

	Buildings	Equipment	Total
	£m	£m	£m
At 1 January 2021	35.5	0.5	36.0
Additions	21.0	-	21.0
Disposals	(0.2)	-	(0.2)
Accretion of interest	1.2	-	1.2
Payments	(10.9)	(0.3)	(11.2)
Currency translation	(0.2)	-	(0.2)
At 31 December 2021	46.4	0.2	46.6
Additions	43.5	-	43.5
Disposals	(2.0)	-	(2.0)
Accretion of interest	2.8	-	2.8
Payments	(18.5)	-	(18.5)
Currency translation	1.4	-	1.4
<b>At 31 December 2022</b>	<b>73.6</b>	<b>0.2</b>	<b>73.8</b>

Maturity analysis	2022	2021
	£m	£m
Year 1	18.7	11.4
Year 2	17.1	9.6
Year 3	13.3	8.2
Year 4	10.8	6.7
Year 5	10.0	5.8
Onwards	13.0	8.4
Total cash flow	82.9	50.1
Less interest	(9.1)	(3.5)
Total	73.8	46.6

## 14. Deferred tax

	2022	2021
	£m	£m
<b>Deferred tax assets</b>		
Deferred tax assets relating to tax losses	2.5	8.0
Deferred tax assets relating to other temporary differences	0.8	1.4
Deferred tax assets relating to share-based payments	-	-
Deferred tax assets relating to fixed asset temporary differences	0.8	1.3
<b>Total deferred tax assets</b>	<b>4.1</b>	<b>10.7</b>

	1 January 2022	Recognised in income*	Recognised in equity	Foreign exchange differences	Total
	£m	£m	£m	£m	£m
Tax value of loss carry-forwards utilised	8.0	(5.5)	-	-	2.5
Fixed asset temporary differences	1.3	(0.5)	-	-	0.8
Share-based payments	-	-	-	-	-
Other	1.4	(0.6)	-	-	0.8
<b>Net deferred tax asset</b>	<b>10.7</b>	<b>(6.6)</b>	<b>-</b>	<b>-</b>	<b>4.1</b>

	1 January 2021	Recognised in income*	Recognised in equity	Foreign exchange differences	Total
	£m	£m	£m	£m	£m
Tax value of loss carry-forwards utilised	9.3	(0.4)	-	(0.9)	8.0
Fixed asset temporary differences	0.7	0.6	-	-	1.3
Share-based payments	8.1	(2.4)	(5.7)	-	-
Other	1.4	-	-	-	1.4
<b>Net deferred tax asset</b>	<b>19.5</b>	<b>(2.2)</b>	<b>(5.7)</b>	<b>(0.9)</b>	<b>10.7</b>

\* This amount includes tax attributable to discontinued operations.

All deferred tax liabilities are expected to be settled more than 12 months after the reporting period.



The recognition of deferred tax assets is based on the Group's forecast of future operating results which is adjusted for significant permanent differences and specific limits to the use of any unused tax loss or credit. The Group has unrecognised tax losses of £1,549.6 million (2021: £1,425.9 million) available for offset against future taxable profits. There are also unrecognised temporary differences of £62.5 million (2021: £90.7 million) across other items including fixed assets and share-based payments. No deferred tax asset has been recognised in relation to these temporary differences on the basis that their future economic benefit is uncertain given the unpredictability of future profits. The significant portion of the unrecognised temporary differences arises in the UK where there is no expiry for utilisation.

## 15. Trade and other payables

	2022	2021
	£m	£m
Trade payables	25.7	25.2
Accruals and deferred income	140.7	165.6
Other tax and social security payables	62.1	99.3
Other payables	22.6	15.1
Amounts due to restaurants	77.4	62.8
Corporation tax payable	4.3	-
<b>Total payables</b>	<b>332.8</b>	<b>368.0</b>

The trade and other payables are considered to be short-term, non-interest-bearing and have no security attached. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value.

## 16. Provisions

	2022	2021
	£m	£m
Legal provision	129.3	81.7
Dilapidations	13.9	-
<b>Total provisions</b>	<b>143.2</b>	<b>81.7</b>

The movement in the provisions during the year is reconciled below:

	Legal provisions	Dilapidations
	£m	£m
At 1 January 2022	81.7	-
Foreign currency translation	(0.1)	-
Additional amounts provided for	54.9	13.9
Amounts utilised	(6.3)	-
Amounts released	(0.9)	-
<b>At 31 December 2022</b>	<b>129.3</b>	<b>13.9</b>

The Group is involved in a number of ongoing legal and arbitration proceedings with third parties, primarily across its European territories. The amounts provided in the legal provision represent our best estimate of associated economic outflows based on the status of proceedings at the time of approval of these financial statements, and are based on current and potential claims from regulators, even where we dispute the amounts claimed. Court proceedings and investigations are expected to extend for at least 12 months. Depending on the outcomes, the total economic outflow could be different to that currently provided. The Directors will review and revise the amounts of such provisions, as necessary, as and when new information becomes available. Provisions assessed during the period are for various regulatory challenges, including in markets that we have exited. We are participating in ongoing discussions with relevant authorities as part of official processes. Whilst it is difficult at this time to quantify the probable economic outflow in the event of an adverse outcome, the provision represents our best estimate of the amount that the entity would rationally be willing to settle for, based on the information available to us at this time and taking into account the range of potential outcomes currently apparent. We will continue to refine our assessment as further information is available.

Further to the amounts provided above, the challenges of the new on-demand economy mean that, like other companies in this industry, some subsidiary companies may eventually be subject to further inspections or litigation of the same nature in the future. The Group would assess any such future challenges on a case-by-case basis. We continue to defend ourselves robustly against challenges of this nature, but we recognise that there are jurisdictions which may seek to regulate the on-demand economy and as a result the risk may be heightened. The Directors are confident in the operating model and practices, and will take all reasonable steps to defend its position if so challenged. In addition, the Company and its subsidiaries are engaged with relevant stakeholders to seek to bring greater certainty, together with flexibility, for individuals who work within the on-demand economy.

In addition to proceedings where the Company has assessed there to be a probable economic outflow and for which a corresponding provision has been made, there are other in-country proceedings where the Company has assessed the likely outflow is possible but not probable at this time. These are disclosed as contingent liabilities and are discussed in note 20.

The Group is required to perform dilapidation repairs to restore properties to agreed specifications prior to the properties being vacated at the end of their lease term. These amounts are based on estimates of repair and restoration costs at a future date and therefore a degree of uncertainty exists over the future outflows, given that these are subject to repair and restoration cost price fluctuations and the extent of repairs to be completed.

## 17. Share capital

Shares issued and fully paid:	2022	2021	2022	2021
	shares	shares	£	£
Ordinary A	1,755,425,173	1,754,496,973	8,777,126	8,772,485
Ordinary B	100,299,642	100,299,642	501,498	501,498
<b>Total shares issued</b>	<b>1,855,724,815</b>	<b>1,854,796,615</b>	<b>9,278,624</b>	<b>9,273,983</b>

The Company's share premium account of £1,013.0 million was cancelled and the amount credited to retained earnings, following High Court approval of the share premium cancellation on 13 September 2022.

All shares have a nominal value of £0.005.

## 18. Own shares

	2022	2021
	£m	£m
Balance at 1 January	-	-
Acquired in the year	66.0	-
Exercise of share options	-	-
<b>Balance at 31 December</b>	<b>66.0</b>	<b>-</b>

The own shares reserve represents the cost of shares in Deliveroo plc issued or purchased in the market and held by the Roofoods Ltd Employee Benefit Trust to satisfy options under the Group's share options plans. The number of Ordinary Shares held by the Employee Benefit Trust at 31 December 2022 was 77,269,638 (2021: 14,858,894).

## 19. Reconciliation of cash used in operations

	2022	2021 (restated)
	£m	£m
<b>Cash flows from operating activities</b>		
Operating loss for the year	(295.7)	(330.8)
Depreciation and amortisation	61.8	43.3
Loss on disposal of fixed assets	2.6	1.3
Loss on disposal of right-of-use asset	-	0.3
Impairment of right-of-use asset	3.7	0.2
Gain on disposal of lease liability	-	(0.2)
Share-based payments charge	85.3	93.1
Net foreign exchange differences	7.5	(3.8)
Increase in inventories	(1.2)	(10.0)
Increase in trade and other receivables	(11.2)	(12.2)
(Decrease)/increase in trade and other payables	(39.5)	83.9
Increase/(decrease) in legal provisions	44.5	(30.6)
Corporation tax paid	(2.0)	(6.0)
<b>Cash used in operations</b>	<b>(144.2)</b>	<b>(171.5)</b>

## 20. Contingent liabilities and guarantees

As regulators consider the new on-demand economy, from time to time companies operating in the gig economy will be subject to regulatory inspections and investigations. Certain companies in the Group are currently subject to such investigations regarding elements of our operating model. Whilst we defend ourselves robustly in such cases, we recognise the inherent uncertainty connected to regulatory inspections and investigations. Due to the stage of completion of such discussions, it is not possible to predict - with any reasonable certainty - the likely outcome. However, whilst we consider that the chance of economic outflow is not probable at this stage, it is possible that economic outflow could be needed to settle all or some of these claims at the eventual conclusion of such matters. Such matters where we consider the likelihood of economic outflow probable are discussed in note 16.

Depending on the outcomes, the total economic outflow in relation to the quantifiable contingent liabilities is estimated to be £24.6 million (2021: £37.3 million).

In addition to this, there is a regulatory challenge where it is difficult at this time to quantify the likely potential economic outflows. We are participating in ongoing discussions, engaging with relevant authorities as part of official processes and we will continue to refine our assessment, as we have done during this period. At the time of signing of the financial statements, we have assessed a range of economic outflows representing our best estimate in the event of a potential adverse outcome which could range from £50 million to £200 million. The Directors will review the amounts of such contingent liabilities as necessary throughout the duration of the relevant proceedings and revise amounts accordingly as and when new information is available.

The Group has issued guarantees totalling £8.1 million (2021: £7.6 million). Of this, £7.2 million (2021: £6.8 million) relates to guarantees provided to tax authorities. The remainder primarily relates to office rental guarantees.

## 21. Events after the reporting period

Deliveroo is today announcing a share purchase programme of up to £50 million (having recently completed the previously announced share purchase programme of £75 million). The programme is expected to commence shortly after this preliminary announcement, and to be completed during 2023.

## Alternative Performance Measures and Glossary

The Group assesses performance using alternative performance measures ('APMs') which are not defined under IFRS. Definitions of measures and reconciliations to amounts presented in the financial statements are set out below.

Metric	Definition and purpose	Reconciliation to GAAP measure
<b>Financial measures</b>		
Adjusted EBITDA	Adjusted EBITDA represents loss for the year before income tax charge/credit, finance costs, finance income, depreciation and amortisation, exceptional costs, exceptional income and provisions, and share-based payments charge and accrued national insurance on share options. Adjusted EBITDA is considered to be a measure of the underlying trading performance of the Group and is used, amongst other measures, to evaluate operations from a profitability perspective, to develop budgets, and to measure performance against those budgets. EBITDA less capital expenditure and capitalised development costs is used as a further measure of underlying operating profitability of the business. Australia and Netherlands discontinued operations are excluded from adjusted EBITDA in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from adjusted EBITDA in 2020-22 but included for 2018-19.	See below for reconciliation
Adjusted EBITDA margin (as % of GTV)	Adjusted EBITDA margin is defined as adjusted EBITDA divided by GTV. It is used, amongst other metrics, as a measure of operating profitability. Australia and the Netherlands discontinued operations are excluded from adjusted EBITDA (as % of GTV) in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from adjusted EBITDA (as % of GTV) in 2020-22 but included for 2018-19.	See definition for calculation method
Constant currency	Constant currency adjusts for period-to-period local currency fluctuations. The Group uses constant currency information because the Directors believe it allows the Group to assess consumer behaviour on a like-for-like basis to better understand the underlying trends in the business	See definition for calculation method
Exceptional items (income/costs)	Exceptional income and exceptional costs are items where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business and are deemed material to the understanding of the Group's accounts.	See note 9 for further information
Free cash flow	Free cash flow is defined as net cash used in operating activities less: purchase of property, plant and equipment; acquisition of intangible assets; payment of lease liabilities; and interest on lease liabilities. It is used, amongst other metrics, as a measure of cash inflow or outflow from the Group's operating and investing activities.	See below for reconciliation
Gross profit margin (as % of GTV)	Gross profit margin (as % of GTV) is defined as gross profit divided by GTV. It is considered a good measure of profitability at a transactional level. Australia and the Netherlands discontinued operations are excluded from gross profit margin (as % of GTV) in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from gross profit margin (as % of GTV) in 2020-22 but included for 2018-19.	See definition for calculation method
Gross transaction value ('GTV')	GTV comprises the total value of food baskets (net of any discounts) and consumer fees, excluding those from our Signature offering, and is represented including VAT and other sales-related taxes but excluding any discretionary tips. As such, GTV represents the total value paid by consumers, excluding any discretionary tips. It is a widely used measure for understanding the total value spent by consumers on our marketplace. Australia and the Netherlands discontinued operations are excluded from GTV in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from GTV in 2020-22 but included for 2018-19.	See definition for calculation method

Gross transaction value per order	Gross transaction value per order (or GTV per order) is defined as the total gross transaction value divided by the total number of orders. GTV per order is used as a measure for understanding the total value spent by consumers on our marketplace on a unit basis. Australia and the Netherlands discontinued operations are excluded from GTV per order in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from GTV per order in 2020-22 but included for 2018-19.	See definition for calculation method
Marketing and overheads	Marketing and overheads represent the difference between gross profit and adjusted EBITDA. For the purposes of assessing and managing performance, Deliveroo's fixed cost base has been split into two major categories: marketing and overheads. Marketing costs are a combination of both brand-building activities and activities focused on in-period acquisition. Overheads consist of staff costs, the non-capitalised portion of costs relating to information technology, and other administrative expenses. Australia and the Netherlands discontinued operations are excluded from marketing and overheads in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from marketing and overheads in 2020-22 but included for 2018-19.	See below for reconciliation
Marketing and overheads as % of GTV	Marketing and overheads as % of GTV is defined as marketing and overheads divided by GTV. It is considered a good measure of the Group's operating efficiency. Australia and the Netherlands discontinued operations are excluded from marketing and overheads as % of GTV in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from marketing and overheads as % of GTV in 2020-22 but included for 2018-19.	See definition for calculation method
Net cash/net debt	Net cash / net debt is used to total the Group's cash, cash equivalents and treasury deposits less debt (excluding leases). Treasury deposits are not available within 3 months, and therefore not considered 'cash and cash equivalents' but comprise funds on deposit for a longer period.	See below for reconciliation
Revenue take rate (as % of GTV)	Revenue take rate is revenue divided by GTV. It is a widely used measure for understanding the proportion of total value spent by consumers on our marketplace that is captured by Deliveroo. Australia and the Netherlands discontinued operations are excluded from revenue take rate in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from revenue take rate in 2020-22 but included for 2018-19.	See definition for calculation method
Segment adjusted EBITDA	Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker ('CODM')) for the purposes of resource allocation and assessment of segment performance focuses on a geographical split of the Group between 'UK and Ireland' and 'International' (being overseas jurisdictions other than UK and Ireland). The CODM primarily uses segment adjusted EBITDA to assess the performance of the operating segments.	See note 4 for further information

## Metric Definition

### Non-financial measures

Orders	Orders represents the total number of orders delivered from our platform, including from our Marketplace and Signature offering, over the period of measurement.
Monthly active consumers	Monthly active consumers (MACs) is the number of individual consumer accounts that have placed an order on our platform in a given month.
Average order frequency	The average number of orders placed by active consumers in a month, calculated as total orders divided by monthly active customers.

## Reconciliation to financial statements

	2022	2021 (restated)
	£m	£m
Operating loss	(245.6)	(290.1)
Depreciation and amortisation	61.4	42.0
<b>EBITDA</b>	<b>(184.2)</b>	<b>(248.1)</b>
Share based payments charge and accrued National Insurance on share options	68.8	109.5
Exceptional items*	70.4	38.6
<b>Adjusted EBITDA*</b>	<b>(45.0)</b>	<b>(100.0)</b>
Marketing and overheads*	688.2	595.1
<b>Gross Profit</b>	<b>643.2</b>	<b>495.1</b>
	<b>2022</b>	<b>2021</b>
	<b>£m</b>	<b>£m</b>
Net cash used in operating activities	(144.2)	(171.5)
Purchase of property, plant and equipment	(30.1)	(21.4)
Acquisition of intangible assets	(50.3)	(34.6)
Payment of lease liabilities	(15.7)	(10.0)
Interest on lease liabilities	(2.8)	(1.2)
<b>Free cash flow</b>	<b>(243.1)</b>	<b>(238.7)</b>
	<b>2022</b>	<b>2021</b>
	<b>£m</b>	<b>£m</b>
Cash and cash equivalents	949.1	1,290.9
Other treasury deposits	50.5	0
Less: debt	0	0
<b>Net cash</b>	<b>999.6</b>	<b>1,290.9</b>

\* Alternative performance measure ('APM'), refer to glossary on page 50 for further details