



deliveroo

DELIVERING VALUE

ANNUAL REPORT 2023



Our mission

At Deliveroo our mission is to transform the way people shop and eat, bringing the neighbourhood to their doors by connecting consumers, restaurants, shops and riders.

Strategic Report

01	At a glance
02	Group highlights
03	Key financial highlights
04	Founder and Chief Executive Officer's letter
10	Investment case
12	Chair's letter
14	Business model
16	Strategy
20	Key performance indicators
25	Stakeholder statement
29	Section 172(1) Statement
31	Sustainability review
42	People
47	Operating and strategic review
51	Financial review
56	Share information
58	Risk management and our principal risks
67	Task Force on Climate-related Financial Disclosures statement
75	Viability statement
76	Non-financial and Sustainability information statement

Governance Report

77	Governance at a glance
78	Chair's introduction to governance
80	Board of Directors
83	Governance Report
91	Nomination Committee Report
94	Audit and Risk Committee Report
102	Directors' Remuneration Report
128	Directors' Report
134	Directors' Responsibilities statement

Financial Statements

135	Independent Auditor's Report
143	Consolidated income statement and statement of comprehensive loss
144	Consolidated statement of financial position
145	Consolidated statement of changes in equity
146	Consolidated statement of cash flows
147	Notes to the consolidated financial statements
177	Parent Company balance sheet
177	Parent Company statement of changes in equity
178	Notes to the financial statements
184	Five-year financial summary
185	Glossary
187	Glossary - Alternative Performance Measures
189	Company and shareholder information



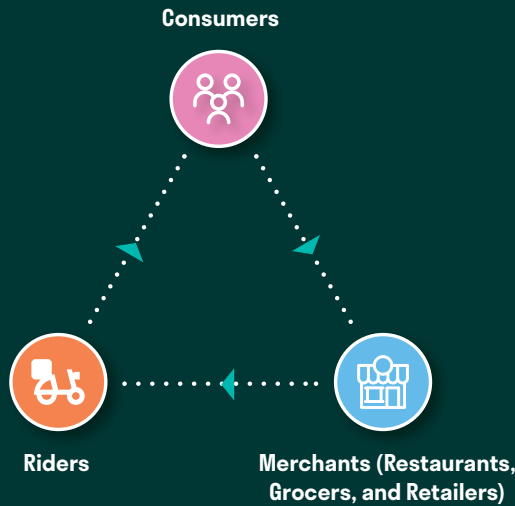
At a glance

Our business is a hyperlocal three-sided online marketplace

What we do

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

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



Who we partner with

Restaurants

We work with some of the largest and best known restaurants in each of our markets. Our partners span four key segments: global quick service restaurants; national casual dining chains; independent full-service restaurants; and takeaways.

Grocery

We partner with some of the largest grocery retailers in the world, as well as a large number of small independent grocers.

Retail

In November 2023 we launched our non-food retail offering, Deliveroo 'Shopping', where we work with large and small merchants in categories such as flowers, DIY, homeware, electrical goods and health and beauty.

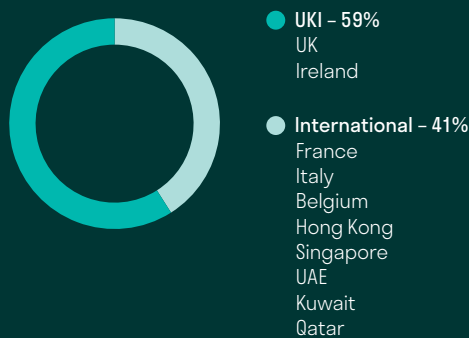
Advertising

We enable restaurant, grocery and retail partners to advertise on our platform. These partners range from small single sites to global enterprise companies. We also work with partners in FMCG and entertainment (e.g. travel, TV and music) who want to tap into our audience.

Where we do it

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

Our business split by geographic segment (% of GTV*)



* To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The first instance of each APM is indicated with an asterisk (*); definitions and further details are provided on page 187.



Group highlights

CVP enhancements

Throughout 2023 we made significant progress developing our consumer value proposition ('CVP'). We launched a 'premium' delivery option, allowing consumers to pay a small fee to guarantee that their order is brought directly to them, ahead of any other order. We also rolled out top-up grocery functionality that enables consumers to top up their restaurant order with a grocery order through the order tracking page. We continued to enhance the selection available to consumers, adding more merchant supply to the platform and taking the total number of restaurant, grocery and retail partners to around 183,000. We also expanded delivery radii in certain zones to improve selection for consumers and allow merchants to reach more consumers.

183,000
merchants

vs 176,000 at the end of 2022

Service improvements

Service improvements and defect reduction was a key Company priority in 2023. While the overwhelming majority of orders goes smoothly, a small percentage goes wrong, which can be a real trust-buster for consumers. Eliminating defects can drive retention, frequency and new customer acquisition, as well as save us money by reducing compensation costs. Throughout 2023, we substantially reduced poor service outcomes such as missing items and late orders. We also reduced the incidence of Orders Marked as Delivered, but not Received ('OMDNR') – the worst consumer experience where the consumer did not receive their food at all – by around 65%, generating annualised savings of over £20m from reduced compensation costs.

65%

reduction in OMDNR generating £20m annualised savings

Roll out of value programme and commercial architecture

We believe that building consumer trust through a combination of price integrity and a flawless delivery experience is key to driving future growth for Deliveroo and our partners. Therefore, in 2023 we developed tools to incentivise merchants to provide fair prices, alongside a great service. The first of these is our value programme which rates the value for money provided by each partner based on mark-ups, quality and service. The restaurants who are providing fair prices, high quality and service see their traffic and visibility increase, and participate in dedicated offers. In parallel, our new commercial architecture aligns our interests with those of our largest merchants, consumers and riders. Merchants are able to unlock lower commissions linked to performance on trust-building metrics, for example lower mark-ups and better operational performance. These initiatives will ultimately drive wins for consumers, riders, merchants and us.

11 point

improvement in Net Promoter Score (NPS)

Launch of new retail proposition

While food remains the heart of what we do, it is clear from app search term data and purchases from our existing grocery partners that consumers want us to deliver more than just food. Therefore, in November 2023 we launched our new retail 'Shopping' proposition, starting in the UK and UAE. Our ambition is to bring the neighbourhood to consumers' doors, unlocking on-demand delivery from retailers, such as local florists, DIY stores and pharmacies, in addition to the existing restaurants and grocers available on the platform. With a Total Addressable Market ('TAM') of £700 billion in markets where Deliveroo operates, retail represents a very large potential opportunity. Our target is to create a business in the region of £700 million GTV by 2028.

£700 million

GTV opportunity by 2028

Growth of advertising business

In 2023, we continued to scale our advertising business, reaching an annualised revenue run-rate of £77 million or 1.0% of GTV in Q4 2023 (Q4 2022: 0.6% of GTV). The vast majority of this revenue currently comes from our sponsored positioning and search results product for restaurants and grocers. We continue to take a consumer-first approach, wanting to strike the right balance between helping merchants drive incremental demand, while always prioritising the consumer experience.

1.0%

advertising revenue as a % of GTV in Q4 2023 vs 0.6% in Q4 2022

Shareholder returns

During 2023, the Board undertook a review of our capital structure, growth opportunities and required cash balances, both now and in the future, and concluded that we had structurally surplus cash. In March 2023, we announced a share purchase programme of up to £50 million to acquire Class A Ordinary Shares. This programme was completed in December 2023. In September 2023, we announced a tender offer to return up to £250 million to shareholders. This was completed in full in October 2023, taking the total return of capital announced and completed in 2023 to £300 million.

£300 million

structurally surplus capital announced and returned to shareholders in 2023

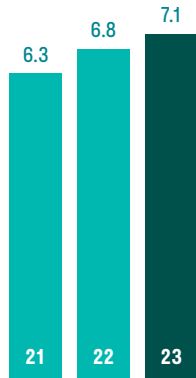


Key financial highlights¹ 2023

£7.1bn

Gross transaction value ('GTV')*

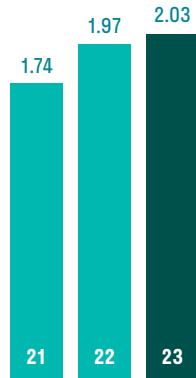
+3%² vs 2022



£2.03bn

Revenue

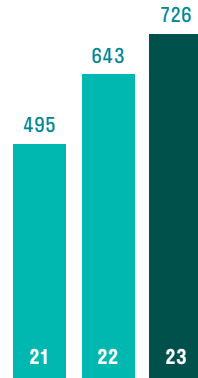
+2%² vs 2022



£726m

Gross profit

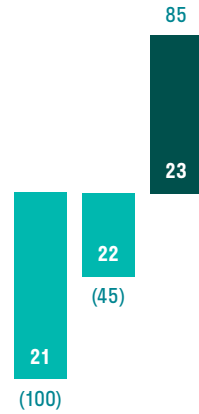
10.3% (as % of GTV)*



£85m

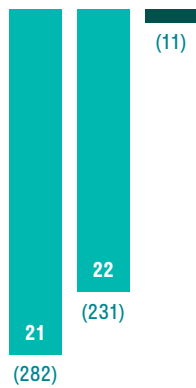
Adjusted EBITDA*

1.2% as % of GTV



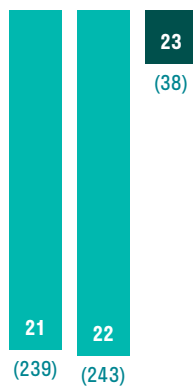
£(11)m

Loss before income tax



£(38)m

Free cash flow*



£0.7bn

Net cash*



1. Full discussion of financial statements on pages 143-183.

2. Year-on-year growth rate shown in constant currency*.

To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The first instance of each APM is indicated with an asterisk (); definitions and further details are provided on page 187.

Founder and Chief Executive Officer's letter

Opening thoughts

2023 was a good year. It was a good year from the vantage point of our results, but also for laying the foundations of the future. We continued to face a difficult macroeconomic environment, but we focus on what we can control, which has led to strong financial and operational results.

- We delivered a strong profit performance with adjusted EBITDA of £85 million, ahead of our guidance.
- We announced and completed a total £300 million of capital return to shareholders, showing our confidence in the progress made on profitability and cash flow.
- We continued to drive resilient GTV growth in the UKI (7% in 2023) and our growth in International markets improved through the year.
- We made some big innovations in our consumer value proposition ('CVP'), comprising availability, selection, service, price and brand, in particular through driving value for money through focusing on price, improving service through delivering more and more perfect orders, and expanding selection by launching 'Shopping' (our non-food retail offering).
- We continued to support our riders and merchants through increasing their earnings opportunities and growing their sales.

This is great progress, but it is still early days for us in capturing the full range of opportunities we have ahead. We have always been focused on developing the best hyperlocal CVP for consumers, which drives profitable consumer engagement. We truly believe the key to unlocking growth in the industry is through building consumer trust, and we can do this through price integrity and building a flawless delivery experience. I am very confident we will generate strong, sustainable free cash flow and accelerate GTV growth. Since I started this Company 11 years ago, I have never been more confident in our strategy and the team we have to deliver it. Our strategy for the coming years combines levers to drive and capture growth, with levers to increase profit.

We will:

- stay true to our core hyperlocal approach, focusing first on neighbourhoods with the greatest profit potential, winning them, neighbourhood by neighbourhood;
- scale our new retail vertical, including unlocking new consumer missions and expanding into new categories;
- continue to strengthen our CVP by tackling affordability issues through price integrity and improving the reliability of our service, so we bolster consumer trust;
- serve more consumer missions and ensure consumers have a highly personalised experience, enabling them to quickly and easily find what they want;
- double down on our loyalty programme, Deliveroo Plus, to become a Plus-first business by 2026;
- grow our advertising business and continue to build on our compelling proposition for advertisers; and
- continue to drive efficiencies across the business to support profit growth, with a particular focus on driving marketing efficiencies.

Will Shu
Founder and Chief
Executive Officer



A strategy is only as good as the people who are executing on it. We have the strongest, most consumer-centric team I have personally ever worked with – that is a reflection of the capabilities and attitude of each and every one of them. It is also a reflection of our Company Values, including ‘live and breathe the marketplace’ and ‘obsess about operational excellence’ and, perhaps most importantly, ‘play to win’. We laid out a lot of this in our Capital Markets Event in November 2023. It is available on our website, and if you want to see our great team in action via video, I would encourage you to take a look.

Let me first spend time outlining the business progress we made in 2023, before going on to the focus areas for 2024 and beyond, which ladder up to the strategy I described and will allow us to deliver 4%+ adjusted EBITDA margin* by 2026 and mid-teens GTV growth in the medium term.

Business progress in 2023

Profitability gains

In 2023, we made significant progress on profitability both in the UKI and in our International markets. This progress is a result of the way we manage our markets hyperlocally, building strong positions in the neighbourhoods with the largest profit pools. In 2023, we reached £85 million adjusted EBITDA (versus a £(45) million adjusted EBITDA loss in 2022), representing a margin (as % of GTV) of 1.2%.

Four key factors underpinned this profit performance. First, we reduced our delivery costs by taking steps to drive efficiencies in our delivery network. We did this through reducing the overall time riders spend on an order, for example by incentivising merchants to make sure orders are ready on time, which also improves riders’ experience as they are not left waiting around for orders. We also continued to develop our order stacking capabilities by launching multi pick-up stacking – when we know the consumer experience will not be harmed and it makes sense for the network, we allow riders to pick up orders from multiple merchants and deliver them to multiple consumers. Second, we delivered more efficient marketing, particularly on digital marketing, which drove significant savings. Third, we reduced our total staff and other people costs, through initiating a redundancy programme in February 2023 and significantly reducing our use of contractors. Fourth, we grew our nascent advertising business and advertising revenue reached 1.0% of GTV in Q4 2023.

Importantly, we made progress on profitability whilst continuing to significantly invest in our consumer proposition to drive growth. Our focus remains to win local market share positions, neighbourhood by neighbourhood.

Growth

Delivering growth was not easy in 2023. The macroeconomic environment impacted people and businesses across the world. Food price inflation outpaced wage growth (in some cases by a factor of three) across Europe and in particular the UK, which led to a cost of living crisis that continues to impact consumer behaviour. In many of our key markets, food price inflation continued to rise in the first half of the year, though the rate of inflation began to moderate in H2. We saw considerable uncertainty caused by the war in Ukraine and conflict in the Middle East, with weak consumer confidence and concerns about the state of the economy. Despite that, our UKI business grew GTV 7% in constant currency in 2023, while International returned to GTV growth in Q4, driven by particular strength in Italy and the UAE. As macro headwinds start to ease, and in particular with the gap between food price inflation and wage inflation closing, we are confident that we can drive an acceleration in GTV growth to the mid-teens in the medium term.

We often get asked the question ‘Didn’t everyone who is going to try Deliveroo already do that during the pandemic?’ In both 2022 and 2023, we continued to add large numbers of new consumers, which while lower than the peak during COVID-19 in 2021, by far exceeded the pace of additions in any year pre-pandemic. This is due to the investments we made in our consumer value proposition. We see significant opportunity to drive further acquisition through continuing to invest in our CVP, expanding into new grocery missions (given we are still very early days here) and growing our retail business (which I will come onto later).

A lot of people ask me – what drives growth in an industry that is now fairly mainstream? The answer is quite simple. It comes down to fair prices and an excellent delivery experience. The best ecommerce marketplaces deliver great selection at fair prices, and offer a defect-free, consistent service. Great selection is ‘table-stakes’, but price and service are the two pillars of our consumer value proposition that I believe are the big building blocks of consumer trust. And building consumer trust is the key to delivering high and sustainable growth over the long term.

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Founder and Chief Executive Officer's letter continued

Business progress in 2023 continued

Strengthening our CVP

I wrote in my letter last year that one of our focus areas for 2023 was to ensure consumers can access fair prices so they feel as though they are getting good value. In 2023, I am pleased to say that we made a lot of progress on improving value for money and addressing food price mark-ups on our platform. We did this through direct levers, such as targeted promotions, and indirect levers, such as offering incentives to merchants who opt to provide fair and transparent prices in combination with providing great service. One flagship initiative we launched to promote fairer pricing on our platform is our new value programme, where merchants are now assessed on three categories – price mark-ups, consumer ratings, and service. If merchants opt for lower price mark-ups (compared to their dine-in prices) and perform well across the other categories of metrics, they get featured in our 'Deliveroo's Choice' in-app carousel to promote their value. However if merchants opt for high price mark-ups and do not perform well on the other metrics, they get reduced in-app visibility. I am conscious that some of these actions might be controversial, but there is no doubt in my mind that long-term they are the best for consumers, riders, merchants, and Deliveroo.

Service was also a key focus in 2023. This is about consistently delivering a great end-to-end experience. Last year we prioritised fixing defects so we could deliver more and more perfect orders. We paved the way in ensuring our merchants also provide good service based on eliminating defects that are within their own control, and have now included defect targets within larger merchants' commission frameworks - this highlights just how much we care about getting consumers perfect orders. One of the things I was proudest of last year was how we all but eliminated the worst defect possible – 'OMDNR' or 'Order Marked Delivered, Not Received'. This is when a consumer pays for their order but does not receive it, which is unacceptable. It happens during the 'rider to consumer' leg of the order journey and is really difficult to solve because it could be genuine (i.e. rider has difficulty finding a consumer's address), or foul play on the consumer or rider side. We put together a cross-functional team to solve OMDNR and set ourselves an incredibly punchy goal, which we hit. How? Because of the sheer determination, attention to detail, and relentlessness of the team. In 2023, we also launched a feature to boost service – 'premium delivery' – which gives consumers the option to pay an additional fee (£2.49 in the UK) to ensure their order is delivered directly to them (rather than their rider potentially dropping off another order on the way).

On selection, we expanded our supply of merchants with an additional c.5,000 restaurants, c.2,000 grocery stores and a growing number of retail stores globally, including adding brands such as Domino's in the UAE, Subway in Hong Kong and Five Guys in Singapore. We continued to enhance our use of data to help our local sales teams prioritise those prospects we know will bring most benefit to the hyperlocal consumer value proposition. We also dramatically increased the selection that consumers see by expanding delivery areas to give them greater choice. This means consumers can now order from a wider selection of merchants from further afield, and not just those that are available in their local neighbourhoods.

Supporting riders and merchants

The work we offer our riders – where they can choose when and for how long they want to work – gives them access to incremental earnings quickly. They can immediately take their cash out once they have completed an order. Given the widespread cost of living pressures, I am proud that we can support our rider community at a time when strong earnings are key. Through growing our grocery business and launching retail, we were able to offer riders even more earnings opportunities by boosting the number of orders outside of traditional meal times. Through developing our order stacking capabilities, including pick-ups from multiple merchants, we can offer riders more stacked orders so they can earn more money quicker than they had previously been able to. Giving our riders opportunities outside of working with Deliveroo is really important to us, and in 2023, we ran a scholarship programme for riders in Italy, and partnered with City & Guilds in the UK where we offered up to 15,000 riders the opportunity to boost their careers by undertaking training and learning new skills. We also launched new partnerships with garages for our rider community in Hong Kong to help them repair essential kit, and in the UK we offered them access to discounts and perks, such as free drinks at Caffè Nero. In 2023, we had 135,000 riders in our fleet globally and continue to see strong rider application pipelines and rider retention rates, which shows we have an attractive proposition.

For merchants, we continued to drive order volume to their sites to boost revenue, so they could offset some of the higher costs from food price inflation, energy costs, and rents due to rising interest rates. In 2023, we launched a partnership with Bestway in the UKI to give merchants discounts on everyday essentials, such as soft drinks, flour, rice, dairy products – all items that have been impacted by food price inflation.

We also supported SMEs (small and medium-sized enterprises) in the UK through launching a new training academy. This is a dedicated platform, in partnership with Enterprise Nation, which offers tailored courses including hiring talent, digital marketing, social media, sustainability and managing finances.

Focus areas for 2024

Expanding into retail

In November 2023, we announced our expansion into retail through the launch of our 'Shopping' proposition, initially in the UK and UAE. Until then, we had been focused on delivering food from restaurants and grocers. Food remains at the heart of what we do, but we will always put our consumers first and build our offering based on what we know they want. And it is now clear that our consumers want to order non-food, retail products from our platform. Our data shows that they were already buying them from our grocery merchants, and were also searching for retail products in our app organically.

In 2024, our focus is to scale our retail vertical by entering into new markets with a strong consumer proposition. We will add selection to the platform, which includes both larger retailers and smaller independents. We will continue to iterate on the in-app experience by building new features that allow consumers to easily discover and purchase products from their favourite stores. We will expand into new categories to serve different occasions – for example, we launched our 'gifting' feature last year which uses AI and machine learning models to quickly scan through thousands of items on the platform to curate a selection of suitable products. The opportunity ahead is huge – retail represents a £700 billion total addressable market ('TAM') in the geographic markets we operate in, and I am really excited to see us grow this new vertical in 2024.

Bolstering consumer trust

In 2024, we are going to focus our efforts on driving improvements to the price and service pillars of our consumer value proposition.

Boosting value for money for consumers will continue to be a huge focus. We are rolling out our value programme across key markets so we reward and highlight merchants in our app who set fair delivery pricing. We have seen particularly promising results of this initiative in the UK in value for money Net Promoter Scores ('NPS'), so I am excited to see the impact it will have on consumer trust as we roll the programme out across other markets.

On service, we will continue to fix defects with a particular focus on those that merchants directly cause or contribute to - for example orders that arrive with items missing, or orders that are cancelled or rejected by merchants. Whilst getting to the root cause of a defect is critical in eliminating them, the three-sided marketplace in which we operate means that sometimes issues do happen. A key area we will continue to focus on in 2024 is therefore the recovery experience, to ensure consumers are being treated fairly if they experience issues.

I fully believe that if we can provide consumers with fair prices, whilst also delivering more and more perfect orders, we can build consumer trust and dramatically impact the long-term growth of our business. You might think, well, of course that is how you drive growth, but the key is actually how you do it. It is a series of small, marginal improvements driven by technology. By driving these gains, we make a big difference to consumers. But rarely is there a silver bullet, rather it is the collective efforts of many people, every single day.

Selection and in-app experience

At the heart of our consumer value proposition is the selection of merchants we offer. Consumers should be able to find and order exactly what they want, which means offering the widest breadth of selection possible (without having merchants on our platform that very clearly deteriorate the consumer experience).

In 2024, we will continue to apply our hyperlocal model which identifies and prioritises selection that drives leadership in areas of high profit potential. Since 2018 when we entered the on-demand grocery space, we have focused predominantly on smaller baskets – up to £30, with grocers having on average 3,000 Stock Keeping Units ('SKUs') listed on our platform. We will now expand to serve more consumer missions, and in 2024, we will be going after mid-sized baskets – £30-£60 shops, with selected grocers having up to 10,000 SKUs listed on our platform. We will not be targeting scheduled, large weekly shops, rather we are enabling more grocery missions by allowing consumers to increase their basket size. Given our expansion into retail, we will also be adding more and more selection to the platform across categories such as toys, homeware, DIY, and electronics.

While growing selection is great for consumers, it is not enough to simply have the selection listed on our platform. Our goal is to ensure consumers have a highly personalised and relevant experience, enabling them to quickly and easily find what they want. In 2024, we are going to double down on the in app experience and are investing across three pillars. First, we are going to enrich our data structure and metadata around merchants and items. This will give us a much more granular view on exactly what is in an order, so we can make much better decisions on how we deliver it. For example, if we can clearly identify 'running shoes' as a type of shoe, we can create merchandising specifically for the category 'running shoes'. Second, we are going to invest in deeply understanding what our consumers' preferences are and what their intent is when they come to Deliveroo. Finally, we are investing heavily in merchandising, and in my opinion the biggest opportunity lies in this space. We want to make sure we are displaying content to consumers in a way that makes sense for their mission; for example, for retail, consumers are likely more item led, but for restaurants, they are likely more merchant led.

Founder and Chief Executive Officer's letter continued

Focus areas for 2024 continued

Doubling down on Plus

I am particularly excited about the growth of Deliveroo Plus. Our subscription model is available across eight markets and has two tiers – Plus Gold and Plus Silver. We have seen particularly compelling financial and retention characteristics from our Plus subscribers – so much so that by 2026, we intend to become a Plus-first business with the majority of our orders coming from Plus subscribers.

In 2024, we are investing significantly to grow the Plus programme across three areas in particular. First, we will explore new ways to offer value to Plus subscribers, for example through new discounts and member perks that are funded by us or merchants. In 2023, we tested a range of new member benefits including an on-time promise guarantee on Plus Gold, where consumers are proactively compensated for late orders, and discounts on grocery orders in certain markets. We will continue to explore new discounts and member perks across our Plus tiers in 2024. Second, we will design fully targeted propositions that actually cater to individual user needs, given we know so much about our Plus subscribers. We are going to personalise the Plus experience, with the aim of making every subscriber feel like we give them a uniquely tailored proposition. Third, we will continue to grow the programme across our markets so we drive value from our existing collaborations with Amazon Prime (UKI, France, Italy and UAE) and Revolut (UKI, France and Italy), Gojek (Singapore) and Bank of China (Hong Kong).

I am confident that we are uniquely well placed to capitalise on this growth opportunity. We have over 7 years of experience in the subscription programme space, we have strong user demographics, and we have a one-of-a-kind tiered programme.

Growing our ads business

Our advertising journey started a little over two years ago and since then, we have enabled restaurants, grocers, FMCG and other complementary consumer brands (e.g. entertainment) to tap into our unique audience. We have seen significant growth in merchants and brands advertising on our platform, with around 70,000 partner sites running campaigns and approximately 300 global FMCG advertisers throughout 2023.

We are continuing to scale our advertising business, which is a key profit driver over the medium term. We provide an attractive platform for advertisers to connect with our large premium consumer base. Consumer experience remains paramount, even though we continue to deliver strong returns for our advertisers. Our technology powers our advertising solutions, so it allows us to protect the consumer experience by serving them with only the most relevant content.

We are targeting advertising revenue of >2% of GTV in 2026. To achieve this, we are continuing to grow the types of formats and number of ads shown (using science to ensure we do not compromise the consumer experience), alongside driving advertiser returns and experience to increase adoption and penetration. In 2024, we will launch new advertising formats, and the ability for advertisers to deliver more engaging and emotional messaging to consumers through better targeting capabilities, brand-led display formats, and storefront shopping experiences.

Deliveroo's DNA

We are still very early on in our journey and I am incredibly confident in our ability to deliver. That is because of the team we have in place. Each and every one of them exhibits a set of characteristics that are inherently in Deliveroo's DNA. We are consumer obsessed, and seek to truly understand the experience of those in our marketplace who engage with our platform. We are innovators, and have pioneered industry-leading products and features; we continue to push the boundaries on what we build, no matter how big or small. We are operators – since day 1 of starting this business, I have seen how the team methodically drives efficiencies in our network and forensically solves order defects. We are relentless, and thrive and adapt to unforeseen situations. These characteristics are reflected in our new Company Values that we launched in 2023. Even more importantly, they are reflected in many practical ways, from how we think and approach tasks, to how we work with our riders and merchants, and how we go about building new features and products.

11 years after the Company was founded, I am sometimes asked if I am still as excited about the Company as when it first started. The short answer is: I am. There is a huge opportunity that lies ahead of us - we operate in a large total addressable market and all our verticals are still so under-penetrated. We have also spent the last few years developing a series of critical operational building blocks which have given us solid foundations for future expansion. That is why the Board, the Executive Team and I are all aligned on and excited about transforming the way consumers shop and eat, bringing the neighbourhood to their door by connecting consumers, restaurants, shops and riders.

Will Shu

Founder and Chief Executive Officer
13 March 2024



eroo



Investment case

1

Consistent strengths

Large underpenetrated markets

Three key consumer verticals of restaurant, grocery and retail represent a combined TAM of £1.5 trillion, with only c.12% of spend currently online.

Strong cohort fundamentals

Consistent growth from increasing average order frequency in existing cohorts and adding large new cohorts each year; post-COVID-19 and inflationary impact now beginning to normalise.

Efficient logistics network

Hyperlocal density and focus on reducing 'rider experience time', allowing us to optimise delivery costs and enable riders to increase earnings opportunities.

Disciplined market focus

Strong local positions prioritising the largest profit pools in a market; track record of portfolio management to focus on markets with the most attractive long-term potential returns.

£1.5tn

combined TAM for restaurant, grocery and retail



Multiple opportunities

Further improving CVP

Strengthening consumer trust by promoting fair prices and improving the in-app and delivery experience, and increasing loyalty by expanding our Plus programme.

Adding new use cases and verticals

Scaling our retail vertical to meet consumer appetite for on-demand, non-food retail products, expanding grocery into mid-sized baskets and growing our advertising business.

Capturing delivery efficiencies

Smarter order stacking, merchandising and incentives for merchants to control delivery costs without unduly harming consumer or rider experience.

Marketing and overheads programme

Building on recent gains to increase marketing and promotions efficiency, improve tooling and AI automation, leverage location strategy and achieve third-party savings.

£1bn

annualised GTV run-rate for grocery in Q4 2023

2



3

Strong foundations

Innovation in our DNA

Continuous drive to test and learn, a Company trait that led to pioneering of delivery-only kitchens and on-demand grocery, and the first subscription model in the industry.

Consumer obsession

'Living and breathing the marketplace' to understand consumers, riders and merchants; high level of empathy through primary research, and caring deeply when things go wrong.

Operational excellence

Experienced leadership team with high attention to operational detail, embracing repeatable processes and automation, and building scalable technology.

Strong capital position

Net cash of £679m (Dec-23) provides the financial resources to maintain and strengthen market positions and pursue growth opportunities while providing appropriate headroom.

£300m

structurally surplus capital announced and returned to shareholders in 2023



Sustainability commitments

Riding and thriving

Offer riders flexible work, attractive earnings, security and learning opportunities.

Enabling healthy eating

Give consumers the best selection, availability and value in healthier options, and the tools to help them make informed choices.

Support for merchants

Provide merchants with tech, operations and innovation to support sustainable, profitable growth.

Reaching net zero, reducing waste

Net zero on Scopes 1 and 2 by 2035, and Scope 3 by 2050 (2040 for delivery emissions). Reduce our food and packaging waste and help merchants and consumers to do the same.

Tackling food insecurity

Reduce food insecurity in our communities through partnerships and direct action.

Diversity, equity and inclusion ('DE&I')

Attract and develop a gender-balanced and more equitable workforce, reflecting our consumers and supporting DE&I across our marketplace.

83%

global rider satisfaction score in Q4 2023

83% in Q4 2022



4

Chair's letter

Dear Shareholders

As I reflect on the past year and our progress as a company, I am proud of how far we have come. Not only what Will has achieved since starting Deliveroo 11 years ago but also how we have evolved since our IPO in April 2021. As a Board we committed to setting high standards of governance for ourselves – to reflect the demands of a public company. While we focus continuously on how we can do things better, events over the past year in particular, underline our confidence that we have the right platform in place to achieve our ambitions.

Our progress

The Company continued to make significant financial and operational progress during 2023. The following are important highlights of our progress from the Board's perspective.

Strong governance and team

Given the nature of Deliveroo, it was always going to be important to balance rigour in how we do things as a public company, with retaining the energy and entrepreneurial spirit so integral to our success. We evolved our governance and ways of working to a level appropriate for a UK plc, supported by a talented and experienced Executive Team which was enhanced during the year by the arrival in February of Scilla Grimble as Chief Financial Officer. Scilla has contributed significantly to our governance maturity and as a business partner for Will and the Executive Team. We also welcomed Shobie Ramakrishnan as a Non-Executive Director from 1 January 2024, adding further commercial and technology expertise to the Board.

Operational and financial performance

Strengthening our consumer value proposition continued to be a key operational focus. We took important steps forward in ensuring price integrity and value for money on the platform, improving service through delivering more and more perfect orders, and expanding merchant selection. This operational progress underpinned our financial performance. GTV and revenue grew by 2% year-on-year, in constant currency, and adjusted EBITDA increased to £85 million, compared to £(45) million in 2022. Free cash flow improved to £(38) million – excluding £32 million of interest income – compared to £(243) million in 2022.

Capital position

Deliveroo's IPO raised primary proceeds to meet the anticipated investment needs of the Group at that time. Since then, the competitive environment has evolved, in part driven by the shift in financial market conditions. We reached adjusted EBITDA profitability ahead of plan and have made good progress towards our goal of generating sustainable positive free cash flow. Together, these factors prompted the Board to re-evaluate the Group's capital structure, cash generation prospects and cash requirements, both now and in the future. Following this review and engagement with investors, the Board concluded that the Group had structural surplus cash and therefore approved a return to shareholders by way of a tender offer of £250 million. In addition to the £50 million share buyback programme announced in March 2023, this resulted in a total capital return of £300 million announced and completed during 2023.



Claudia Arney
Chair

Progress on strategy

In 2023 we made further progress in developing our strategy, defining a clear and credible path to our targets of:

- mid-teens GTV growth in the medium term by strengthening our CVP (in particular on selection, price, and delivery experience), expansion into larger basket grocery, and launch of a new retail proposition; and
- expanding our adjusted EBITDA margin to 4%+ by 2026, with multiple levers including scaling advertising and driving delivery and marketing efficiencies.

In November, we hosted a Capital Markets Event ('CME') at our London headquarters. We provided an insight into the opportunities ahead of us and showcased the team and operational focus that give us conviction that we can deliver on our plans. I welcomed the opportunity to meet investors at the CME and to engage with them on our plans and our potential.

The launch of our new retail proposition is particularly notable. We have seen strong demand signals from consumers that they want to order non-food, retail products on-demand from our platform, and we are excited by this opportunity given the number of categories that we could serve.

Board changes and diversity

As Directors we have a duty to promote the long-term success of the Company which includes ensuring that it has a strong supply of talent for executive positions and established succession plans for Board changes. As noted, we welcomed Scilla Grumble who joined as CFO and Shobie Ramakrishnan who joined as a Non-Executive Director.

Maintaining a diverse culture on our Board is very important. We keep the balance of skills, experience and knowledge under review, and we know that an experienced and diverse Board most effectively supports our Executive Team as they evaluate the strategic, operational and sustainability issues and opportunities that affect the Company. We welcome the Financial Conduct Authority's ('FCA') new listing rule requirements around diversity and inclusion reporting which we report on for the first time. More information on how we consider Board/Committee and Executive Management composition is set out in the Nomination Committee Report found on pages 92 to 93.

Our ESG progress

From my conversations with investors during the year, I know how much environmental, social and governance ('ESG') issues matter to them as well as to our marketplace, employees and other stakeholders. Over the past two years we have advanced our journey towards building a comprehensive sustainability strategy through our six pillars which focus on our support of the participants in our marketplace, our employees and other stakeholders. We set out our progress against the six pillars in the Sustainability review, as well as our specific commitment to reduce our emissions and to improve gender diversity in our organisation, as linked to our executive remuneration in relation to the 2023 Performance Share Plan ('PSP') awards. More detail on this can be found in our Directors' Remuneration Report on page 104 and the Sustainability review on pages 31 to 41.

Looking ahead

In the coming year, we will focus on continuing to execute on our strategy and investing to drive forward our key growth initiatives, as well as continuing on the path to achieving positive cash generation. I believe that we continue to have great potential as a business and I am confident that we have the maturity, resilience and strong leadership to realise the exciting opportunities ahead.

I would like to thank our employees, partners, customers, riders and shareholders for their continued hard work and support.

Yours sincerely,

Claudia Arney
Chair
13 March 2024

Business model

Our three-sided marketplace

Our consumer value proposition

Availability

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

Selection

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

Consumer experience

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

Price

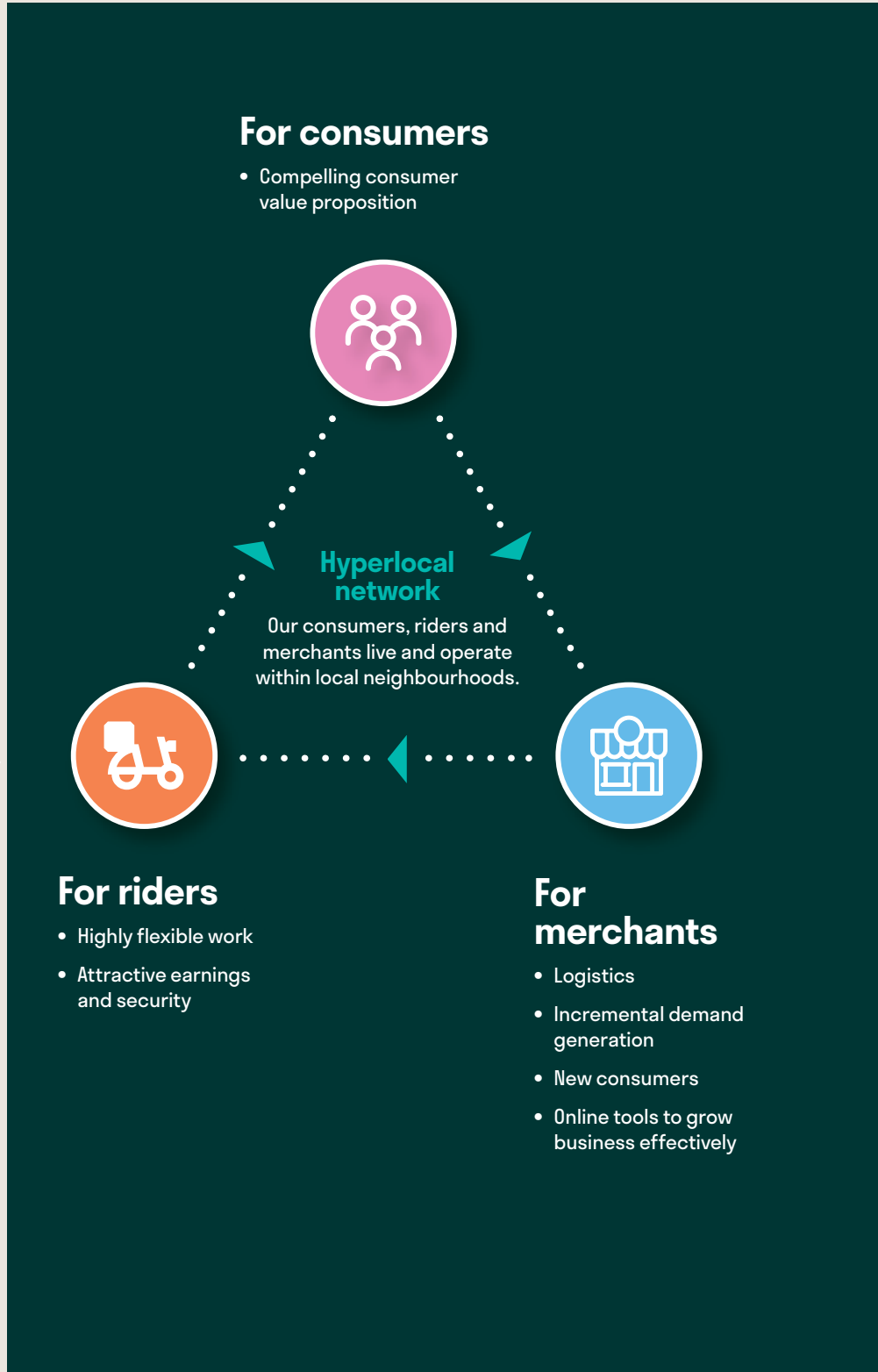
Providing access to a range of food and product prices, fees and promotions to meet expectations of value.

Brand

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

Our technology

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





Consumers

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

290m

orders delivered in 2023

Communities and environment

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

>3m

meals donated to families in need in 2023



Merchants

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

£7.1bn GTV

enabled through our platform in 2023

Employees

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

7.4

out of 10 employee engagement score in December 2023²



Riders

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

83%

global rider satisfaction score in Q4 2023¹

Shareholders

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

£300m

structurally surplus capital announced and returned to shareholders in 2023

1. Figure based on Q4 2023 monthly survey results. During the reported period, c.23,000 riders completed the survey globally, representing c.17% of riders who delivered an order across the quarter.

2. Figure based on December 2023 monthly Peakon employee engagement survey results.

Strategy

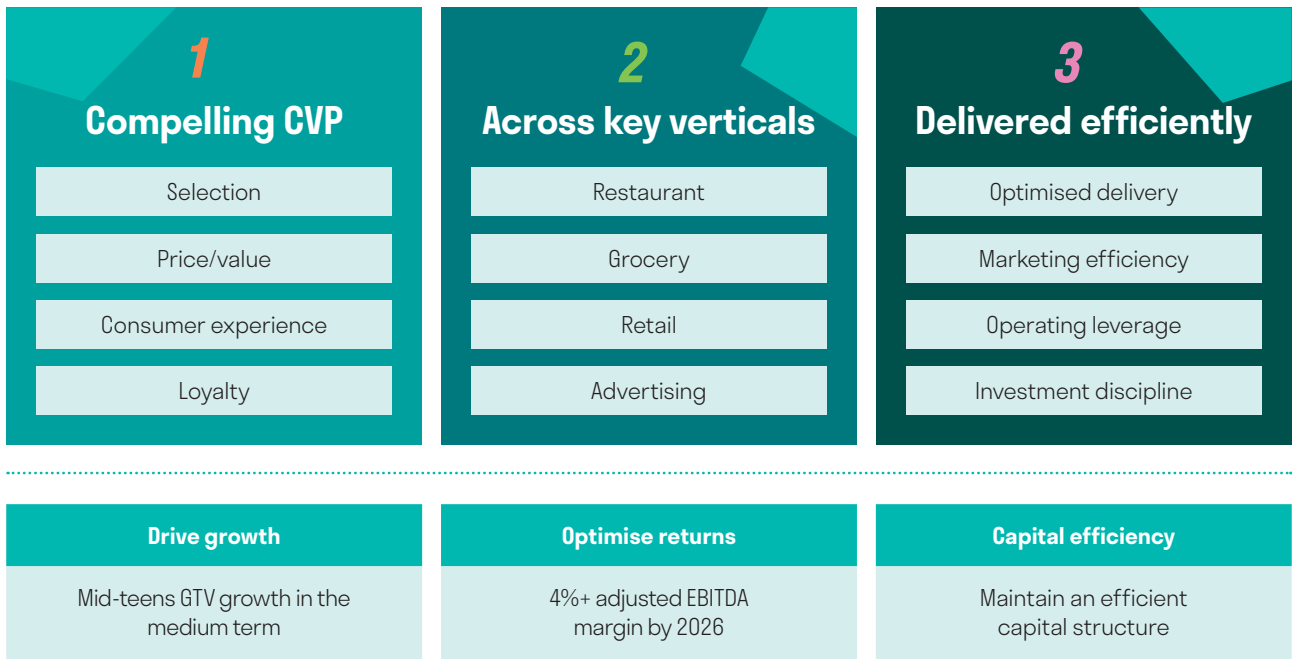
We are on a mission to transform the way people shop and eat, bringing the neighbourhood to their door by connecting consumers, restaurants, shops and riders. We aim to achieve this by offering the best proposition to all three sides of the marketplace.

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

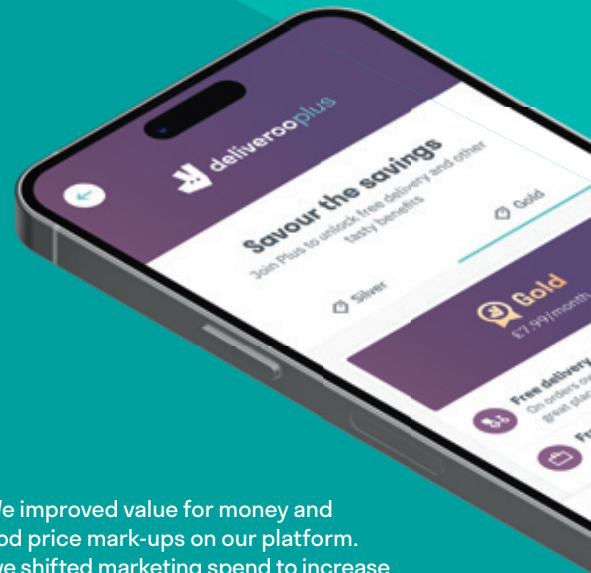
Looking at our business through a hyperlocal lens is key to our strategy. We obsess about creating the best, differentiated value propositions for all sides of the marketplace, and we measure this neighbourhood by neighbourhood.

Our industry is early in its maturity with strong growth potential, and a key part of capturing that growth is improving and winning local market share positions. In driving profitable growth, hyperlocal network effects are more powerful than overall scale, and network effects come from hyperlocal market share. As for any company, overall scale helps to spread marketing costs and overheads. But in our business, profit pool potential is a function of population density, affluence, merchant supply, and our local market share.

Deliveroo’s mission is to transform the way you shop and eat, bringing the neighbourhood to your door by connecting consumers, restaurants, shops and riders



1 Compelling CVP



Pillars

- **Selection:** From the beginning, Deliveroo has been built on offering great selection across all restaurants and cuisine types. Expanding choice – including across grocery and now non-food retail – continues to be a key driver of increasing spend and retention with existing customers, as well as adding new customers.
- **Price/value:** Ensuring value for money on our platform is key to building consumer trust and supporting frequency and retention. We promote fair prices using direct levers such as targeted promotions for consumers and indirect levers such as our value programme, which rewards merchants who limit mark-ups and deliver great service.
- **Consumer experience:** A great experience combines in-app search and discovery, the delivery service and care/recovery in case of any issues. We have opportunities to improve across all three aspects, and doing so improves consumer trust and is a key element of unlocking further growth.
- **Loyalty:** Our Plus programme is a tiered subscription plan now live in eight markets, offering members free delivery and additional benefits. Plus customers spend three times more than non-members and have stronger retention, making this programme one of our most valuable strategic growth assets.

Progress in 2023

- **Selection:** We expanded merchant supply with an additional c.5,000 restaurants, c.2,000 grocery stores and a growing number of retailers globally, including adding brands such as Domino's in the UAE, Subway in Hong Kong and Five Guys in Singapore. We also dramatically increased the selection that consumers see by expanding delivery areas to give them greater choice.

- **Price/value:** We improved value for money and addressed food price mark-ups on our platform. During 2023, we shifted marketing spend to increase our targeted promotions. We also introduced our value programme and commercial architecture for partners in the UK – with promising results showing up in our value for money Net Promoter Score ('NPS').
- **Consumer experience:** We prioritised fixing defects so we could deliver more and more perfect orders. One area of focus was orders classified as OMDNR – when a consumer pays for their order but does not receive it – which we reduced by around 65%.
- **Loyalty:** We continued to add benefits to Plus, such as an on-time promise providing £5 compensation if an order arrives more than 15 minutes late. We also launched a programme targeted at students in the UK, as well as adding partnerships with Revolut in the UKI, France and Italy, with Gojek In Singapore, and with Hong Kong Telecom in Hong Kong.

Priorities in 2024

- **Price/value:** Promote price integrity by rolling out our commercial architecture and value programme, taking it beyond the initial launch with UK restaurants and across our main markets and verticals.
- **Consumer experience:** Continue to strive for perfect deliveries by reducing order inaccuracy (missing items), cancellations and rejections.
- **Loyalty:** Strengthen our tiered Plus programme by enhancing our offerings and introducing new ways to inspire consumer loyalty, including providing additional discounts and perks, and exploring further partnerships.

Strategy continued

2 Across key verticals



Pillars

- **Restaurant:** We operate in large addressable markets with significant growth potential across the entire restaurant delivery business. We use data science to capture opportunities on a hyperlocal level at scale, and we align commercial incentives to improve the consumer experience and drive growth.
- **Grocery:** We were one of the first platforms to launch on-demand grocery, where penetration is low and there is a clear demand for the speed and convenience we offer. We are driving growth by expanding our selection (additional partners and more SKUs), improving the experience through new consumer and partner technology, and expanding into larger basket missions.
- **Retail:** Consumer behaviour shows a clear appetite for on-demand Retail through our platform. We are well positioned to capitalise on the opportunity, leveraging our grocery playbook and evolving our existing technology and data capabilities to build a large business with attractive unit economics.
- **Advertising:** We provide an attractive platform for advertisers to connect with our large premium consumer base. Our technology powers our advertising solutions, allowing us to deliver strong returns for our advertisers while protecting the consumer experience by serving them with only the most relevant content.
- **Grocery:** We increased grocery to 13% of GTV in H2 2023 (vs 11% in H2 2022), helped by the introduction of our new 'top-up' feature. We step-changed our technology offering, for consumers (e.g. multi-level aisle shopping, substitution preferences in-app) and merchants (new picking app, in-stock API and improved substitutions flow).
- **Retail:** We launched our 'Shopping' proposition, initially in the UK and UAE. Categories already launched include pharmacy, flowers, toys and DIY, reflecting the low-hanging fruit where emergency needs are most obvious – but with lots of scope for further expansion.
- **Advertising:** We further scaled our business across sponsored positioning and search results product for restaurants and grocers, with ad revenue reaching 1.0% of GTV in Q4 2023. We continue to take a consumer-first approach, to strike the right balance between helping merchants drive incremental demand, while always prioritising the consumer experience.

Progress in 2023

- **Restaurant:** Over the last two years we have used our machine learning models to assign a score that predicts the performance of each restaurant on the platform, helping us to curate a quality portfolio in the UK. This has seen the number of 'high quality' restaurants grow at double the pace of overall selection, with GTV from these restaurants 2.5 times higher than lower scoring restaurants. We have also rolled this out in all our international markets, allowing us to improve restaurant supply and gain leverage from technology investments.

Priorities in 2024

- **Grocery:** Serve more customer missions by expanding into medium-sized baskets through range expansion and enhanced technology.
- **Retail:** Begin to scale retail globally by partnering with leading brands and local favourites to grow selection and coverage, including launching in additional markets beyond the UK and UAE. Boost consumer awareness including through key seasonal retail moments with marketing campaigns, promotions and in-app merchandising.
- **Advertising:** Continued to scale by adding new formats, increasing advertiser adoption across segments and driving return on ad-spend ('ROAS') to improve retention and pricing.

3 Delivered efficiently

Pillars

- **Optimised delivery:** Delivery costs are the largest expense item in our Profit and Loss. We have a proven record in driving efficiency in the delivery network, enabling us to reinvest in our key growth drivers and improve profitability, while also allowing riders to maximise their earnings potential.
- **Marketing efficiency:** Our marketing activities are focused on both new consumer acquisition and increasing retention, frequency and spend of existing consumers. We continually experiment to improve the efficiency and effectiveness of our spend, helping us to reduce our marketing cost as a % of GTV.
- **Operating leverage:** We support our market-facing commercial and operational activities with a global tech platform and central support functions. We have multiple opportunities to drive efficiency and operating leverage as we scale.
- **Investment discipline:** Our industry is still early in its maturity and there remains ample room for growth. We are disciplined in allocating capital to the most promising opportunities where we can build strong market positions offering compelling returns. Our capital position provides the financial resources to maintain and strengthen market positions and pursue growth opportunities while providing appropriate headroom.

Progress in 2023

- **Optimised delivery:** We drove efficiencies in our delivery network by reducing the overall time riders spend on an order, for example by incentivising merchants to make sure orders are ready on time. We also continued to develop our order stacking capabilities by launching multi pick-up stacking – when we know the consumer experience will not be harmed and it makes sense for the network.

- **Marketing efficiency:** We reduced marketing spend by 14% year-on-year through performance marketing optimisation by improving our targeting and introducing optimisation signals linked to individual customer value. We've also enhanced our machine learning models in customer relationship management that better predict how consumers will respond to promotions, which drove both cost savings and incremental GTV.
- **Operating leverage:** We completed a redundancy programme removing 9% of employed positions across the business, driving benefits not only through lower headcount costs but also increased efficiency and speed of decision-making. We also reduced costs relating to contractors and customer care agents.
- **Investment discipline:** Following market exits in late 2022, we continued to focus investments across the highest impact areas in the business.

Priorities in 2024

- **Optimised delivery:** Develop order stacking capabilities, including pick-ups from multiple merchants, to improve efficiency and offer riders more stacked orders so they can earn more money quicker.
- **Marketing efficiency:** Increase marketing efficiency by targeting and personalising promotions and increasing co-funding by partners.
- **Operating leverage:** Drive further efficiencies through improved tooling and automation, optimising third-party spend and leveraging our location strategy.



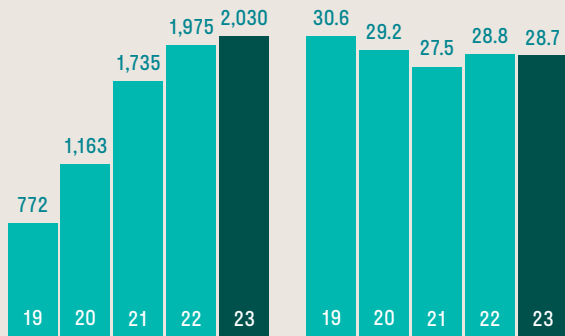
Key performance indicators

Financial KPIs¹

Revenue and revenue take rate*

Revenue (£m)
£2,030m
 +2%**

Revenue take rate (%)
28.7%
 -10 bps YoY



Description

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

Performance – 2023

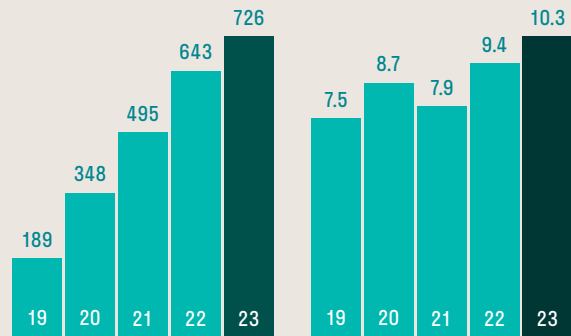
Revenue reached £2,030 million, a year-on-year increase of 2%**, mainly driven by the growth in GTV, as well as a growing contribution from advertising revenue. The revenue take rate was 28.7% compared to 28.8% in 2022, with the slight year-on-year decline primarily attributable to an increase in targeted promotions to provide value, such as the ‘£7 off 7” and buy-one-get-one-free campaigns, and a greater proportion of grocery and pick-up orders within the mix. This was partly offset by the positive impact of consumer fee optimisation and advertising revenue.



Gross profit and margin (as % of GTV)*

Gross profit (£m)
£726m
 +13%

Gross profit margin (%)
10.3%
 +90 bps



Description

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

Performance – 2023

Gross profit reached £726 million compared to £643 million in 2022, an increase of 13% in reported currency. Gross profit margin (as % of GTV) was 10.3% compared to 9.4% in 2022. The year-on-year improvement reflects increases in GTV per order* and growing contribution from high-margin advertising revenue, as well as efficiencies in the delivery network that have helped to limit the inflationary impact on cost of sales per order.



1. Deliveroo ceased operations in Spain in November 2021 and Australia and the Netherlands in November 2022. In accordance with IFRS 5, Australia and the Netherlands have been classified as discontinued operations in 2023 and 2022, and results for 2021 have been restated (results for 2019 and 2020 have not been restated). Spain has been classified as a discontinued operation in 2023, 2022 and 2021, and results for 2020 have been restated (results for 2019 have not been restated).

* To supplement performance assessment, Deliveroo uses alternative performance measures (‘APMs’), which are not defined under IFRS. The first instance of each APM is indicated with an asterisk (*); definitions and further details are provided on page 187.

** In constant currency.

Key to strategy and remuneration

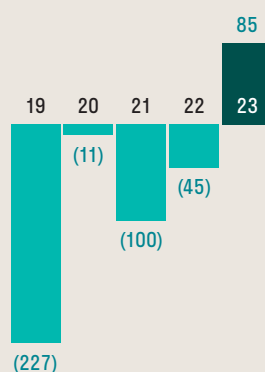
- 1 Invest in key CVP levers
- 2 Focus on priority verticals
- 3 Increase operating efficiency
- R Remuneration metrics

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

Adjusted EBITDA (£m)

£85m

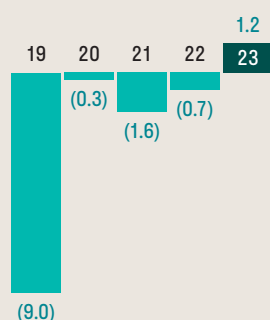
+£130m



Adjusted EBITDA margin (%)

1.2%

+190 bps



Description

Adjusted EBITDA represents loss for the year before income tax charge/credit, finance costs, finance income, depreciation and amortisation, impairments, exceptional items* and provisions, and share-based payments charge and national insurance on share options. Adjusted EBITDA is considered to be a measure of the underlying trading performance of the Group and is used, among other measures, to evaluate operations from a profitability perspective.

Performance – 2023

Adjusted EBITDA was £85 million, compared to £(45) million in 2022, with the improvement driven by a combination of gross profit improvement, efficiency of marketing spend and a reduction in overheads in 2023. Adjusted EBITDA margin (as % of GTV) was 1.2% compared to (0.7)% in 2022.

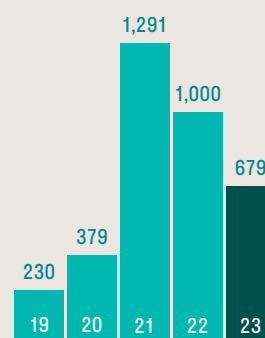
1 2 3 R

Net cash* and free cash flow*

Net cash (£m)

£679m

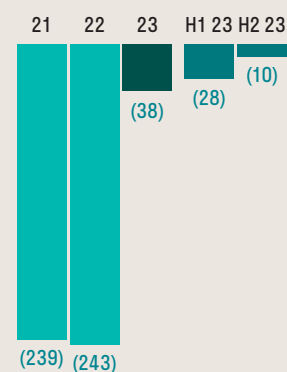
(32)%



Free cash flow (£m)

£(38)m

+£205m



Description

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

Performance – 2023

Net cash was £679 million at 31 December 2023, compared to £1,000 million at 31 December 2022, with the majority of the year-on-year movement driven by shareholder returns of £309 million in 2023. Within the net cash movement, free cash flow was £(38) million in 2023 compared to £(243) million in 2022.

1 2 3

* To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The first instance of each APM is indicated with an asterisk (*); definitions and further details are provided on page 187.

Key performance indicators continued

Non-financial KPIs

GTV* and GTV growth

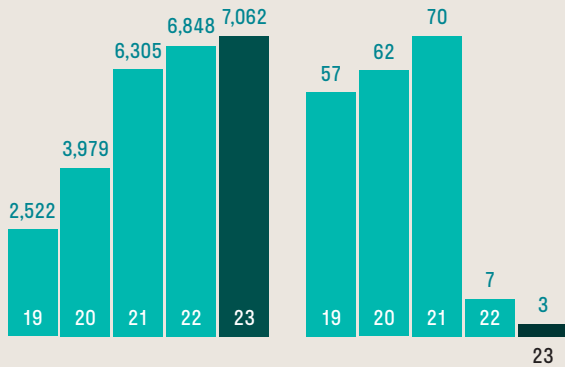
Gross transaction value (£m)

£7,062m

+3%

GTV growth in constant currency (%)

3%



Description

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

Performance - 2023

GTV reached £7,062 million, a year-on-year increase of 3% in reported currency and 3% in constant currency. The primary driver of GTV growth in the year was a 6% year-on-year increase in GTV per order. Year-on-year GTV growth slowed in 2023, reflecting the increasingly challenging macroeconomic environment, which has impacted consumer behaviour and led to a decline in the number of average monthly active consumers ('MACs').

1 2 3 R

Orders and GTV per order*

Orders (m)

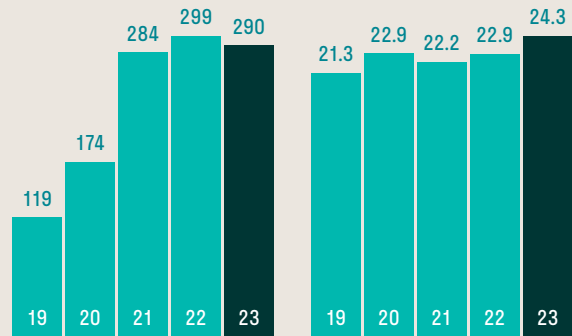
290m

(3)%

GTV per order (£)

£24.3

+6%



Description

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

Performance - 2023

Orders were 290 million in 2023, a year-on-year decline of 3%. This was primarily driven by a lower average monthly active consumer base in 2023, with average monthly order frequency broadly stable year-on-year. GTV per order grew by 6% in reported currency and constant currency alike to £24.3 for the year. This equates to an increase of 140p versus 2022 driven by item-level price inflation and optimisation of consumer fees.

1 2 3

* To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. The first instance of each APM is indicated with an asterisk (*); definitions and further details are provided on page 187.

Key to strategy and remuneration

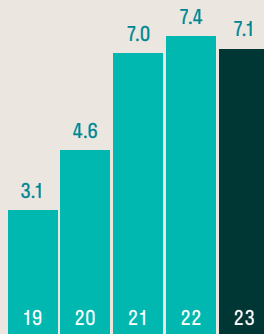
1 Invest in key CVP levers 2 Focus on priority verticals 3 Increase operating efficiency R Remuneration metrics

MACs and AOF

Monthly active consumers (m)

7.1m

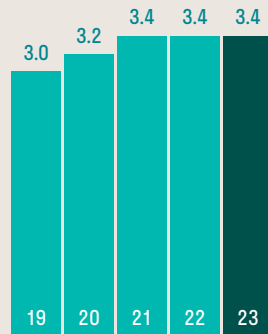
(4)%



Average order frequency (monthly)

3.4x

+1% YoY



Description

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

Performance – 2023

In 2023, MACs averaged 7.1 million for the year as a whole, compared to 7.4 million in 2022. The modest year-on-year decline coincided with inflationary pressures on consumers. The decline stabilised through the year, with H1 2023 MACs down 5% year-on-year and H2 2023 MACs down 2%, exiting 2023 at a high for the year of 7.3 million MACs, reflecting early signs of stabilisation in consumer behaviour. AOF remained broadly stable year-on-year at 3.4.

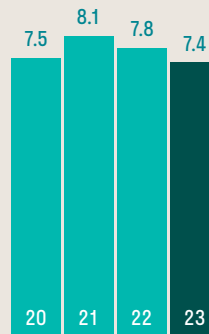
1 2 3

Employee engagement

Employee engagement (score out of 10)

7.4

-0.4 pts YoY



Description

We use the Peakon platform to better understand employee engagement. Monthly surveys allow us to reflect employee feedback into departmental action plans in 'real time'. The overall engagement score measures the sentiment across four key engagement areas: 'belief (in product)', 'satisfaction (in job)', 'loyalty (to Deliveroo)' and 'employee net promoter score ('eNPS')'.

Performance – 2023

Employee engagement decreased from 7.8 in December 2022 to 7.4 in December 2023. The primary driver is that in February 2023, we completed a Company-wide redundancy programme that impacted engagement across all areas of our business. This caused our engagement score to reach a low of 7.1 in April; however, since then it began recovering steadily. Towards the end of the year, this recovery was slowed to a degree by the announcement of our return to office policy, requiring UK and Ireland-based employees to attend the office three days per week – a measure that we feel is necessary for long-term culture and productivity.

3

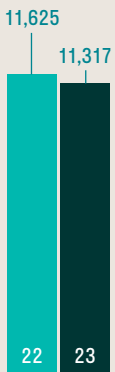
Key performance indicators continued

Non-financial KPIs continued

Net zero on Scopes 1 and 2 (market-based)

Total Scopes 1 and 2 Emissions

11,317 tCO₂e



Description

Scope 1 emissions are those we make directly – for example running gas hobs in Editions kitchens, or burning gas in boilers that heat our buildings. Scope 2 emissions are from the energy we purchase – for example, the emissions created when a gas-fired power station in the UK generates the electricity for our HQ. We have set a 2035 target to reduce these to net zero, with an interim target of 15-25% reduction by the end of 2025. The interim target is measured against our FY2022 baseline (excluding markets we exited in FY2022), and is calculated on a market-basis.

Performance – 2023

Against the FY2022 baseline (which excludes market exits), our market-based emissions for FY2023 were 11,317 tCO₂e. This represents a decrease of 2.6% year-on-year. This is marginally ahead of expectations; major capital investments likely to lead to more significant reductions are planned for this financial year.

3 R

Representation of women at Level 4 and above

Overall

39%

+2 ppts YoY



Tech-based roles

25%

+2 ppts YoY



Description

Representation of women at Level 4 and above in the workforce represents the proportion of women in the workforce compared to men at mid and senior levels. The People team continuously monitors the representation of women across the Company and reports it to the Executive Team on a quarterly basis, both by level and role split (e.g. 'Tech' and 'non-Tech').

Performance – 2023

The representation of women at Level 4 and above has increased by 2ppts overall YoY. Looking at the figures by role split, the representation of women has increased by 2ppts in Tech roles and by 1ppts in non-Tech roles over the past year. At the end of 2023, nearly all of the planned actions on our impact plan for gender equity were completed or in progress, covering areas such as inclusive recruitment, development of women in middle management, and more.

3 R

Key to strategy and remuneration

1 Invest in key CVP levers 2 Focus on priority verticals 3 Increase operating efficiency R Remuneration metrics

Stakeholder statement

Our stakeholders

Our approach to stakeholders

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

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



Our employees

What they care about

We offer an exciting environment for our employees to build a career. Our people want to accelerate their growth by working with talented colleagues to take on new and unique challenges, and deliver career-defining work while making a positive impact on local communities. All while participating in a vibrant, diverse and supportive working environment.

Why they matter to us

Employees are the lifeblood of Deliveroo. They enable us to support our marketplace and have helped build the Company into what it is today.

How we engaged

- Unfortunately, in 2023 we had to make some tough decisions, including employee redundancies. This was incredibly difficult but the right thing to do for the long-term interests of the business. We made every effort to manage the redundancy process as sensitively and supportively as possible, with training given across the organisation.
- We held monthly firmwide events to share key Company initiatives and news.
- Peakon is our employee sentiment measurement and engagement tool. We received 25,000 Peakon survey responses, with over 40,000 individual feedback comments, which management considers in decision making.

- We engaged through our award-winning employee resource groups ('ERGs'), which create communities made up of colleagues with shared identity and their supporters and allies.

Outcomes and support

- We responded to employee feedback provided through our engagement platform, Peakon. Resulting initiatives included: the development of a Company-wide approach to individual goal setting, more clarity on our key strategic initiatives, and the launch of fully-funded private healthcare for UK employees.
- After engagement with employee leadership and our ERGs, we introduced a new 'Return to Office' policy in the UK and Ireland to encourage greater cross-functional innovation and productivity.
- We refreshed our Company Values, which play a key role in setting our culture and guiding how we act as a business.
- We launched two new ERGs, our Disability, Neurodiversity and Mental Health ERG, and our Family and Carers ERG.

Stakeholder statement continued



Our consumers

What they care about

We focus on understanding what our customers want. We know this includes service that is reliable, trustworthy, and provides great value, particularly during tough times.

Wherever possible, we make decisions with our consumers top of mind, to offer them the best service on a neighbourhood-by-neighbourhood level. In response to customer demand we have extended our offer to include non-food. Our aim is to transform how people shop as well as eat by bringing more of their local neighbourhood to their door.

Why they matter to us

Consumers are the cornerstone of our marketplace. Ultimately, if consumers aren't happy with the service we offer, they will place fewer orders, reducing partner revenues, rider earning opportunities and Company growth and profitability. That's why we are consumer obsessed.

How we engaged

- Our consumer engagement programme generated over 2 million pieces of feedback from consumers globally. This included specific insight on whether they felt the order they received represented good value for money, to improve our understanding of consumer value perception.
- We established the Roosearch Hub, our first high-tech lab, to enable our Research and Insights team to collect consumer insights.

Outcomes and support

- We established new browsing functionality to improve the discoverability of retail items, and introduced a new in-app experience to allow consumers to send items as gifts.
- We introduced a monthly Roosights newsletter for all employees to ensure customer insights and learnings are disseminated and acted upon across the business.
- We focused on improving value for money for consumers, building mechanisms to reward merchant partners who offer great value, as well as ensuring that better value for money options are more visible and accessible on our platform.
- We established cross-business teams to: reduce defects on orders by 10% (with orders not delivered down by 65%); reduce delivery times by one minute; and increase consumer satisfaction (with NPS up 11 points year-on-year).
- We expanded and enhanced our CVP by broadening our Company mission and introducing our retail proposition.



Our riders

What they care about

When we speak to riders – both directly, and through their unions in the UK, France and Italy – they are clear that they want attractive earning opportunities and a flexible way to work which fits within their lifestyle. They also want protection and security against issues which may arise.

Why they matter to us

Riders are an integral participant in our three-sided marketplace. That is why we will continue to invest in improvements to our rider proposition, focusing on what riders want, while campaigning for what's important to them – the flexible work they tell us they value.

How we engaged

- We engaged with riders through dedicated engagement teams in each of our markets, with regular surveys, an in-app feedback tool and rider focus groups.
- Riders also have access to our dedicated, live order support tool, which deals with order-related issues and is another forum for us to gather feedback.
- We also engaged with riders through trade unions in a number of markets, including in the UK, France and Italy.

Outcomes and support

- We continued to offer riders unmatched flexibility and advocate for this flexible way of working with policy makers around the world.
- Globally, over 135,000 riders completed an order in 2023 and satisfaction remained above 80% for the year.
- Following engagement with the GMB Union, we launched a new partnership with City and Guilds in the UK, providing thousands of riders with new vocational skills training and qualification opportunities.
- We signed three agreements with elected trade unions in France concerning offboarding decisions and rider fees.
- We improved the coverage of our accident insurance in Hong Kong.
- We launched a Ramadan Riders Awareness Programme in our Middle Eastern markets, aimed at promoting the health and wellbeing of riders in preparation for the holy month. We arranged similar Ramadan initiatives and events in several countries worldwide.



Our merchants

What they care about

Our merchants want to work with a platform that gives them the tools to reach new consumers, boost their sales and improve their bottom line. We are proud to be a key part of merchants' growth, particularly in a challenging economic climate.

Our smaller merchants are at an earlier stage in their journey, so we provide specific support for them to digitise, develop their business plans, and go greener.

Why they matter to us

Our merchants provide the food and products that our consumers love. Without them, our customers would not have the breadth of selection and quality of products they require. Our proposition to our merchant partners – restaurants, grocers and non-food retailers – aims to provide strong incremental demand generation, an excellent consumer experience, and tools to drive profitability and grow their business.

How we engaged

- Merchant Insight and User Experience teams regularly engaged with groups of merchants to receive feedback and to test our products and services.
- We expanded our account management capability and rebooted our onboarding processes to improve partner support through the first, critical weeks of operating with Deliveroo.
- We increased the level of self-service reporting available through our Partner Hub, enabling merchants to better interrogate their performance on Deliveroo.
- We launched the first 'Deliver & Grow', a new series of thought leadership publications helping merchants understand consumer trends.
- We held our 'Food Forward' Restaurant conference in October 2023, bringing together 350 merchants, providing a fantastic opportunity for them to gain insights into consumer trends and engage with industry experts and members of our Executive Team.

Outcomes and support

- We enabled more merchants to sign up to our increasing number of market-leading marketing campaigns that drive incremental sales.
- We made it easier for merchants to respond to customer reviews, helping strengthen the relationship and experience for both parties.
- We launched new commercial infrastructure and incentives to reward our merchants for operational performance which aligns with better consumer outcomes.
- We launched a new sustainable packaging store for merchant partners in the UAE, helping them to choose more environmentally friendly packaging options at cost effective prices.
- We created a new partnership with wholesalers to offer merchants savings on their costs of goods.
- We launched a new training academy to help small and medium-sized restaurants across the UK access expert advice and valuable training and skills opportunities.
- We supported 115,000 jobs in restaurants and their supply chains across our 10 markets.

Stakeholder statement continued



Our local communities

What they care about

The communities in which we operate are as diverse and varied as the cuisines and merchants on our platform. At a time of high inflation globally, we know there are common concerns about the cost of living and the cost of food in particular, which is why we have partnered with charities that support those in need.

Why they matter to us

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

How we engaged

- We engaged with charities in the locations in which we operate to support local communities. We know food best and help those in need to access free meals.
- During 2023, through our Full Life Campaign, we have helped provide over 3 million free meals globally to people facing hunger through our charity partnerships.
- We also provided our employees with a paid day off to volunteer at a charity. Following internal awareness raising, we saw a 30% increase year-on-year on the global uptake of colleagues using their volunteering day.

Outcomes and support

- In the UK, we worked with the Trussell Trust to help provide meals and raise money for its food bank network and associated mental health and financial support services. We also provided hundreds of volunteers to help support the Trussell Trust staff at the charity's food bank.
- During 2022 and 2023 we launched our Full Life campaign in Kuwait and Qatar, collaborating with Food Box and the Social Work Society. We continued our collaboration with the Italian Red Cross, Emirates Red Crescent in UAE, Secours Populaire in France, FoodCloud in Ireland, St James Settlement in Hong Kong and Food from the Heart in Singapore. In addition to our existing partnerships, we also launched a new charity partnership with the Belgian Federation of Food Banks.
- We launched a new initiative to provide free meals for homeless members of the LGBTQ+ community to coincide with Pride Week.



Our shareholders

What they care about

We want to ensure that our investors understand our business, including our business model, strategy, future growth potential and risks, overall performance, capital structure and ESG matters.

We are committed to considering shareholder interests and maintaining an open and regular dialogue, to understand their perspectives and priorities.

Why they matter to us

Shareholders are the owners of our business and the main source of long-term funding, so our focus is on delivering long-term, sustainable value for them.

We aim to provide investors with transparent and consistent information and appropriate ongoing dialogue with our Board and Senior Management.

How we engaged

- We provided quarterly market updates, including hosting webcasts for our annual and interim results, as well as our Q4 trading update. During each webcast, Executive Directors responded to questions from analysts and investors to ensure an open dialogue with the market.
- Our CEO, CFO and the Investor Relations team met with investors after our significant financial announcements as well as on an ad hoc basis.
- Outside of reported results, we hosted specific events for investors and analysts, including our grocery seminar in July and Capital Markets Event in November. We also engaged extensively with institutional investors in August and September ahead of our tender offer which concluded in October 2023.
- Our Board Chair engaged with our largest investors ahead of our Annual General Meeting ('AGM') on general Board and governance matters, as well as shareholder engagement with the Board at the AGM.

Outcomes and support

- The CEO, CFO and IR team held almost 200 meetings with over 500 individual investors and analysts during 2023. Investor views and feedback from these meetings were reported back to the Board.
- We held a successful AGM with all resolutions passed, receiving in excess of 97% votes in favour.
- In October, we successfully completed a tender offer to return £250 million to shareholders, taking the total return of capital to shareholders during the year to £300 million.

Section 172(1) Statement

The Board confirms that, for the year ended 31 December 2023, it has acted to promote the long-term success of the Company for the benefit of its shareholders as a whole, while having due regard to the matters set out in Section 172(1)(a) to (f) of the Companies Act 2006.

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

The Board's duties under Section 172(1)

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

The Board considers impacts on our key stakeholders and the consequences of any decision in the long term. It is not always possible to provide positive outcomes for all stakeholders and the Board sometimes has to make decisions based on balancing competing interests. Stakeholder activity is undertaken across our business and at different levels of the organisation. For more information on how we have engaged with our key stakeholders, see pages 25 to 28.

How the Board fulfils its Section 172(1) duties

How the Board fulfils its duty

Key activities/considerations in 2023

More information

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

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

- Board strategy day and Capital Markets Event.
- Board approval of expanded Company mission.
- Board approval of budget and long-term financial plan.
- Approval of 2024 ESG strategy and ongoing monitoring of progress against pillars, emissions, diversity and Task Force on Climate-related Financial Disclosures ('TCFD') reporting.
- Consideration of financial reporting statements, including outlook and market guidance.
- Capital allocation consideration including approval of £50m share buy back and £250m tender offer.

- [Chair's Letter p12 and p78](#)
- [Company Mission p16](#)
- [Our Business Model p14](#)
- [Our Strategy p16](#)
- [Board Activities p87](#)
- [Viability Statement p75 and Going Concern p148 and p178](#)
- [Sustainability p31](#)

(b) The interests of the Company's employees

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

- Review of the Company's remuneration philosophy, employee engagement and attrition.
- Approval of the Company's refreshed Values.
- Updates on culture and DE&I matters.
- Review and approval of the Gender Pay Gap Report.
- Reports from Dominique Reiniche, the designated Employee Non-Executive Director.
- Review of the Company's Return to Office policy.
- Quarterly People KPIs.
- Consideration and approval of the Company's diversity reporting and compliance with the new FCA disclosure requirements.

- [Our People p42](#)
- [Stakeholder Engagement p83](#)
- [Diversity, Equity and Inclusion p92](#)
- [Employee Engagement p84](#)
- [Whistleblowing p101](#)
- [Nomination Committee Report p91](#)
- [Directors' Remuneration Report p102](#)

Stakeholder statement continued

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

How the Board fulfils its duty

Key activities/considerations in 2023

More information

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

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

- CEO updates on key strategic, operational and business matters including annual strategy day.
- CFO updates on key financial and investor matters.
- Executive Team presentations on our markets, consumers, business partners and competitive landscape.
- Board trip to Italy to better understand the local market and meet with the Italy team.
- Updates on tech, product and automation.
- Updates on matters relating to riders.
- Updates on ESG matters relating to our marketplace.
- Direct feedback from our Board members as Deliveroo consumers.

- [Sustainability p31](#)
- [Our Business Model p14](#)
- [Our Strategy p16](#)
- [Whistleblowing p101](#)
- [Anti-Bribery and Corruption p41](#)

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

The Board receives regular reports on ESG matters from the CEO and members of Senior Management.

- Approval of ESG strategy and monitoring of progress against ESG commitments and pillars.
- Review of progress made against Scope 3 emissions and diversity commitments.
- Progress against the gender diversity and emissions metrics as part of executive remuneration under the PSP.
- Review of annual TCFD and Sustainability review disclosures.
- Review and approval of the Modern Slavery Statement.

- [Sustainability p31](#)
- [TCFD p67](#)
- [Stakeholder Engagement p25](#)
- [Directors' Remuneration Report p102](#)

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

The Board receives regular updates on Company Values, culture, risk, regulatory, legal and governance matters from the CEO, CFO, Chief People Officer, General Counsel and Company Secretary.

- CEO report on Company Values review.
- Review and approval of the Modern Slavery Statement and Gender Pay Gap reporting.
- Consideration and approval of the Group's principal risks and risk appetite, and monitoring of controls.
- Regular updates on legal, regulatory and governance matters including the Company's Speak Up platform.
- Internal Audit reports.
- Consideration of key policies and procedures.

- [Sustainability p31](#)
- [Anti-Bribery and Corruption p41](#)
- [Risk management and our principal risks p58](#)
- [Audit and Risk Committee Report p94](#)
- [Whistleblowing on p83 and p101](#)

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

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

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

- Regular broker updates on investor feedback and market/competitor dynamics.
- Shareholder engagement ahead of, and during, the AGM in May 2023.
- Regular investor engagement by CEO, CFO and IR team.
- Engagement with investors/analysts at the Capital Markets Event.
- Consultation with investors on the mechanism and proposed value for the return of capital to Shareholders.

- [Notice of 2023 AGM: see Company website](#)
- [AGM p84](#)
- [Stakeholder Engagement p83](#)

Sustainability review

Our marketplace

At Deliveroo, we are committed to supporting our marketplace, our Company, our communities, and the environment around us. We want to have a positive impact. This means supporting our consumers with access to healthier choices, our merchants with opportunities for growth and our riders with good work. We're also working to make our Company and marketplace more inclusive, to reduce our impact on the environment, and to support communities facing food insecurity.

Our sustainability strategy guides six pillars of activity, and is shaped by a materiality assessment of what matters most to Deliveroo and the Company's diverse range of stakeholders. It is also shaped by where our action could have the most positive impact on society and the environment. We group these pillars into two 'clusters' through which we aim to deliver positive environmental and social outcomes: one cluster comprising the three sides of our marketplace – consumers, riders and merchants – and the other covering our Company, the wider environment, and the communities we operate in. Over the course of the year we have made good progress against each of the pillars. This review sets out our achievements during the year and our priorities for the year ahead.

Our six sustainability pillars

Marketplace:

Riding and thriving

Enabling healthier eating

Supporting merchants to grow and be more sustainable

Company, environment and communities:

Reaching net zero and reducing waste

Tackling food insecurity in our communities

Building a diverse and inclusive company and marketplace



Sustainability review continued

Year in review

Riding and thriving

We want to give riders the flexible work they value alongside the security they deserve, as well as attractive earning and learning opportunities.

Highlights of progress on our 2023 priorities

- Launched six new partnerships in the UK, providing riders with discounts and perks, and renewed our safety partnership with Flare app.
- Celebrated the one-year anniversary of the GMB deal in the UK with progress on rider representation, and developed our union relationship in Italy.
- Engaged positively with regulators including on the EU's Platform Work Directive.
- Launched our partnership with vocational skills and training provider City and Guilds in the UK. Over 600 riders have started their 'Ready For' courses in construction and care while 25 riders completed intensive training and are now starting careers in Network Rail and London Underground.
- Ran a scholarship programme, providing access to university courses in Italy for 80 riders.
- Launched upskilling programmes in business and mechanics in Hong Kong.

Priorities for 2024

- Launch childcare support in the UK, giving riders subsidised access to childcare, and exploring other opportunities for partnerships.
- Enhance learning opportunities for riders by rolling out our improved online learning opportunities with Lynx, in all markets, and expanding our range of vocational opportunities in other markets.
- Continue to advocate for the flexible work that riders want.
- Roll out the joint Deliveroo/GMB 'Respect' charter with more partners in the UK – a set of principles about how riders and merchants should be treated with respect.

UN Sustainable Development Goals sub-indicators



5.1, 5.5, 10.1, 10.4

Metrics we measure

- Rider satisfaction
- Absolute number of riders participating in training by market (initiatives varying across market)
- Rider retention

Enabling healthier eating

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

Highlights of progress on our 2023 priorities

- Rolled out dietary tags, like 'vegan' and 'vegetarian' to all markets.
- Worked with the Food Data Transparency Partnership on metrics to define healthy food targets for businesses.
- Continued our partnership with 'Bite Back' 2030 to understand young people's barriers to accessing healthy food.
- Led on industry engagement to understand SME priorities in healthy eating in branding and marketing.

Priorities for 2024

- Roll out a new macronutrient feature to improve the tools we offer consumers to help them make informed choices, allowing partners to list information, at an item level, on protein, fat, saturated fat, carbohydrates, sugar and fibre. This is in addition to the calories information they can already display.
- Use new macronutrient data to explore selection targets across markets where healthy options are under-represented on menus.

UN Sustainable Development Goals sub-indicators



2.1

Metrics we measure

- Number of healthy searches by consumers
- Number of restaurants in healthy tab

Supporting merchants to grow and be more sustainable

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

Highlights of progress on our 2023 priorities

- Launched a partnership with Bestway offering restaurants discounts on everyday essentials.
- Launched our partner training academy, giving partners access to training on business productivity and sustainability optics.
- Financial incentive programme offered 30% discount to partners to purchase eco-friendly packaging products, further supporting their transition to sustainable wrapping.
- Ran restaurant awards in France and UAE, recognising the best food and brands.
- Continued our partnership with Olleco oil in the UK, recycling used cooking oil from kitchens.
- Hosted a Food Forward conference with over 350 partners from across Europe, providing bespoke research and insight.
- Launched a 'Deliver and Grow' report series to provide insights to restaurants on growth.

Priorities for 2024

- Develop new partnerships that save our partners money and drive growth.
- As we expand into retail, work with our new retail partners to understand their sustainability priorities and how Deliveroo can support these.
- Expand the partner training academy, which hosts productivity and sustainability e-learning, into international markets.

UN Sustainable Development Goals sub-indicators



8.2, 8.5, 9, 10.2, 10.3, 10.4, 12.2, 12.3, 12.5, 12.8

Metrics we measure

- Sales growth via our platform
- Number of restaurants enrolled in our sustainability training
- Volume of oil recycled by Olleco

Reaching net zero and reducing waste

We want to reduce our own emissions and the amount of waste we produce.

Highlights of progress on our 2023 priorities

- Calculated our Scope 3 baseline and set a net zero target.
- Refreshed our Scope 1 and 2 interim reduction targets as part of Executive PSP.
- Began rider kit recycling scheme trials to continue our commitment towards reducing waste.
- Identified and provided investment for emissions reduction in our Editions kitchens.
- Ran subsidy schemes for e-bike transition in the UK and Italy.
- To support our consumers to reduce their food waste we launched a Food Waste Story Book 'Lyn's Food Adventure' across the Middle East.

Priorities for 2024

- Support our restaurants to understand their carbon footprint.
- Identify interim Scope 3 targets, on the path to our 2040 and 2050 targets.
- Invest in energy-saving capital improvements in the three most carbon intensive markets – the UK, Hong Kong, and UAE.
- Invest in e-bike partnerships in more markets.

UN Sustainable Development Goals sub-indicators



12.3, 12.6, 13.2

Metrics we measure

- Greenhouse Gas reduction
- Volume of kit recycled in trials
- Food waste from Hop sites

Sustainability review continued

Year in review continued

Tackling food insecurity in our communities

We want to reduce food insecurity in our communities by establishing the right partnerships and taking direct action where we can.

Highlights of progress on our 2023 priorities

Charity partnerships

- Established food redistribution charity partnerships in all of our markets.
- Increased donations via the round-up feature.

Food redistribution

- Funded thousands of free meals in 11 participating restaurants for LGBTQ+ people experiencing homelessness during Pride in London.
- Delivered meals to people in need during Mother's Day, Dragon Boat Festival and Winter Solstice in Hong Kong.
- Supported Ramadan celebrations with food distribution in Singapore.

Priorities for 2024

- Investigate how we can use any spare capacity in Editions or Hop sites to support our food insecurity work.
- Increase employee volunteering, aiming for a 30% year-on-year increase.
- Explore more opportunities to redistribute surplus food from partners.

UN Sustainable Development Goals sub-indicators



2.1

Metrics we measure

- Total consumer donations
- Percentage of consumers making a donation
- Total staff volunteering days

Building a diverse and inclusive company and marketplace

We want to have a gender balanced and more equitable workforce that reflects our customers, and improve diversity, equity and inclusion ('DE&I') across our marketplace.

Highlights of progress on our 2023 priorities

- Expanded our gender representation target to include Level 4+.
- Increased the overall number of women in senior roles and the number of women hired in technology roles through an evolved gender equity plan.
- Refreshed or introduced multiple policies including guidance around workplace accessibility and LGBTQ+ inclusion, and have launched two new employee resource groups for our family, carer, and disability communities.
- Sponsored trailblazing organisations looking to increase diversity in tech and hospitality, such as Colorintech's Black Tech Fest and Be Inclusive Hospitality.

Priorities for 2024

- Expand our work beyond gender equity to include more diversity identities.
- Introduce self-serve tools that enable the business to consider and apply DE&I principles in decision-making.
- Continue to support organisations championing diversity in the restaurant, grocery and hospitality industries.

UN Sustainable Development Goals sub-indicators



5.1, 5.5, 10

Metrics we measure

- Level 4+ female representation

Introduction

In 2023, we strengthened our offer for each side of the marketplace while also launching new initiatives to meet our environmental and social goals. We built positive partnerships for our restaurants and riders and continued to build our healthy selection for consumers. We took good steps to address food insecurity, having grown donations and established charity partnerships in each of our markets. We made continued progress under the pillar of reaching net zero and reducing waste, with details of our Scope 3 baseline and net zero target detailed below. One area where we made slower progress was in leveraging our own network to tackle food insecurity by using spare kitchen or grocery capacity to support our communities. This continues to be a priority to investigate for 2024.

In reviewing our materiality assessment, we are content that the majority of last year’s analysis remains relevant and valid for 2024. The key area of development relates to the expansion of the Deliveroo offering into non-food retail. This means we are expanding our range of partners to include retailers such as florists, hardware and pet supplies stores. To reflect the broader range of stakeholders we now work with, we have included additional issues on our materiality matrix, e.g. deforestation in supply chains and elevated the importance of modern slavery given this is a risk many retailers face and combat in their supply chains. These issues are ranked relatively low for the moment since retail is currently a small part of the business, and as we do not control the stock choices made by partners this has less impact on the core business.

In line with our materiality assessment, our priority areas of focus for 2024 are food insecurity, enabling healthier eating, and promoting a diverse and inclusive company and marketplace. We look forward to sharing more information on our plans during the year and will report on our progress in the 2024 Annual Report.

Materiality matrix

Key

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



Sustainability review continued

Deep dives

This year we have chosen to deep dive on two themes within this sustainability review: reaching net zero and reducing waste, and helping support our merchants to grow and be more sustainable (with a focus on our restaurant partners). We have chosen these areas as we have new targets and investments within our environmental pillar and new research on our impact with partners to share.

Deep dive net zero

Last year we set out our net zero target of 2035 for our Scopes 1 and 2 emissions. This year we are setting a net zero target of 2050 for our overall Scope 3 emissions and a 2040 target for net zero on delivery emissions which make up c.37% of our overall Scope 3 footprint. Below we provide more information about our Scope 3 baseline and our transition plans to reach zero across all three scopes.

Scope 1:

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

Scope 2:

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

Scope 3:

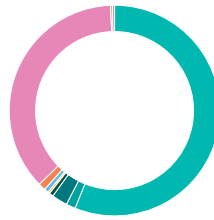
All other indirect emissions that occur in the value chain, e.g. rider deliveries

Scope 3 baseline and target

Our Scope 3 emissions are 132,064 tCO₂e and we have set an overall net zero target of 2050, with a commitment to net zero on delivery emissions by 2040. As is common for many businesses, our Scope 3 emissions are much larger than our Scope 1 and 2 emissions; for Deliveroo roughly 10 times larger. This demonstrates the scale of the challenge we have ahead for decarbonising up and down our value chain. Our 2050 target is in line with the Paris Agreement. It is achievable but still requires us to move at pace. The date also reflects the size and coordination challenge of our emissions reduction effort across all Scope 3 categories. We have also set an ambitious 2040 target for delivery emissions. These represent the largest individual percentage of our total Scope 3 emissions, and so we want to make substantial progress here. The 2040 date reflects that we have more levers to influence change than for other areas (explored on page 37), and the wider transport sector may move quicker than in other sectors within our Scope 3 emissions, particularly in our European markets.

Scope 3 emissions by category (total 132,064 tCO₂e)

- Purchased goods and services (1)
- Business travel (6)
- Capital goods (2)
- Employee commuting (7)
- Fuel- and energy-related activities not included in Scope 1 or Scope 2 (3)
- Rider delivery emissions (9)
- Upstream transportation and distribution (4)
- Use of sold products (11)
- Waste generated in operations (5)
- End-of-life treatment of sold products (12)



This covers all of our Scope 3 emissions, and we have only shown categories where Deliveroo operations produce emissions in line with the Greenhouse Gas ('GHG') protocol on reporting.

As the chart shows, c.37% of our emissions are from our rider fleet (category 9: rider delivery emissions include travel to the restaurant and from restaurant to consumer), with the rest largely dominated by purchased goods and services (category 1). Other categories, such as business travel or employee commuting contribute less to our overall emissions but will remain difficult problems to solve. This analysis shows where we can most make an impact supporting decarbonisation of the rider fleet and reducing emissions from our suppliers.

1. Decarbonising the rider fleet

Our target of reaching a net zero emission fleet by 2040 is ambitious but achievable.

Around the world, we mostly work with independent, self-employed riders. They have freedom to determine the vehicle they use for work, with many using that which they already own for personal purposes. Because we do not directly provide vehicles for these riders, we need to use indirect means to drive the shift to decarbonise our fleet, such as incentives and behavioural nudges.

What we have seen so far

We are already seeing strong take-up of electric vehicles among riders, in particular, in cities. For example, almost half of orders are completed on bikes or e-bikes in London. In the coming months and years, we want to expand upon this localised success, increasing both the proportion of riders using electric vehicles and e-bikes, and the proportion of deliveries completed by green vehicles.

Reducing the cost of electric vehicles for riders

We know from engagement with riders that they have a clear interest in greener vehicles, and particularly e-bikes or e-mopeds. These can enable riders to earn more and/or reduce their fuel costs at the same time as benefiting the environment. There are overlapping benefits between achieving improved operational performance, better consumer outcomes and higher rider earnings – at the same time as reduced exhaust emissions for local communities and reduced carbon emissions from our operations.

However, some clear barriers to take-up remain, including the high upfront cost of switching to e-vehicles.

We have run a number of initiatives, including subsidies, to help riders make the transition to greener vehicles and e-bikes. In doing so we can gain a better understanding of how we can best support riders. In particular, these initiatives are focused on bringing down the upfront cost of an e-bike and removing those initial barriers to making the switch.

We are also exploring more innovative ways of bringing down the cost of electric vehicles for riders in the UK. For example, we have launched a trial with e-moped provider, Admoto for a subsidised rental price in return for displaying paid-for advertising on the back of electronic rider boxes. We are exploring a roll-out of the scheme to more UK cities outside London in 2024.

Market initiatives	Discounted e-bike		Discounted e-moped	
	Rental/Rent-to-own	Sale	Rental/Rent-to-own	Sale
UK	●	●	●	●
France	●	●	●	●
Belgium	●			
Italy		●		

Next steps

We are clearly communicating to our riders the importance and benefits of moving to a greener fleet. Over the course of 2024 and beyond, we will:

- Investigate new electric vehicle trials in the Middle East. Unlike the majority of our markets, we work with outsourced agencies in the Middle East who directly provide vehicles for riders to use. This gives us greater leverage over the vehicles that riders use in the market. We want to understand the operational implications of transitioning to electric vehicles in these markets, including how we can best leverage the growing electric charging infrastructure to ensure greener vehicles do not come at the expense of operational performance and consumer outcomes.
- For our most densely populated zones in cities like London, Paris and Milan, we aim to have specific vehicle mix targets. These targets will take into consideration the availability of vehicles in each market, and the suitability of different vehicle types for the local road network and topography.

2. Reducing emissions from our suppliers

We purchase a wide variety of goods and services. The most relevant in terms of emissions reduction include: emissions associated with our marketing spend; emissions associated with our software and IT spend; and spending on rider kit (due to the intensity of textile manufacturing).

In 2023 we launched a new kit recycling programme, and we plan to launch another in 2024. Not only does the programme manage waste effectively, it also contributes to the development of a circular economy. By recycling and reusing rider kit such as bags and jackets we extend their lifespan and reduce the demand for new production. This significantly reduces the carbon footprint associated with manufacturing new equipment, transportation, and the disposal of old items. Over the course of 2024, we plan to use learnings from these trials to understand and implement programmes that can increase the proportion of riders' kit that is reused or recycled.

We anticipate that emissions across other areas will reduce in line with wider market decarbonisation. However, we are also engaging with key suppliers to understand their plans to reduce their emissions ahead of that wider market effect and understand where we can support our supply chain.

These are just two important examples of us taking action to reduce our Scope 3 emissions but we also have a number of other initiatives in place that will contribute to our net zero future. For example, selling food that would otherwise be wasted from our Hop sites and encouraging cycling to reduce commuting emissions across the Company.

Sustainability review continued

Deep dives continued

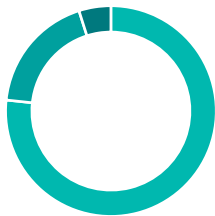
2. Reducing emissions from our suppliers continued

Scope 1 and 2 transition

Last year we set out targets to reduce our Scopes 1 and 2 emissions and reach net zero by 2035, alongside an interim target of a 15% reduction by 2025 (included as a performance metric in the PSP for our Executive Team). This target has been refreshed with a goal of a 20% reduction by 2026 (also included as a performance metric in the PSP for our Executive Team). This year we have achieved a 2.6% reduction in our market-based emissions compared to our FY2022 baseline. As our SECR report sets out (page 39), this is driven by a combination of changes in our consumption patterns and the greening of the energy grids in some of most emissions-intensive markets. To build on this positive start, our strategy to achieve net zero is guided by where our emissions hot spots are and where we can have the most impact. As the chart below shows, c. 80% of our emissions come from our Editions kitchens, with the rest coming from our office estate and Hop sites. This is to be expected given the emissions intensity of cooking processes and its associated gas usage.

Relative intensity of Editions/Office/Hop

- Editions
- Office
- Hop



Relative market contributions to overall emissions (location-based)

- UK
- UAE
- Hong Kong
- France
- Singapore
- India
- Italy
- Kuwait



Our plan to reach net zero by 2035 is underpinned by three phases of activity.

1. **Reduction in absolute emissions:** To support our emissions reduction work in kitchens, we have completed two audits of our estate and identified several measures that are most impactful for reducing our emissions. These measures include improving the efficiency of our extractor fans, recycling the heat from the cooking process to heat our buildings and water, and reducing the refrigeration power needed to keep food at the correct temperature. We are beginning to implement these measures in 2024.
2. **Procurement of renewable energy:** We already procure renewable electricity in the UK for our Editions and Hop sites. We will investigate procurement of renewable electricity in other markets with a particular focus on the UAE and Hong Kong. Here the electricity grids are powered by fewer renewable sources than in our other markets so renewable electricity will have the greatest impact. Renewable gas to power kitchen hobs and equipment is a relatively less mature market. We will explore both transitioning our kitchen equipment over to induction to use renewable electricity and consider the possibilities of using renewable gas as the market continues to develop.
3. **Consideration of carbon removals and/or credits:** If any residual emissions remain we will consider active carbon removals before considering offsetting and/or credits.

Deep dive merchant support

We are proud of the positive impact we have on our merchants. Last year we commissioned an independent economics research firm, Capital Economics, to analyse the impact Deliveroo had on our partners and the wider economy. The highlights of that analysis are detailed below, where we saw three broad themes.

First, we drive revenue growth for our partners. This comes from both increased delivery sales and greater dine-in, as consumers discover local restaurants on the app. In the UK, over half of our restaurant partners who responded to our survey reported an increase in dine-in revenues as a result of increased exposure and reputation built through the Deliveroo app.

Second, we support expansion with restaurants often hiring new staff, reaching new customers, extending opening hours or even opening new sites thanks to delivery partnerships. In Italy, 52% of restaurants said the most important benefit of partnering with Deliveroo was the ability to reach new customers. In the UK 4% of our restaurants responded that partnering with delivery platforms had enabled them to open new sites, the equivalent of around 2,000 new restaurants.

Third, we support productivity through digitisation of businesses, a crucial part of improving their productivity. In both Singapore and Hong Kong, around half of restaurants had adopted new digital technology as a result of using delivery services. Businesses have both gained confidence in how to use digital technology and experienced the efficiency benefits it can offer. As restaurants adopt delivery technology they are more likely to embrace other forms of digital technology in their business e.g. across HR or financial management.

We will continue to look for ways to build on how we support restaurants through cost-saving schemes or marketing opportunities for growth.

Cost savings

- In the UK, against a backdrop of rising food price inflation, we launched a partnership with Bestway to provide our partners with access to cheaper prices on their everyday essentials.
- With Olleco oil, we offer partners both cheaper prices on fresh cooking oil and rebates on the collection of used oil.

Tailored support

- Working with Enterprise Nation, we've rolled out sustainability training to all UK partners, giving expert advice on topics including cutting down on food waste and managing sustainable supply chains. We look forward to rolling out this training in all markets in 2024.
- We have dedicated account management and partner support services.
- We provide insights via 'Deliver and Grow', our new insights report series for delivery businesses.

Marketing

- Tens of thousands of restaurants make use of our Marketer Offers, which allow restaurants to create promotions.
- Our new value programme highlights great value partners through funded marketer offers, priority in carousels and value tags.
- Our advertising platform gives restaurants the opportunity to promote themselves on the Deliveroo app, which drives an increase in new customers.

SECR disclosure

In line with the UK Government's Streamlined Energy and Carbon Reporting ('SECR') legislation, we have calculated total operational energy and associated GHG emissions across the Deliveroo plc global portfolio for the year ended 31 December 2023. Our reporting scope includes energy associated with activities undertaken by the Group only. Energy and associated emissions reported include electricity and natural gas utilised at operational sites (Scopes 1 and 2) and relevant business travel (that falls in Scope 3). This includes our Editions kitchens, Hop sites and office estate. No other emission sources were identified as applicable for the Group's operations. As set out above, reducing our own direct emissions while supporting consumers and merchants to reduce their own emissions is a key priority.

In 2023, 40% of our total SECR-relevant energy consumption (from all scopes) was UK based. We consume significant amounts of energy in the UK because, as a UK-headquartered company, we have more staff and therefore larger offices in the UK, as well as having a large share of our Editions kitchens based in the UK. Our UK emissions have increased. This is mainly driven by increased natural gas usage. This could be driven by increased Editions kitchen capacity and changes in how our partners use their gas in those sites.

Our global SECR-relevant emissions were calculated at 12,745 (of which 12,727 are our global Scope 1 and 2 location-based emissions). This compares to 2022 emissions of 13,160 on a location basis. Our overall emissions in FY2023 have therefore fallen by 3% compared to FY2022. Part of this reduction is driven by market exits in Australia and the Netherlands meaning we are operating in fewer markets. Aside from market exits, emissions reductions in Hong Kong had the biggest effect. Here, changes in our consumption pattern and a greening of the respective energy grids drove the reduction.

Data we collected was analysed by our external consultants, Sustainable Advantage, based on 79% verifiable data and 21% estimated data. Data was collected from statements and invoices provided by utilities companies and landlords; for some locations meter readings are taken and verified by external providers. Amounts have had to be estimated for locations where a service charge is paid rather than metered invoices, where co-working spaces are used, or where it was not possible to collect metered data.

Consistent with last year, estimated data was based on CIBSE Guide F (2012) benchmarks against the total occupied floorspace for each site or estimated using pro rata data collection methods. Where we had partial data we utilised the actual data we had, and applied an average for the missing data for the rest of the year. The Group will continue to engage with suppliers and landlords to obtain increased data for its 2024 reporting. The table on page 40 sets out data for the year ended 31 December 2023 in line with the SECR framework, including our total global and UK operational energy and carbon emissions required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Sustainability review continued

SECR disclosure continued

Methodology

- Our emissions have been calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard (revised edition) and emissions factors have been taken from International Energy Agency and DEFRA databases (consistent with FY2022).
- The boundaries of our GHG inventory were defined using the operational control approach, which covered all emissions for which we were responsible during the period.
- Reporting scope includes energy associated with activities undertaken by global entities directly owned by Deliveroo plc only.
- Energy and associated emissions reported include electricity and natural gas utilised at operational sites and relevant business travel (e.g. use of hire cars or employee-owned vehicles for business mileage).
- Where data was partially collected, pro rata calculation methods were used. Where these were cost only, average country electricity cost/kWh to back-calculate kWh was used.
- Twenty-one percent (21%) of our data set is based on estimated data. Estimates are calculated from previous consumption and published CIBSE Guide F (2012) benchmarks (as this was used to inform previous consumption estimates).

Energy efficiency measures in 2023

During the year we built business cases to identify our most impactful energy-saving measures. This is in line with the priorities we set out in 2022. These include fan speed modulation, heat recovery systems and refrigeration controls. We built these business cases on the basis of our Energy Savings Opportunities Scheme audit, internal data, and advice from Avison Young, our external consultants. Over 2024 we will implement these measures and we have a dedicated budget to support this implementation.

As we stated last year, we have continued with the roll-out of sub-metering in our Editions kitchens and we will continue to assess new opportunities over the course of 2024. We also actively investigate the procurement of renewable energy sources to meet our PSP targets which are detailed below:

- Last year, against a 2022 baseline, we set a target of a 15%-25% reduction in our market-based Scope 1 and 2 emissions (2025 target date).
- This year, against a 2022 baseline, we set a target of a 20%-30% reduction in our market-based Scope 1 and 2 emissions (2026 target dates).

These PSP targets are based on a baseline that excludes certain markets so that market exit does not contribute to emissions reduction. As such the SECR disclosure below may not precisely track our PSP data.

Streamlined Energy and Carbon Reporting ('SECR')

	As at December 2023		As at December 2022	
	Global	UK and offshore area	Global	UK and offshore area
Scope 1 – tCO ₂ e emissions	5,079	3,094	4,203	2,441
Scope 2 – tCO ₂ e emissions (location)	7,649	2,057	8,957	2,035
Scope 2 – tCO ₂ e emissions (market)	6,220	628	7,815	893
Scope 3 – grey fleet (MWh/tCO ₂ e)	72.5/18	45.7/11		
Total scope 1, 2 and 3 (location)	12,746	5,162	13,160	4,476
Total scope 1, 2 and 3 (market)	11,317	3,733	12,018	3,334
Scope 1 – natural gas	27,764MWh/5,079tCO ₂ e	16,916MWh/3,094tCO ₂ e	23,043MWh/4,203tCO ₂ e	13,373MWh/2,441tCO ₂ e
Scope 2 – electricity (location)	23,393MWh/7,649tCO ₂ e	10,288MWh/2,057tCO ₂ e	27,113MWh/8,957tCO ₂ e	10,521MWh/2,035tCO ₂ e
Scope 2 – electricity (market)	23,393MWh/6,220tCO ₂ e	10,288MWh/628tCO ₂ e	27,113MWh/7,815tCO ₂ e	10,521MWh/893tCO ₂ e
Scope 1 – MWh consumption	27,764	16,916	23,043MWh	13,373MWh
Scope 2 – MWh consumption	23,393	10,288	27,113MWh	10,521MWh
Total MWh consumption	51,230	27,250	50,156MWh	23,894MWh
Intensity ratio (location basis) – tCO ₂ e/100,000 orders	2.83	3.24	4.25	2.83
Intensity ratio (location basis) – tCO ₂ e/£m revenue	3.93	4.26	6.45	4.00

Responsible business conduct

In 2023 we refreshed our Code of Conduct – known as the ‘Roo Way’ – which reflects our commitment to conduct business in accordance with our Company Values, to act with integrity and to offer the best experience to our marketplace. The principles outlined in the ‘Roo Way’ are reinforced through mandatory training and regular communication, ensuring that our colleagues are well-informed about the expected standards and equipped to meet them. Through our whistleblowing platform – known as ‘Speak Up’ – we encourage colleagues to report breaches of the Code or other policies to allow us to investigate and remediate wrongdoing where necessary.

We have procedures in place to address risks associated with working with third parties and in 2023 we reviewed our Business Partner Code of Conduct, with a view to circulating a refreshed document to our third parties in 2024. Our Business Partner Code of Conduct is embedded within the Deliveroo procurement process, so suppliers are required to acknowledge and factor in its requirements before engaging with us.

Anti-bribery and corruption policies

We are committed to countering all forms of bribery and corruption and work hard to prevent and mitigate risk in this area. Our Anti-Bribery and Corruption Policy and accompanying training sets out our zero tolerance approach and the conduct we expect of all employees. As a rapidly growing company we periodically update our anti-bribery risk assessment to ensure it remains an effective tool for targeting our compliance resources. The assessment helps us to monitor key risks and implement additional controls, as well as maintain our anti-bribery and corruption compliance programme on a risk-targeted basis.

Modern slavery and human rights

We believe everyone has a right to safe and fair working conditions, and to be treated fairly and with respect. We recognise our responsibility to respect human rights, which is embedded within our policies and initiatives, some of which are described in our People section on page 42.

We are committed to the prevention of abuse, and work proactively to prevent instances of forced labour, human trafficking and child labour from occurring within our business and our supply chain.

During 2023 we worked to strengthen the foundation we put in place to tackle this issue, which included a refresh of our Modern Slavery Policy and the employee training that supports it as well as confirming that our business contracts contain appropriate anti-slavery provisions. More information can be found in our Modern Slavery Statement (available on our website) which summarises the risks associated with our business and supply chain as well as the activities we have undertaken to identify and address potential impacts.



People

Company Values

In 2023 we launched a refreshed set of Company Values recognising the importance of having an organisational culture driven by shared values and clear expectations about how we do business. Our Executive Team led the refresh and then took value concepts out to employees for testing and refinement.

Our new Values were launched to the business in June 2023:



Live and breathe our marketplace



Play to win



Celebrate difference



Champion big and small innovations



Obsess about operational excellence



Be curious and intellectually honest

The People Team and business units have been working to embed the values in organisational processes. This includes integrating them into our hiring and onboarding processes, and evaluating our people against them in our performance review cycles.

Since launch, our employee engagement platform also asks employees about the extent to which their day-to-day experience reflects our Values. Initial reactions have been positive, with employees appreciating a re-focused and reduced set of Company Values. The People Team will continue to share examples of the Values in practice, and further guidance, in order to deepen understanding and affinity. Going forward, our new Company Values set a standard against which to test our strategies, decisions and behaviours.

What it's like to work at Deliveroo

At Deliveroo, we offer an exciting environment in which to build a career. This is captured in our Employee Value Proposition, and shared externally through our employer brand and marketplace initiatives.

Our Employee Value Proposition

Our Employee Value Proposition comprises three pillars describing the professional and personal value derived from a career at Deliveroo:

Grow fast:

Our impact on employees

As a technology company at the cutting edge of a rapidly evolving industry operating a three-sided marketplace business, employees have the opportunity to solve unique, challenging and complex problems in a dynamic and fast-paced culture with brilliant people to work with and learn from. This unrivalled professional growth opportunity is supported by our maturing learning and development proposition, which includes skills training and accelerated leadership development programmes.

Leave your mark:

Our employees' impact on Deliveroo

Although we have grown quickly, there are large parts of our business which are still in the early or build phases, and innovation is a constant theme: whether that's launching our new non-food non-food retail business, or growing our businesses and proposition in new, nascent markets. This means our employees innovate and solve distinctive and challenging problems at speed, and people in all roles and at all levels of Deliveroo have the opportunity to make a tangible impact on the business.

Be part of something bigger:

Our impact on the world

Our employees are part of building a nascent industry, through innovations like Deliveroo Hop and our expansion into retail, enabling thousands of riders to work flexibly, and driving economic activity for our partners. They're also part of something bigger through charity partnerships, such as partnering with the Trussell Trust to bring food to those in poverty, or the 'Friend of Dorothy' initiative, bringing together our partner network and DE&I commitment to offer thousands of meals to homeless LGBTQ+ youth.



Competing for talent

Hiring talent efficiently is critical to the competitiveness of our business and key to achieving our strategic goals. We have continued to invest in our engineering centre in India to broaden our access to top 'tech' talent. Opened in 2021, the centre is now home to more than 200 of our technology employees.

Building our employer brand

In 2023 we sponsored some key talent events and communities to enhance Deliveroo's position as an employer of choice for some of our hardest to reach talent, as well as diversify our candidate pipelines. This included sponsoring and contributing content and speakers to Women of Silicon Roundabout, Black Tech Fest, and Karren Brady's Women in Business & Tech Expo in London. In 2024 we'll be taking our new employer brand concept, 'Delivering Possibility', to market to showcase the exciting career growth opportunities that are available at Deliveroo. We'll continue our focus on targeted talent marketing to reach the best talent and support our work to increase diversity in our workforce and reflect our communities.

Making a difference

We partner with a number of charities working with those in need or at risk of food poverty across our markets, for example the Red Cross in Italy and the Trussell Trust in the UK where millions of meals have been provided since the start of the partnership. Additionally, all employees receive a paid day annually to volunteer with a charity of their choice.

Experiencing our marketplace

Our consumers, riders and merchants are at the heart of everything we do, and we encourage our employees to experience the three sides of the marketplace.

Our 'We Are Deliveroo' programme encourages them to spend time as a rider making deliveries, visit our Hop and Editions kitchen sites, join a fieldwork focus group with our User Research and Insights team, complete live Care team chats, and complete a shift at our bricks and mortar restaurant, Pizza Paradiso, in North London.

Our approach to employee engagement

Employee feedback

Our people are critical to our continued success, and so providing them with the opportunity to give and receive feedback about their experiences at Deliveroo is an essential way to foster a positive culture and continue to improve employee experiences here. A key channel that we use is our employee engagement survey platform, which provides a fully confidential and regular means for employees to share their views. Through the survey platform, we seek feedback on a monthly basis, as well as at other key stages of the employee journey (such as onboarding and exits). Each month Peakon calculates an overall engagement score, which measures employee sentiment over time across four engagement areas: 'belief (in product)', 'satisfaction (in job)', 'loyalty (to Deliveroo)' and 'employee net promoter score ('eNPS')'.

Seeking open and honest feedback regularly on a wide range of issues impacting employee engagement allows us to flag and address opportunity areas in real-time as they arise. Managers receive live access to their team's results to understand both what is going well, and where they can provide further support. Results, insights and recommendations are shared quarterly with the Executive Team, along with insights into any action taking place as a result of employee feedback.

Our score has decreased from 7.8 in December 2022 to 7.4 in December 2023. The primary driver is that in February 2023, we announced a Company-wide redundancy programme that impacted engagement across all areas of our business. In the UK, a material percentage of our workforce was placed at risk as we underwent collective consultation about the redundancies between February and April 2023.

Throughout 2023 we launched a range of Company-wide initiatives in response to employee survey feedback, and to improve engagement following the redundancy programme. Examples included the launch of our new Company Values on page 42 plus 'version 2' of manager training, expansion of the 'Accelerate' leadership programme for women to include more junior grades, and completion of the first two cohorts of our Accelerated Leadership Programme for high potential talent. We will continue to take action to support our long-term focus areas, as well as prioritising regular and effective communication with employees about our strategy and goals.

People continued

Our approach to employee engagement continued

Developing our people

We are committed to offering extensive development for our people, both to help them progress in their careers and ensure we are continually strengthening our base of talent. During 2023 we launched additional global programmes – advanced training for all people managers (building on the success of foundational manager training launched in 2022), as well as our new Company-wide mentoring platform, external one-to-one coaching for Senior Managers and above, and in-person training on communications and presence. The first two cohorts of our new Accelerated Leadership Programme for top talent completed in 2023, and we also kicked off the third cohort in December. Following the success of the 2022 Accelerate for women programme to help develop future female leaders, a version of the programme targeting more junior grades was launched in 2023. We continue to provide all employees with access to on-demand digital learning resources curated from leading content providers.

Supporting our people

Flexibility and wellbeing

We continue to focus on the health and wellbeing of our employees, ensuring they are supported and have access to the tools they need to create a healthy work-life balance. We provide emotional wellbeing support via our Employee Assistance Programme and the Headspace app, enabling employees and their family members access to free structured counselling sessions and mindfulness content. All employees have access to a form of gym benefit, whether that be a network of classes and gyms in their local area, or facilities onsite. In the UK we also enhanced our healthcare coverage to provide a minimum level of fully paid cover to all employees.

Our employees continue to create momentum around wellness, coming up with innovative ways to inspire colleagues to prioritise their wellbeing, whatever that means for them. Our global wellness events in 2023, included months dedicated to nutrition, movement and mental health. Teams heard from experts on gut health and shared recipes in a global recipe exchange. Employees also held movement challenges, yoga and pilates classes, and launched Deliveroo's first run club, the Roo Running Club.

Our UK-based employees had the option to work both in the office and fully remotely in 2023. As we transition to returning to the office in the UK on a more regular basis in 2024, we look forward to the significant benefits that in-person office work can provide to both employees and the business. For example; more effective collaboration within and between teams, better on-the-job learning for junior employees, better onboarding for new employees and a stronger sense of Deliveroo culture. Recognising that there are also benefits to working remotely, employees will continue to have the opportunity to work from home for two days a week. To help manage the impact of this transition

on the minority of employees that are not able to work from the office, we offer remote contracts by exception, and we consider flexible working arrangements across all markets in line with statutory regulations.

Flexibility is something we know is important to our employees, especially those with caring responsibilities, which is why we were proud to announce the creation of the Family and Carers ERG. This new ERG will provide support, resources and community to those employees who face the challenges of balancing their professional commitments with caregiving responsibilities.

Diversity, equity and inclusion and how we celebrate difference at Deliveroo

During 2023 Deliveroo's Diversity, Equity and Inclusion ('DE&I') team continued to celebrate difference in all its forms, driving a sense of urgency within our business around how to better support the communities we serve. Stronger focus and access to more data resulted in tangible impact across representation and retention for underrepresented talent.

For the first time, Deliveroo featured in The Financial Times 2024 Leaders in Diversity list, ranking 122 out of 850 companies. Our ERGs were also recognised globally for their dedication to inclusion, securing mentions at the European Diversity Awards and Diva Awards.

Scaling commitments and sharing in the responsibility of equity

Continuing the foundations and commitments set in 2022, the DE&I team, in partnership with teams across our business, launched over 60 initiatives. Over the course of 2023, these programmes underscored a Company-wide commitment to accountability and investment in embedding DE&I into everything we do.

Leadership accountability

In 2022, our Executive Team engaged in a series of strategic workshops of over 100 hours focused on learning and implementation of DE&I thinking in decision making and planning. During 2023 we expanded that learning into deeper accountability, with three extensive work sessions mapped to our key community impact areas of gender equity, racial equity, and LGBTQ+ inclusion. Objectives included increasing Executive Team confidence and investment in practising DE&I, involving them directly in DE&I outcomes, and equipping them to better understand the lived experience of employees from underrepresented groups.

Additionally, we launched an executive level reciprocal mentoring programme where the traditional mentor and mentee roles are flipped – employees from underrepresented groups mentor, leaders listen. The six-month programme included discussions ranging from topics like navigating microaggressions in the workplace to what it is like working in tech as part of Generation Z.

Targeted equity and inclusion interventions

We have continued to focus on improving inclusivity for our employees within their local communities.

- Based on our research and analysis, we expanded our remit of diversity to include ethnicity, sexual orientation and disability, developing new multi-year plans to deliver positive impact for some of our most underrepresented employees in 2024.
- Our impact plan for gender equity also evolved. At the end of 2023, 79% of the new actions introduced in our gender equity plan were either completed or in progress, covering areas like inclusive recruitment, development of women in middle management, and more. This has resulted in an increase in the number of women in more senior roles (specifically those at Level 7 and above) from 26% to 29% in tech and 46% to 47% in business roles. New employer branding campaigns aimed at women and other recruitment interventions have resulted in an increase in the percentage of women hired in tech roles, from 23% to 30%. Voluntary attrition rates for women in Level 7 and above roles also improved by 5 ppts in 2023 (from 12% in 2022, to 7% in 2023).

- We refreshed or introduced multiple policies and guidance, including: a revamp of our Code of Conduct and Generative AI policies, and guidance around LGBTQ+ inclusion in the workplace; employee wellbeing; honouring Ramadan; inclusive communications and events; and how to navigate global crises.
- We continued to embed DE&I across the employee experience, including the Company Values refresh, performance review processes, and global interview process.

Inclusive learning journeys

In 2023, we launched our first-ever global inclusive learning journeys programme, with 40% of senior leadership completing the first workshop before the end of the year. Facilitated by experts in the science of inclusion, this programme is focused on increasing our employees' ability to consider and apply DE&I principles in decision making. So far we have introduced a library of over 70 resources to help supplement learning.

Gender diversity (as at 31 December 2023)

Gender split of Directors (of plc)
As at 31 December 2023

● Women – 50% ● Men – 50%



Gender split of Directors (of plc)
As at 31 December 2022 (prior year)

● Women – 43% ● Men – 57%



Gender split of Senior Managers (excluding CEO and CFO)
As at 31 December 2023

● Women – 41% ● Men – 59%



Gender split of Senior Managers (excluding CEO and CFO)
As at 31 December 2022 (prior year)

● Women – 39% ● Men – 61%



Gender split of all employees of the Group (excluding Directors of plc)
As at 31 December 2023

● Women – 40% ● Men – 60%



Gender split of all employees of the Group (excluding Directors of plc)
As at 31 December 2022 (prior year)

● Women – 40% ● Men – 60%



Diversity, equity and inclusion and how we celebrate difference at Deliveroo continued

Increasing our understanding of diversity

Our global voluntary self-ID programme makes it easier for employees to share their demographic data. Painting a picture of our diversity across race, ethnicity, gender identity and sexual orientation helps us identify new areas to embed inclusion and refine how we design for equity. While some markets have restrictions on what data can be shared, certain markets will be able to voluntarily report in 2024. See the Nomination Committee report on page 92 for the diversity data compiled to meet FCA listing rules.

Employee Resource Groups

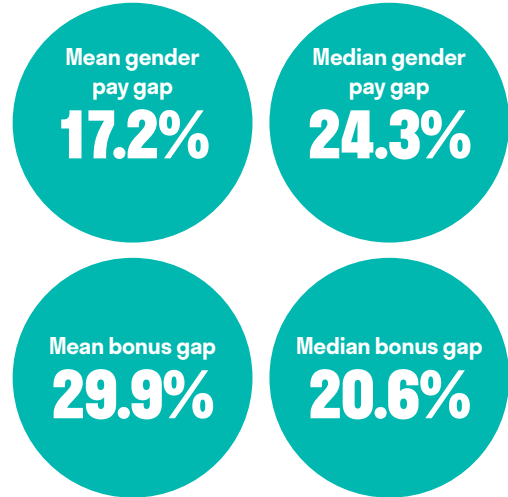
Together with our ERGs, we brought to life dozens of opportunities for employees to learn, experience, and honour the unique cultures that make up Deliveroo. During 2023 the total number of ERGs increased from five to seven, with the launch of ERGs for our family, carer, and disability communities in addition to Women in Tech, Gender Equity, Racial Equity, LGBTQ+ (Deliveroo) and Wellbeing. Membership in the ERGs also grew from 22% in Q2 to 25% globally by 31 December 2023. These groups are a testament to our value of celebrating difference and in 2023 they organised a record number of events in relation to cultural moments like Pride, Black History Month, Diwali and Hanukkah. Beyond empowering new ERGs, our investments included:

- celebrating our most ambitious Pride ever, in which we funded thousands of free meals in restaurants across the UK for LGBTQ+ people experiencing homelessness and raising over £50,000 to help put an end to LGBTQ+ bullying in schools across the UK;
- providing opportunities for ERG-led development such as conference attendance and access to resources via Grocery Aid and other partners;
- enabling ERGs to play a more active role in shaping Company policies around employee safety and wellbeing;
- sponsoring Black Tech Fest for the second year in a row, the largest gathering of Black tech talent in Europe; and
- promoting and celebrating the external impact of our ERGs. For example, continuing a mentorship programme for Black youth together with BelEve, being awarded “Highly Commended” in the Outstanding LGBTQIA Network of the Year at the European Diversity Awards, sponsoring the Diversity Champion award at the LSEG Diva Awards, and being shortlisted for the New LGBTQIA Network award at the Rainbow Honours Awards.

Looking ahead

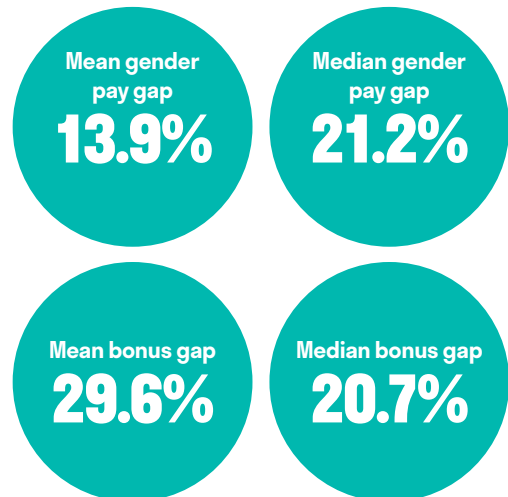
Some of our specific areas of focus in 2024 will include: sustaining the progress made so far on DE&I; establishing a more intersectional approach to our work by considering more identities beyond gender; and enabling the business to consider DE&I earlier on in decision making that impacts employees and the marketplace.

Gender pay gap stats: Rooffoods Ltd (2022/23 report)



The gender pay gap data presented above is for the entity of Rooffoods Ltd, our main UK operating entity and our UK employee population, incorporating 92% of our employee population as of the date of the report.

Gender pay gap stats: All Deliveroo UK (2022/23 report)



The gender pay gap data presented above is the data for all UK employees, which includes both entities: Rooffoods Ltd and Deliveroo Hop Ltd.

For more information please see our Gender Pay Gap report on our Company website at: <https://corporate.deliveroo.co.uk/gender-pay-gap/>.

Operating and strategic review¹

1. Key developments in 2023

Growth and operating environment

GTV and revenue grew 3% year-on-year (3% and 2%, respectively, in constant currency), a resilient performance in the context of the macroeconomic backdrop. Throughout the first half of the year, across many of our markets food price inflation was consistently high, outpacing wage inflation. The associated cost of living crisis put significant pressure on consumer confidence and spending power.

During the second half of the year, food price inflation began to ease and the gap between food price inflation and wage inflation started to narrow. GTV growth improved from 1% in H1 to 5% in H2, both in constant currency. The UKI performed well, with GTV growing 7% in constant currency, in line with overall market growth. International lagged the UKI, with GTV contracting (3)% in constant currency. However, trends improved steadily through the year and International returned to growth in Q4, with notable strength in Italy and UAE, alongside improvements across most other markets.

In 2023, GTV grew in both our two primary verticals of restaurant and grocery delivery. In the five years since we pioneered on-demand grocery, the business has scaled significantly and in H2 2023 it represented 13% of total GTV (H1 2023: 11%) and reached an annual run-rate GTV of £1 billion in Q4. This strong growth despite the difficult consumer spending environment gives us confidence in the strength of demand for the convenience of on-demand grocery and the growth runway ahead.

Overall, while we see some signs of stabilisation in customer behaviour, we continue to face a fragile consumer spending environment. In this context, we are particularly pleased with the progress we have made on a number of customer 'trust-building' metrics within our consumer value proposition ('CVP'), including service and price/value. The strong execution we have demonstrated in the year underpins our confidence in delivering the growth opportunity ahead, which we outlined at our Capital Markets Event in November. We have multiple growth levers within our control to unlock future demand and are on-track with our development of these levers.

Consumer value proposition

The on-demand delivery industry is still early in its maturity and there remains ample room for growth. We firmly believe that the biggest factor to unlock future growth for Deliveroo and our merchants is building consumer trust, through a combination of price integrity and a flawless delivery experience. Achieving this relies on getting the basics right: building the best consumer value proposition by continually improving factors such as consumer experience, selection and price/value. We made good progress on all of these CVP pillars in 2023.

Consumer experience

As an on-demand three-sided marketplace we aim to deliver a seamless consumer delivery experience on each occasion. While the overwhelming majority of orders go smoothly, a small percentage of orders go wrong, which can negatively impact on consumer trust. Working with restaurants and riders, we have been able to substantially reduce poor service outcomes such as missing items and late orders. The biggest improvement came in what we call 'OMDNR' (Orders Marked as Delivered, but Not Received), where the consumer does not receive their food at all. We have reduced this by c.65% in 2023, generating annualised savings of over £20 million from reduced compensation costs. We also saw an improvement in our net promoter score in the year.

During 2023, we launched a 'premium' delivery option in UKI, France and Italy, allowing consumers to pay a small fee to guarantee that the consumer's order is brought directly to them, ahead of any other order; if a premium delivery arrives after the estimated delivery time, the fee is fully refunded. We developed this feature in response to explicit consumer demand, and we have been pleased by the take up.

In the majority of our markets we now offer consumers the opportunity to 'top up' their restaurant order with the addition of a grocery order through the order tracking page. This is driving new users to the grocery category: almost a quarter of consumers who ordered through this feature in 2023 were new to grocery. We have also improved the in-app experience for grocery, making consumer discovery more personalised, with features like 'Your Regulars' and 'Top Picks' based on previous buying behaviour, which aid basket-building as we expand into mid-sized baskets (£30-£60).

Selection

We have continued to enhance the selection available to consumers, adding more merchant supply to the platform and taking the total number of restaurant, grocery and retail partners to around 183,000 (end of 2022: ~176,000). However, we have always recognised that consumers care about their hyperlocal selection, rather than the total number of restaurants available on our platform. Over the last year we dramatically increased the selection that consumers see in the app by expanding delivery radii in certain zones to give them access to more restaurants and provide greater choice. We also significantly expanded the range of products available within our grocery offering, with selected partners now offering up to 10,000 SKUs. This is a key enabler to our mid-sized basket expansion, along with the improved in-app experience mentioned above. We have seen positive results in 2023 with mid-sized basket orders growing at over five times the rate of other grocery orders and now representing approximately a fifth of total grocery orders.

1. In this section, all growth rates are year-on-year and in reported currency unless otherwise stated, and all figures exclude results from Australia and the Netherlands, where operations ended on 16 November 2022 and 30 November 2022 respectively, and Spain, where operations ended on 29 November 2021 (all three markets are treated as discontinued operations). 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 187. More detailed discussion of statutory results is contained in the Financial Review beginning on page 51.

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Operating and strategic review continued

1. Key developments in 2023 continued

Consumer value proposition continued

Price/value

Price integrity is critical to building consumer trust and price/value is a key component of the CVP, particularly when the cost of living crisis is impacting consumers' spending power. While we do not set menu prices, we are actively promoting value in the app. Examples include highlighting where restaurant and grocers are matching prices to their dine-in or in-store prices, as well as using targeted promotions to provide value, for example our '£7 off 7' orders promotion and 'summer saver' campaigns, alongside buy-one-get-one-free offers with participating restaurants. As we focused on price integrity we have been encouraged to see an increase in consumers who believe that Deliveroo offers good value for money.

Value programme and commercial architecture

In addition to the direct CVP levers mentioned above, we developed indirect tools to incentivise our merchants to provide fair prices in combination with great service. We do this through two programmes working in parallel:

- 1) Our Value Programme rates the value for money provided by partners based on price integrity (the mark-up vs dine-in prices), quality (using consumer ratings) and service (focusing on availability, speed and low order defect rates). Restaurants scoring well on these three factors are featured in our 'Deliveroo's Choice' carousel in the app, increasing their traffic and visibility, and allowing them to participate in specific offers.
- 2) Our new commercial architecture means larger merchants can unlock lower commissions linked to performance on trust-building metrics, such as smaller mark-ups and better operational performance. This creates wins for consumers (better prices and fewer poor order outcomes), for riders (lower wait times at restaurants), for merchants themselves (better consumer retention), and for Deliveroo (more trust in the platform).

We have been encouraged by how partners have embraced this approach. Some major partners have invested in new managerial roles to oversee delivery operations and have enhanced their in-house technology solutions, and service improvements have included reduced rider wait time at restaurants and improved opening hours. Overall, we are pleased by the response from partners and consumers, and remain confident that this trust-building approach is the right one for consumers, riders, merchants and Deliveroo.

Grocery GTV reached
£1bn
 annual run-rate in Q4 2023

~183,000
 restaurant, grocery and
 retail partners

Launch of retail proposition

While food remains at the heart of what we do, it is clear from app search term data and purchases from our existing grocery partners that consumers want us to deliver more than just food. Therefore, in November 2023 we launched our new retail "shopping" proposition, starting in the UK and UAE. In time, our ambition is to bring the neighbourhood to consumers' doors, unlocking on-demand delivery from retailers such as local florists, DIY stores and pharmacies, in addition to the existing restaurants and grocers available on the platform. With a total addressable market of £700 billion in markets where Deliveroo operates, retail represents a very large potential opportunity. Our target is to create a business in the region of £700 million GTV by 2028.

We are still at the beginning of our retail journey, but we have been pleased by the early progress with merchants and the response from consumers. We have been ramping up selection across key target categories including flowers, gifting, health and beauty, petcare, home- and kitchenware, baby and DIY. We already partner with national chains such as Boots and Screwfix in the UK and Early Learning Centre, Tavola and Geekay in the UAE, as well as a rapidly growing number of local independent stores. Alongside these 'pure-play' non-food retailers, we have worked with our grocery partners to expand their non-food selection. Within the app, we have continued to evolve our shopping experience, developing new item-first search and browsing capabilities, leveraging machine learning to provide a curated selection to a consumer, as well as introducing a new give-a-gift feature.

Significant improvements in profitability and free cash flow*

We continued to make progress towards reaching our target of a 4%+ adjusted EBITDA margin (as % of GTV) by 2026. Adjusted EBITDA increased to £85.4 million in 2023, compared to £(45.0) million in 2022. Adjusted EBITDA margin (as % of GTV) reached 1.2% in 2023, an improvement of 190 bps versus 2022. This was driven by 90 bps of gross profit margin (as % of GTV)* expansion and 100 bps of reduction in marketing and overheads as % of GTV*.

During the year we continued to benefit from the annualisation of the measures we took in 2022 to optimise consumer fees and the increasing contribution of advertising revenue. In addition, we improved gross profit margin through efficiencies in the delivery network that helped to limit the inflationary impact on cost of sales per order. We did this through reducing the amount of time riders spend waiting at restaurants for an order to be ready, as well as by lowering our spend on customer compensation by substantially reducing the rate of orders that are not received by customers ('OMDNR'). We also further developed our stacking capabilities by launching multi pick-up stacking, where a rider can pick up orders from multiple merchants and deliver them to multiple consumers.

Our advertising business is an important driver of profitability, and it reached an annualised revenue run-rate in Q4 2023 of £77 million (Q4 2022: £40 million) or 1.0% of GTV (Q4 2022: 0.6% of GTV). The majority of this revenue currently comes from our sponsored positioning and search results product for restaurants and grocers, which continue to

drive strong ROAS for partners. Our focus remains on taking a consumer-first approach, wanting to strike the right balance between helping merchants drive incremental demand while always prioritising the consumer experience.

Marketing and overheads* decreased to £641.0 million in 2023 compared to £688.2 million in 2022. The year-on-year reduction was in large part due to more targeted marketing investments, as well as overhead cost efficiencies, driven by benefits from headcount reduction measures actioned in the first half of the year.

Free cash flow improved to £(38.4) million – excluding £31.7 million of interest income but including exceptional cash costs of £20.2 million. This compares to £(243.1) million in 2022, with the significant improvement a result of our substantial progress in profitability as well as good investment discipline (£36.7 million lower capital expenditure and capital development costs) and lower cash exceptional costs.

Operational and strategic progress in 2023 underpins our confidence in medium-term targets

At our 2023 Capital Markets Event (CME) we set out our strategic priorities and financial targets: to deliver mid-teens percentage GTV growth per annum (in constant currency) in the medium term and to reach an adjusted EBITDA margin of 4%+ by 2026. Our industry is at an early stage of maturity, and we see multiple opportunities ahead of us to drive strong growth in GTV and revenue, and to generate strong and sustainable profit and free cash flow per share. On the growth side, these opportunities include further CVP levers (selection, price integrity, Deliveroo Plus and delivery experience) and new verticals and use cases (retail and mid-sized grocery baskets). On profitability and cash flow, we see opportunities in reducing rider wait time and smarter order stacking, increased marketing efficiency/targeting, and opportunities to improve operating leverage as we scale, helped by improved tooling and automation. We have made good progress on all these levers in 2023 – as detailed in the sections above – and with multiple further opportunities ahead, we are confident in our ability to deliver our medium-term targets.

Capital position and shareholder returns

Our IPO in March 2021 raised primary proceeds to meet the anticipated investment needs of the Group at that time. Since then, the competitive environment evolved, in part driven by the shift in financial market conditions. In addition, we reached adjusted EBITDA profitability ahead of plan, and have made good progress towards our goal of generating sustainable positive free cash flow. Together, these factors prompted the Board to re-evaluate the cash requirements of the Group during 2023.

The Board undertook a review of the Group's capital structure, growth opportunities and required cash balances, and concluded that the Group had structurally surplus cash of £250 million. After consultation with shareholders it was determined that the most appropriate mechanism for the return of capital was by way of a tender offer.

The tender offer was completed in full in October 2023, with the purchase of 192.3 million A ordinary shares at a price of 130p for a total cost of £253 million (including fees). The purchased shares were subsequently cancelled.

This was in addition to the £50 million on-market share purchase programme announced in March 2023 that completed in December 2023, with the purchase of 44.7 million A ordinary shares, which were subsequently cancelled. This brought the total return of capital announced and completed in the year to £300 million, broadly a third of the Group's net cash at the start of 2023.

Net cash was £679 million at the year end; we will continue to regularly review our capital position as we make further progress on profitability and cash generation and as the competitive, consumer and regulatory backdrop becomes clearer.

During 2022 and 2023, Deliveroo's Employee Benefit Trust ('EBT') purchased 83.3 million shares to be used to satisfy employee share-based compensation awards. At the end of 2023, the EBT held 56.9 million shares. In 2024 and beyond, we intend to satisfy the exercise of all employee share-based compensation awards using shares held currently or purchased in the future by the EBT, thereby offsetting any potential dilution to shareholders from the exercise of employee share-based compensation awards.

2. The three sides of the marketplace

Since 2013, we have pioneered on-demand food delivery via a hyperlocal three-sided online marketplace, connecting local consumers, riders, and merchants. In 2023, we extended our delivery network and online marketplace to include retail, broadening our mission to transform the way people shop, as well as the way people eat, through on-demand delivery. For consumers, Deliveroo unlocks broad choice and fast delivery times, working with merchants who often have never offered an online presence and on-demand deliveries before. For merchants, we not only provide logistics, but, more importantly, an incremental demand generation channel, including access to millions of new consumers, as well as online tools to grow their business effectively. For riders, we offer highly flexible work which they can rely on for attractive earnings, alongside security and benefits. In 2023, we made further progress in developing all three sides of the marketplace.

Consumers

Deliveroo's monthly active consumers ('MACs') averaged 7.1 million across 2023, compared to 7.4 million in 2022. Over the last year, MACs have declined modestly, coinciding with inflationary pressures on consumers. The year-on-year decline stabilised through the year, with H1 2023 MACs down 5% and H2 2023 MACs down 2%, exiting 2023 at a high for the year of 7.3 million MACs, reflecting early signs of stabilisation in consumer behaviour. Average order frequency (AOF) remains stable at 3.4 times per month.

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Operating and strategic review continued

2. The three sides of the marketplace continued

Consumers continued

MACs and AOF	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
UK & Ireland (m)	4.1	4.0	3.9	4.1	4.0	4.0	3.9	4.0
International (m)	3.5	3.4	3.1	3.3	3.1	3.1	3.0	3.3
Group average MACs (m)	7.6	7.4	7.0	7.4	7.1	7.1	6.9	7.3
Year-on-year growth in MACs	15%	5%	4%	(1)%	(7)%	(4)%	(2)%	(2)%
Average order frequency (monthly)	3.4	3.4	3.3	3.4	3.4	3.4	3.4	3.4

Monthly active consumers ('MACs') is the number of individual consumer accounts that have placed an order on our platform in a given month; average MACs for a quarter is the average of MACs for the three months of that quarter.

Average order frequency (monthly) is the average number of orders placed by active consumers in a month.

Merchants

Restaurant selection is an important part of our consumer value proposition. Growth in restaurant selection increases availability and choice to consumers on a neighbourhood-by-neighbourhood basis. Our global partner restaurant sites increased to approximately 163,000 at the end of 2023, compared to around 158,000 at the end of 2022. We also expanded delivery radii in certain zones to improve selection for consumers and to allow restaurants and grocers to reach more consumers.

Globally, we now have around 20,000 grocery sites live with major partners and smaller independent merchants, up from approximately 18,000 at the end of 2022. Alongside this 'store pick' model, we continued to roll out Hop, our delivery-only grocery stores. Deliveroo-operated Hop stores and partner-operated Hop-as-a-Service sites are live in the UKI and International segments, with partners including Morrisons, Waitrose, Asda, Carrefour, Esselunga, Choithrams and ParknShop.

In November 2023, we announced our expansion into retail through the launch of our 'shopping' proposition. One of our focus areas for 2024 is to scale this business by rolling out a strong retail CVP in other markets, which will involve adding more great selection to the platform, including both larger retailers and smaller independents.

Riders

Riders are a vital part of Deliveroo's three-sided marketplace and we work with around 135,000 riders globally. Riders value the flexible work we offer, 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 2023 (Q4 2022: 83%). We continue to see strong rider application pipelines and rider retention rates. However, we have actively managed our rider fleet size by onboarding fewer new riders in the period to reflect the impact of macroeconomic conditions on order volumes and maintain an efficient rider network.

The independent contractor status of riders remains under scrutiny in certain markets, with the following updates on material matters in 2023.

- In the UK, Deliveroo has had multiple court decisions that validate Deliveroo's rider model as one of self-employment. In November 2023, Deliveroo's UK rider model was upheld as self-employment by the Supreme Court, the highest court in the country, meaning UK law has conclusively demonstrated that riders are self-employed.
- We expect the European Institutions to reach final agreement over the Platform Work Directive shortly. Within the current draft, the tests to determine the status of platform workers will still be set at Member State level. Critically, proposals provided to date include welcome clarity that, in the event that classification is challenged, national employment law would continue to determine final employment status decisions.
- In France, an investigation into our rider model has concluded. While a negative judgement was reached over a historical model, authorities found that the Company's current model is self-employment. Separately, Deliveroo has worked constructively with trade unions as part of social dialogue to introduce new measures to support riders.
- In Italy, Deliveroo riders are considered to be 'freelance' self-employed. In October 2023, the Court of Milan concluded that riders working under a historical operating model should be considered as having an alternative form of self-employment that brings additional obligations for platforms. Deliveroo believes that this judgement is flawed and is appealing.
- In Belgium, in December 2023 the Brussels Labour Court overturned a 2021 judgement that found Deliveroo riders to be self-employed. The judgement relates to a historical period. Deliveroo considers this latest judgement to be flawed and will apply to appeal.

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. We recognise 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 review²

“We’ve had a good year financially, with significant progress on profitability and cash flow. GTV growth was also resilient given macroeconomic conditions.”

Scilla Grimble

Chief Financial Officer

£ million unless stated	2023	2022	Change
Orders	290.2	299.2	(3)%
GTV per order (£)*	24.3	22.9	6%
GTV*	7,062.0	6,848.1	3%
Revenue	2,030.0	1,974.7	3%
Revenue take rate (as % of GTV)*	28.7%	28.8%	(10) bps
Gross profit	726.4	643.2	13%
Gross profit margin (as % of GTV)*	10.3%	9.4%	90 bps
Marketing and overheads*	(641.0)	(688.2)	7%
Marketing and overheads as % of GTV*	(9.1)%	(10.0)%	100 bps
Adjusted EBITDA*	85.4	(45.0)	n.m.
Adjusted EBITDA margin (as % of GTV)*	1.2%	(0.7)%	190 bps
Loss for the period^	(31.8)	(294.1)	(89)%
Free cash flow*^	(38.4)	(243.1)	(84)%
Net cash*^	678.8	999.6	(32)%

2. 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).

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details

^ Continuing and discontinued operations

Change in constant currency was 3% for GTV, 6% for GTV per order and 2% for revenue.

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

Revenue

£2bn

+3% YoY

Gross profit

£726m

+13% YoY

Adjusted EBITDA

£85m

+130m YoY

Scilla Grimble

Chief Financial Officer

Financial review continued

1. Group operating performance and income statement

→ See more on page 143

Gross transaction value

GTV grew 3% to £7,062.0 million, as GTV per order* growth offset a decline in orders. GTV per order grew 6%, due to item-level price inflation and the annualised impact of consumer fee optimisation in 2022. The impact of food price inflation moderated through the year, with year-on-year growth in GTV per order moderating from 8% in Q1 to 6% in Q2, 5% in Q3 and 4% in Q4, all in constant currency. Orders decreased by 3% year-on-year to 290.2 million in 2023, reflecting the more challenging consumer environment. However, the trend improved through the year, with year-on-year growth of (9)% in Q1, (3)% in Q2, (1)% in Q3 and flat in Q4.

Revenue

Revenue grew 3% year-on-year (2% in constant currency) to £2,030.0 million primarily due to the increase in GTV. Revenue take rate (i.e. revenue as a % of GTV) was broadly stable year-on-year. Drivers of revenue take rate included the positive impact of consumer fee optimisation and the growing contribution from advertising. These were offset by an increase in targeted promotions to provide value, such as the '£7 off 7' campaigns, and a greater proportion of grocery and pick-up orders within the mix, which have a lower take rate. These offsetting factors had a greater impact in the second half, meaning that revenue take rate reduced during the year from 29.1% in H1 to 28.4% in H2.

Gross profit

Gross profit increased 13% to £726.4 million. Gross profit margin (as % of GTV) was 10.3% in 2023, up 90 bps compared to 2022. The year-on-year improvement reflects increases in GTV per order and growing contribution from high margin advertising revenue, as well as efficiencies in the delivery network that have helped to limit the inflationary impact on cost of sales per order (£4.49 in 2023 versus £4.45 in 2022).

Administrative expenses

£ million	2023	2022	Change
Sales and marketing costs	185.8	214.9	(14)%
Staff costs	305.9	298.2	3%
Capitalised development costs	(36.1)	(50.3)	(28)%
Other expenses	185.3	220.6	(16)%
Depreciation, amortisation and impairments	78.9	61.4	29%
Share-based payments charge and national insurance on share options	64.3	68.8	(7)%
Exceptional items*	(14.1)	70.4	n.m.
Total administrative expenses	770.0	884.0	(13)%

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Administrative expenses decreased 13% to £770.0 million in 2023. Marketing costs reduced by 14% year-on-year through improving our targeting and introducing performance marketing optimisation signals linked to individual customer value. We have also enhanced our machine learning models in CRM that better predict how consumers will respond to promotions, which has driven both cost savings and incremental GTV. Staff costs were up 3% year-on-year; whilst we saw average headcount decrease year-on-year as a result of a redundancy programme which removed 9% of employed positions across the business in Q2, this was offset by wage inflation. Other expenses decreased 16% year-on-year, driven by a significant reduction in contractors within the technology team. Depreciation, amortisation and impairments increased to £78.9 million (£61.4 million in 2022), largely reflecting the increase in capitalised development costs during 2022. Exceptional items* represented income of £14.1 million (£70.4 million expense in 2022), with the reduction of some legal and regulatory provisions partially offset by the recognition of additional amounts related to other matters as well as one-off redundancy costs.

The table below explains the 7% reduction in the share-based payments charge and national insurance ('NI') on share options. The significantly lower share-based payment charge compared to 2022 was primarily driven by a reduction in new option awards in 2023 and the phasing of charges for prior year awards. NI on share options in 2022 benefited from the release of accrued NI as a result of the lower share price at the end of 2022 compared to year-end 2021.

Share-based payments charge and national insurance ('NI') on share options

£ million	2023	2022	Change
Share-based payments charge	56.1	83.3	(33)%
National insurance on share options	8.2	(14.5)	n.m.
Total share-based payments charge and NI on share options	64.3	68.8	(7)%

Other operating income and other operating expenses

Other operating income was £5.9 million in 2023 (£7.8 million in 2022), decreasing principally due to income from a new lease arrangement in 2022. Other operating expenses were £6.0 million in 2023 (£12.6 million in 2022), reducing year-on-year primarily due the prior year including a loss on disposal of fixed assets, as well as a decrease in rider kit costs as fewer new riders were onboarded in the year.

Adjusted EBITDA

Reconciliation to financial statements	2023 £m	2022 £m	Change
Operating loss	(43.7)	(245.6)	(82)%
Depreciation, amortisation and impairments	78.9	61.4	29%
EBITDA	35.2	(184.2)	n.m.
Share-based payments charge and national insurance on share options	64.3	68.8	(7)%
Exceptional items*	(14.1)	70.4	n.m.
Adjusted EBITDA*	85.4	(45.0)	n.m.
Marketing and overheads*	641.0	688.2	(7)%
Gross profit	726.4	643.2	13%

Figures for continuing operations.

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Adjusted EBITDA increased to £85.4 million, compared to a loss of £(45.0) million in 2022. Adjusted EBITDA margin (as a % of GTV) improved to 1.2% in 2023, compared to (0.7)% in 2022, an increase of 190 bps. This movement was attributable to a 90 bps increase in gross profit margin (as % of GTV) and a 100 bps improvement in marketing and overheads costs (as a % of GTV).

Finance income and finance costs

Finance income increased to £35.3 million, comprising £34.2 million interest income and £1.1 million foreign exchange gains (£17.8 million in 2022, comprising £11.0 million interest income and £6.8 million foreign exchange gains). The increase in interest income reflects both an increase in interest rates and more efficient cash management. Finance costs were broadly stable at £2.5 million (£2.8 million in 2022).

Income tax charge

Whilst the Group reports a loss before income tax, certain overseas markets do generate profits for tax purposes. The income tax charge decreased to £7.6 million (£11.9 million in 2022), due in part to a reversal of prior year adjustments for current tax.

Discontinued operations

In 2023, the loss for the year from discontinued operations was £(13.3) million (loss of £(51.6) million in 2022), with all expenses treated as exceptional as these relate to market exit costs. The majority of these costs are transfers from contingent liabilities to provisions, in instances where we have reassessed the likely outcome of ongoing legal cases as we seek to conclude matters in countries in which we no longer trade.

Loss for the period

Loss for the period (continuing and discontinued operations) was £(31.8) million in 2023 (£(294.1) million in 2022) as a result of the movements described above.

2. Segmental 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 2023, UKI represented 59% of total GTV (2022: 57%), while International represented 41% (2022: 43%).

UK and Ireland

£ million unless stated	2023	2022	Change reported
Orders (m)	159.2	158.4	1%
GTV per order* (£)	26.3	24.5	7%
Gross transaction value*	4,180.9	3,888.2	8%
Revenue	1,209.0	1,119.4	8%
Revenue take rate (as % of GTV)*	28.9%	28.8%	10 bps
Gross profit	457.5	405.5	13%
Gross profit margin (as % of GTV)*	10.9%	10.4%	50 bps
Marketing and overheads*	(204.9)	(247.6)	(17)%
Marketing and overheads (as % of GTV)*	(4.9)%	(6.4)%	150 bps
Segment adjusted EBITDA*	252.6	157.9	60%
Segment adjusted EBITDA margin (as % of GTV)*	6.0%	4.1%	200 bps

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Change in constant currency was 7% for GTV, 7% for GTV per order and 8% for revenue.

In UKI, GTV grew to £4,180.9 million, a year-on-year increase of 8% (7% in constant currency). This represents continued good performance in UKI, in line with overall market growth. Orders increased by 1%, with a 2% decline in monthly active consumers more than offset by a 3% increase in monthly average order frequency. GTV per order increased 7% to £26.3, reflecting the continued impact of food price inflation as well as the annualised impact of Deliveroo's optimisation of consumer fees in 2022. Revenue grew 8% to £1,209.0 million, primarily due to the increase in GTV. Revenue take rate increased by 10 bps to 28.9% due to the consumer fee optimisation impact and a higher contribution from advertising revenue, offset by an increase in targeted promotions to provide value, for example our '£7 off 7' orders campaign. Adjusted EBITDA increased by 60% to £252.6 million, with just over half of the increase coming from the increase in gross profit, with the remainder due to a 17% reduction in marketing and overheads from cost efficiency measures.

Financial review continued

2. Segmental operating performance continued

UK and Ireland continued

We made further enhancements to the CVP, with significant progress on key service metrics (such as OMDNR, missing items and late orders). These service improvements have been complemented by new features such as 'Your Regulars' and 'Top Picks' in grocery to make for a more personalised discovery experience, the launch of 'premium' delivery and the option to 'top-up' a restaurant order with groceries. We also continued to add differentiated content for consumers, with the launch of retail, as well as consumers in certain zones benefiting from the expansion of delivery radii, opening up a wealth of new selection that was previously unavailable to them. From a grocery perspective, we continued to add to our offering, closing the year with over 8,000 grocery sites in the UKI across major partners and smaller independent merchants, as well as expanding the range of products available to consumers.

International³

£ million unless stated	2023	2022	Change reported
Orders (m)	131.0	140.8	(7)%
GTV per order* (£)	22.0	21.0	5%
Gross transaction value*	2,881.0	2,959.9	(3)%
Revenue	821.0	855.3	(4)%
Revenue take rate (as % of GTV)*	28.5%	28.9%	(40) bps
Gross profit	268.9	237.7	13%
Gross profit margin (as % of GTV)*	9.3%	8.0%	130 bps
Marketing and overheads*	(189.0)	(189.5)	0%
Marketing and overheads (as % of GTV)*	(6.6)%	(6.4)%	(20) bps
Segment adjusted EBITDA*	79.9	48.2	66%
Segment adjusted EBITDA margin (as % of GTV)*	2.8%	1.6%	110 bps

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Change in constant currency was (3)% for GTV, 4% for GTV per order and (5)% for revenue.

In International, GTV was £2,881.0 million in 2023, a year-on-year decline of 3% (also a 3% decline in constant currency). Orders fell by 7% to 131.0 million, primarily driven by a 5% decline in monthly active consumers. GTV per order increased 5% (4% in constant currency) to £22.0, reflecting the continued impact of food price inflation in certain markets and the annualised impact of optimisation of consumer fees. Revenue fell 4% to £821.0 million, primarily due to the reduction in GTV, as well as a decline in revenue take rate, driven by an increase in targeted promotions

3. 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.

to provide value, and the dilutive impact of more pick-up orders within the mix in Hong Kong. This was partly offset by a higher contribution from advertising revenue. Despite the reduction in revenue take rate, gross profit margin increased strongly to 9.3%, primarily due to delivery cost efficiencies and the impact of more pick-up orders within the mix in Hong Kong. Adjusted EBITDA was £79.9 million, compared to £48.2 million in 2022, due to an improvement in gross profit, with marketing and overheads broadly flat year-on-year.

Overall segment performance was primarily held back by soft market conditions in France. GTV in France fell year-on-year, within the context of an overall market decline, although we saw signs of improvement in trend in the second half. Excluding France, International GTV grew year-on-year, with particularly strong performance in Italy and UAE. In the majority of markets in the International segment, growth trends improved in the second half of 2023 with the overall segment returning to growth in Q4.

Progress across the International segment was supported by the continued development of our CVP. We launched 'premium' delivery for consumers in France and Italy, as well as the 'top-up' grocery feature in the majority of International markets and we expanded our pick-up offering in Hong Kong. We also strengthened relationships with restaurant partners, with around 7,000 new sites added including strategic wins in Italy and the Middle East, alongside almost 2,000 new grocery sites. At the end of the year, we had over 12,000 grocery sites live with major partners and smaller independent grocery merchants across International markets.

3. Cash flow statement

→ See more on page 146

All discussion of cash flows are for continuing and discontinued operations, unless otherwise stated.

Free cash flow*

Net cash generated from operating activities was £23.2 million in 2023 (net cash outflow of £(144.2) million in 2022). This improvement was primarily driven by the increase in adjusted EBITDA from continuing operations, partly offset by a working capital outflow in the year. The working capital movement was primarily due to an increase in receivables driven by the year end date falling on a Sunday, leading to higher payments due from payment service providers.

Purchases of property, plant and equipment (also referred to as 'capital expenditure') decreased to £7.6 million (£30.1 million in 2022), mainly due to a much-reduced roll-out of new Editions sites in light of the challenging economic climate for restaurant partners. Acquisition of intangible assets (also referred to as 'capitalised development costs') was £36.1 million in 2023 (£50.3 million in 2022). Development work in the year included development of machine learning models that support improvements to our CVP and generate value for our partners, improvements to our multi-pickup stacking service (which allows riders to fulfil multiple orders in one journey) to increase operational efficiency, and further building out our advertising offering.

Free cash flow in 2023 was £(38.4) million (£(243.1) million in 2022), which included cash exceptionals of £20.2 million (£60.9 million in 2022) mainly related to the redundancy programme initiated in H1 2023 and payment of provisions in respect of previously-exited markets.

	2023 £m	2022 £m
Free cash flow*		
Adjusted EBITDA*	85.4	(45.0)
Discontinued operations adjusted EBITDA*	—	(25.8)
Change in net working capital	(33.7)	(24.3)
Cash exceptionals*	(20.2)	(60.9)
Cash tax and other	(8.3)	11.8
Net cash generated from/(used in) operating activities	23.2	(144.2)
Purchase of property, plant and equipment	(7.6)	(30.1)
Acquisition of intangible assets	(36.1)	(50.3)
Payments of lease liabilities	(15.4)	(15.7)
Interest on lease liabilities	(2.5)	(2.8)
Free cash flow*	(38.4)	(243.1)
Add back: cash exceptionals*	20.2	60.9
Free cash flow before exceptionals*	(18.2)	(182.2)

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Other cash flow items

Total interest received, which is not included in our definition of free cash flow, increased to £31.7 million (2022: £11.0 million), reflecting the increase in interest rates and more efficient cash management. Purchases of own shares were £312.8 million (2022: £66.0 million) relating to three share purchase programmes:

- £9.0 million to complete the £75 million share purchase programme announced in August 2022;
- £50.8 million (including fees) for the £50 million share purchase programme announced in March 2023; and
- £253.0 million (including fees) for the £250 million tender offer in October 2023.

4. Balance sheet

→ See more on page 144

Deliveroo continues to benefit from a strong financial position. Net cash was £678.8 million at 31 December 2023 (£999.6 million at 31 December 2022), comprising cash and cash equivalents of £603.1 million and other treasury deposits of £75.7 million (£949.1 million and £50.5 million, respectively at 31 December 2022). As at 31 December 2023, Deliveroo had no debt outstanding (31 December 2022: nil).

	2023 £m	2022 £m	H1 2023 £m
Net cash*			
Cash and cash equivalents	603.1	949.1	896.0
Other treasury deposits	75.7	50.5	51.8
Less: debt	—	—	—
Net cash*	678.8	999.6	947.8

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Provisions at 31 December 2023 were £127.2 million, a decrease of £16.0 million compared to £143.2 million at 31 December 2022. This decrease is primarily due to reassessment of the likely outcome of several legal and regulatory proceedings, resulting in the reduction of some provisions, partially offset by the recognition of additional amounts related to other updated or new matters elsewhere. At year end, the portion of provisions classified as current liabilities was £58.1 million (2022: nil).

5. Dividend and dividend policy

No dividend has been declared or paid in the current or comparative periods. Given the early stage of maturity of the online food and retail category, Deliveroo remains focused on investing to drive growth, believing that this is the best way to drive long-term shareholder value. The Company does not expect to declare or pay any dividends for the foreseeable future.

Share information

Deliveroo share information

Our market capitalisation, based on issued Class A Ordinary Shares, was £1,941.9 million at the end of 2023 (previous year, £1,504.4 million). The total issued share capital at the end of 2023 was 1,521,831,251 Class A Ordinary Shares and 102,508,168 Class B Ordinary Shares. Each registered Class A share represents one vote, whilst each registered Class B share represents twenty votes. During the year we repurchased 192,307,407 Class A Ordinary Shares as part of the Tender Offer and 44,674,639 Class A Ordinary Shares as part of the £50 million buyback programme. These shares were cancelled on 31 October and 29 December, respectively, thereby reducing the overall share count in 2023. Deliveroo plc shares are listed on the London Stock Exchange.

Our share price increased by 49% to £1.28 during 2023, while the FTSE 100 and 250 indexes grew by 3.8% and 4.4%, respectively. This represents a strong performance in the year, especially when compared to European peers (down 37%) and Rest of the World (RoW) peers (up 8%), albeit behind US peers (up 126%).

The average daily trading volume amounted to 2,488,515 shares. The total trading volume in Deliveroo in 2023 was 626,454,612 shares, with a yearley share turnover of 38.2%.

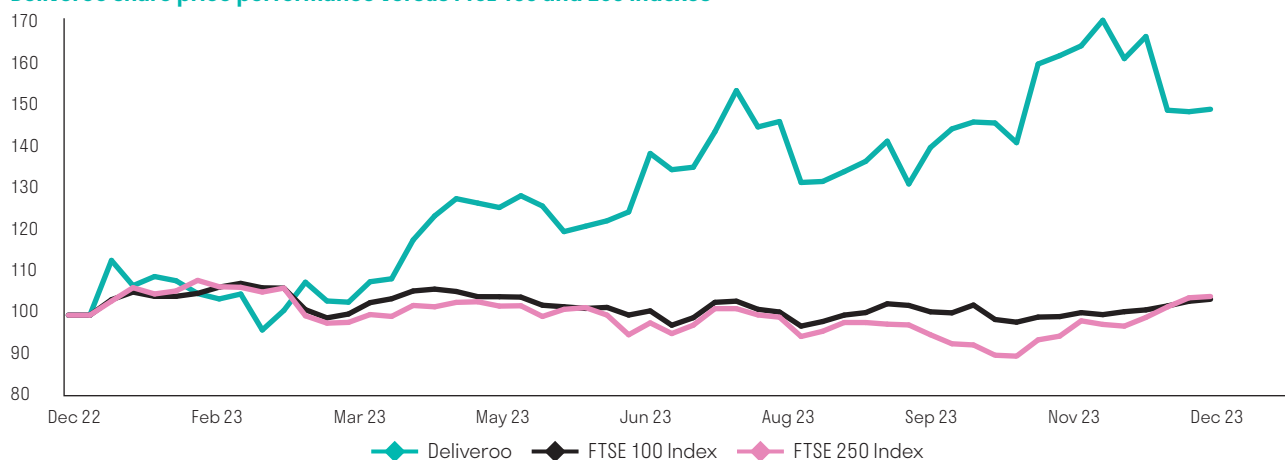
		2023	2022
Number of Class A shares outstanding at year-end	Shares	1,521,831,251	1,755,425,173
Number of Class B shares issued at year-end	Shares	102,508,168	100,299,642
Year-end price	£	1.276	0.857
Year high, intraday	£	1.463	2.139
Year low, intraday	£	0.803	0.732
Market capitalisation	£m	1,941.9	1,504.4
Average daily trading volume	Shares	2,488,515	2,800,989
Average daily trading volume	£	2,909,966	3,001,155

ISIN: GB00BNC5T391

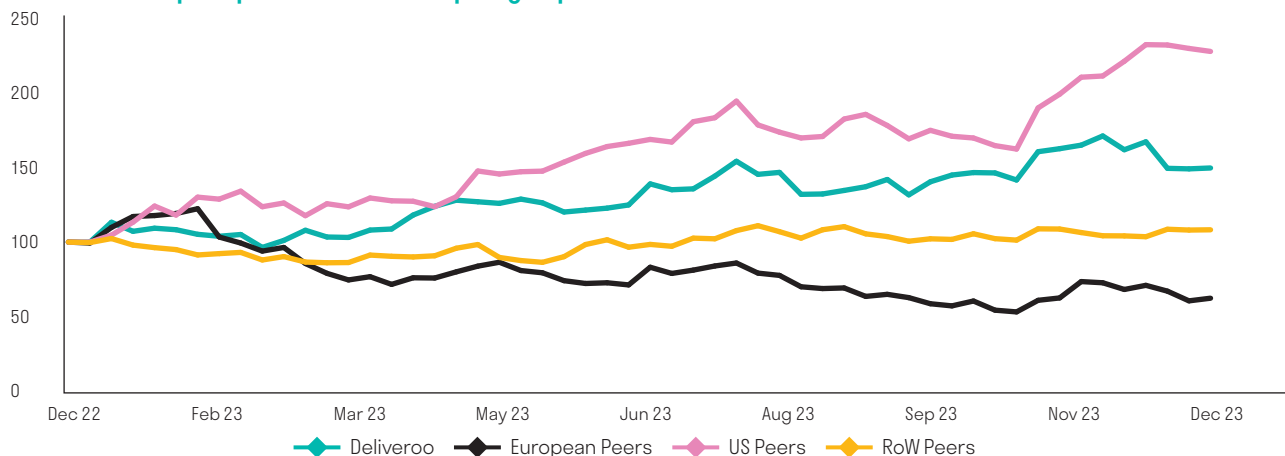
Ticker symbol: R00

Stock Exchange: London Stock Exchange (Main Market)

Deliveroo share price performance versus FTSE 100 and 250 indexes



Deliveroo share price performance versus peer group



Relative performance using figures rebased to 100.

European peers include Just Eat Takeaway and Delivery Hero, US peers include Doordash and Uber and RoW peers include Grab, Jahez, Meituan and Zomato.

Share register

As at 31 December 2023, the largest 20 shareholders held approximately 77% of the issued and outstanding share capital.

To the best of our knowledge, based on TR-1 notifications, major investors in the Company at the end of December 2023 included Amazon (14% holding), DST Global (8%), Delivery Hero (7%), Fidelity Management and Research (6%) and Fidelity International (5%).

Shareholder concentration

As at the end of 2023	% of Class A shares
Top 5 investors	40%
Rest of top 10 investors	18%
Rest of top 20 investors	20%
Rest of top 50 investors	15%
Others	7%

Shareholder structure

As at end of 2023, % of Class A shares	2023	2022
Institutional		
– UK	21%	21%
– US	15%	15%
– Europe	4%	1%
– RoW	2%	2%
Venture Capital	23%	28%
Retail	15%	14%
Other/Unassigned	21%	19%

Other/Unassigned includes Amazon and Delivery Hero.

Analyst recommendations

Our progress is closely monitored by equity research analysts, with their findings and recommendations offering insights to investors.

At the start of 2023, 44% had buy recommendations, 56% had a neutral view, and 0% recommended selling the shares, based on 16 analysts covering Deliveroo at the time.

At the end of 2023, 40% had buy recommendations, 40% had a neutral view, and 20% recommended selling the shares, based on 15 analysts covering Deliveroo at the time. They comprised: Bank of America, Barclays, Bernstein, BNPP Exane, Bryan Garnier, Citi, Goldman Sachs, HSBC, Jefferies, JPMorgan, Morgan Stanley, Panmure Gordon, Santander, Shore Capital and UBS.



Risk management and our principal risks

Effective risk management

How are risks identified and governed at Deliveroo?

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

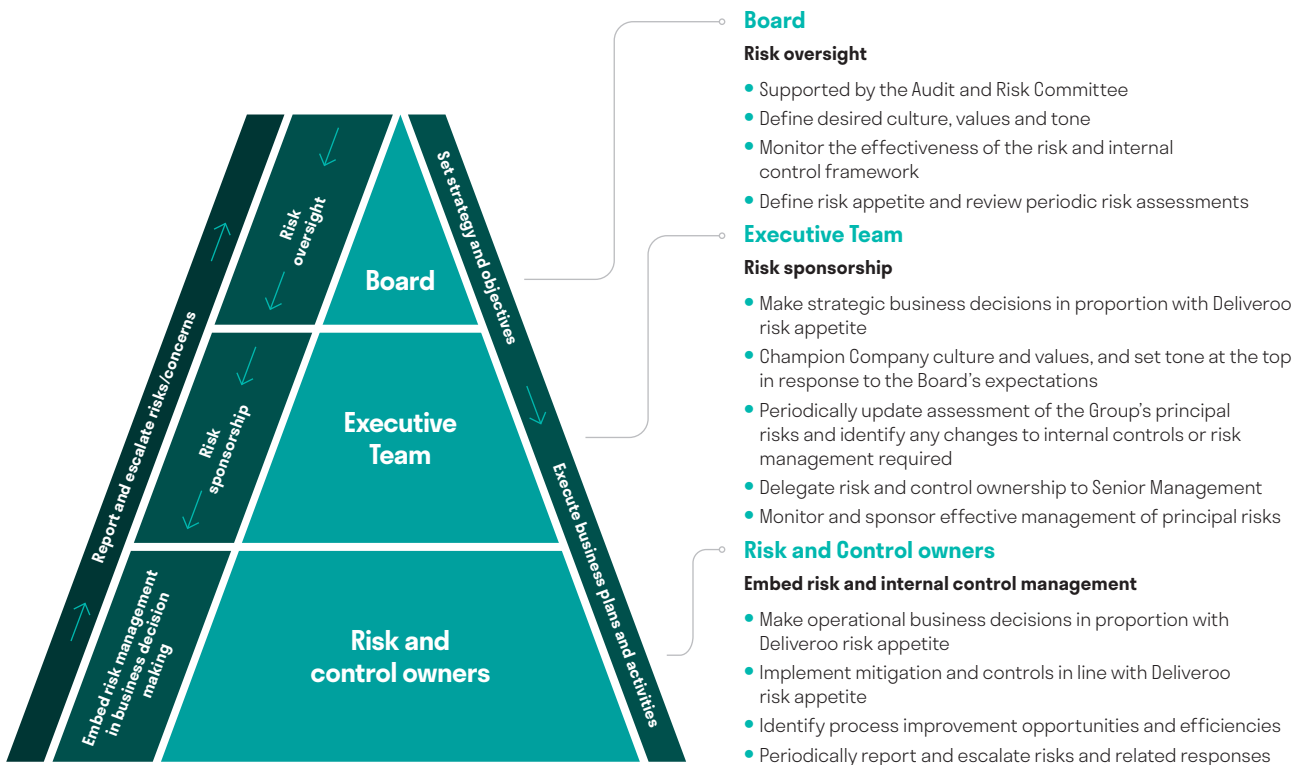
The Framework is not intended to eliminate risk. Instead, it serves to reduce the likelihood of significant risks materialising and prepare the business to manage the impact by adapting and recovering if they do.

We balance and prioritise responses to risk to achieve the reward we foresee from executing on our strategy. Therefore, there are risks we may accept, or pursue as

a business, as we seek to achieve our stated mission 'to transform the way our customers shop and eat, bringing the neighbourhood to their door by connecting consumers, restaurants, shops and riders'. The Framework enables us to respond accordingly, making conscious and informed decisions with an appreciation for our overall risk profile and risk appetite.

The Board has delegated responsibility for monitoring the effectiveness of the Group's risk management and internal control systems to the Audit and Risk Committee. It does this by assessing our principal risks; reviewing the policies and control frameworks put in place by Senior Management to mitigate these risks; receiving, reviewing and acting on updates on progress and current issues from Executives and Senior Management; and reviewing the output of work performed by the Internal Audit function and external auditor where it relates to principal risks and the related controls. The Chair of the Audit and Risk Committee updates the Board on the Committee's activities in this regard as appropriate.

Certain responsibilities and activities have been delegated throughout the business to achieve these goals, as summarised below.



How are risks managed effectively?

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

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

Line 1

Management

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

Line 2

Internal compliance and support functions

Compliance, Information Security and Legal functions play a role in the second line to drive a risk management culture, set out control and compliance roadmaps, and provide subject matter expert guidance to Line 1 management. They also report on the status of risks and progress on improvements to risk management for their risk areas to the Audit and Risk Committee.

Line 3

Internal Audit

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

What does the Framework comprise of?

Identification

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

Analysis

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

Measurement

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

Response

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

Prioritisation

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

Review and reporting

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

How do we assess risk appetite?

Risks are identified using both a bottom-up and top-down approach. During 2023, management established an Executive Risk Committee, formed of members of the Group's Executive Team. The Committee's remit among other objectives, is to assess principal risks and oversee the appropriate mitigation of these.

Our risk appetite is assessed initially by the Executive Risk Committee, reviewed and challenged by the Audit and Risk Committee, and ultimately approved by the Board. Risk appetite is assessed on a scale shown below, and informs the prioritisation of interventions and improvements driven by management.

Risk appetite rating

Critically Low

We seek to avoid and prevent risks occurring in this area. We are willing to invest significantly in risk prevention.

Low

We seek to minimise our exposure to these risks, recognising that elimination of risk may not be a cost effective response.

Medium

We may be willing to take risks in these areas cautiously after thorough evaluation, investing in appropriate controls and safeguards.

Higher

We are willing to take measured risks within certain boundaries.

Seeking

We actively seek opportunities to grow value in these areas and are willing to risk losses in growing the business.

Risk management and our principal risks continued

How are risks identified and analysed?

During the year the Executive Risk Committee performed a top-down assessment of our principal risks, our appetite for these risks, and a high-level assessment of the effectiveness of internal controls to support the identification of potential focus areas for improvement.

In support of this review, the Risk, Control and Compliance team also maintains a regular dialogue with risk owners, supporting a bi-annual bottom-up risk assessment, making updates to risk registers and planning enhancements to risk responses in relation to any changes. This is facilitated through workshops where the Risk, Control and Compliance team provides objective challenge, specifically in relation to the completeness of the risks, and the judgements and thought process applied by risk owners in determining the likelihood and impact. Following these workshops, risk owners must sign off the risks and responses within their remit.

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

Emerging risks

Supported by the Audit and Risk Committee, the Board considered an assessment of the Company's emerging risks in 2023. The assessment was conducted by the Group's Risk team, with support from other internal teams to 'horizon scan' to identify those risks and enable forward planning and mitigation. The emerging risks considered by the Board are mapped against the Principal Risks and include:

- government policy which may impact other elements of our marketplace or business model, including how we conduct certain commercial relationships, offer incentives and establish commission rates; our interactions with and provision for riders; restrictions on the use of certain materials or obligations to enable recycling; and increased obligations on the reporting of food ingredients, allergens, and nutritional information.
- the potential for shifting trends in consumer behaviour or partner propositions impacting our marketplace.
- incumbents or new entrants into the marketplace may invest in their CVP or merchant proposition beyond our ability to compete for a significant period of time.

Climate change

As part of the wider principal risk review, the Board has determined that climate-related risks were not considered a separate principal risk in FY2023. This is because Deliveroo operates as a three-sided marketplace connecting consumers, riders and merchants. Our core operations are less directly affected by climate risk as compared to our marketplace.

Climate-related risk is incorporated into our Risk Management and Internal Controls Framework. As detailed in our Task Force on Climate-related Financial Disclosures ('TCFD') statement we have identified climate risk related to extreme weather events, emissions taxation, a focus on food and packaging waste and increasing vehicle electrification. This means that climate risk features in our consideration for our 'Compliance with laws and regulations' and 'External environment and events' principal risks. In 2024, we will continue to review and update climate-related risks as part of the regular Group risk review processes. The level of impact from climate-related risks on our core business and the three-sided marketplace will be carefully monitored and reviewed as part of the Board's annual principal risk review.

We have reported formally on our climate-related financial disclosures in line with the TCFD framework which requires companies to disclose their governance, strategy, risk management, and metrics and targets in relation to the climate. These are set out on pages 67 to 74.

How are risks measured?

Risks are measured by multiplying the likelihood of the risk crystallising with the impact of the risk event. Likelihood is stated in terms of probability.

The types of impact are consolidated into the following categories: reputational, financial, compliance, operational and strategic. When measuring a particular risk, there may be multiple types of impact that could occur. The impact score is determined by reference to quantitative and qualitative guidance which enables risk owners to evaluate the significance of the impact of the risk in each category. For example, operational impacts include the severity of the incident linked to our Incident Management Framework.

How are risks responded to and prioritised?

Our strategy for responding to and prioritising risks directly correlates with our risk appetite. As part of the review process with risk owners, we agree commitments to enhance responses for existing risks, or design and implement responses for emerging risks.

The Framework includes different response types as outlined below:

Accept

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

Pursue

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

Reduce

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

Share

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

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

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

How are risks reported on?

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

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

Risk management and our principal risks continued

Our principal risks and uncertainties

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

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

As part of our regular review of the principal risks, a small number of changes were made, as noted below:

- Removal of three-sided marketplace as a principal risk on the basis that this is superseded by other changes to the risks, and specific risks related to the operation of individual sides of the marketplace are captured in other principal risks.
- Splitting Cyber and Data Security into two separate risks: Cyber Security and Data Management, recognising the importance of reliable data in managing our business, and that the controls needed to achieve this go beyond cyber security controls.
- Combination of Managing Growth and Financial Condition into a single risk, Financial Condition and Growth.
- Amending the principal risk Competition, to become Competition and Innovation, reflecting the rapid continuing changes in the industry and marketplace.

Description	Mitigation	Change to risk profile in 2023
<p>Service availability</p> <p>We depend on our network infrastructure, software, content delivery processes, and associated key third-party services and software to operate our platform and to receive, process and fulfil orders. Any significant disruption in service, including from a distributed denial of service attack, could materially impact our operations, reputation and financial performance.</p> <p>Primary impact type Operational</p> <p>Link to strategy 1 3</p> <p>Risk appetite —</p> <p>Low – Our risk appetite remains low as we are highly dependent on service availability to keep pace with our sustainable growth.</p>	<p>The Technology team operates in accordance with our Change Control Standard, which requires formal planning, as well as appropriate review and approval for all changes.</p> <p>Should an incident arise, the Engineering team utilises a formalised Incident Management Framework, alongside an 'on-call' rota, ensuring that incidents are resolved in a timely manner, while maintaining channels of communication with consumers, riders and merchants. We continuously enhance our tools and capabilities to monitor our service availability.</p>	<p>No change – As a technology business that executes continuous development, relying upon bespoke systems for our operations, this continues to be a principal risk, but one we are acutely aware of and continuously monitoring.</p>

Key to strategy

- 1 Invest in key CVP levers 2 Focus on priority verticals 3 Increase operating efficiency

Key to risk appetite

- No change ▲ Increase ▼ Decrease → See more on p59

Description

Mitigation

Change to risk profile in 2023

Cyber security

Effective cyber security underpins the confidentiality, integrity and availability of our systems, platform and data. We could be subject to a range of cyber threats including denial of service, ransomware, phishing and data exfiltration. These could lead to service unavailability, data breaches or other loss or disruption.

Primary impact type

Compliance

Link to strategy

1 3

Risk appetite



Critically Low – Cyber security is foundational to our success and supports the effective management of many of our other Principal Risks (notably Service Availability, Data Management, and Compliance with other laws and regulations).

We operate robust application and infrastructure security controls designed to prevent, identify and respond to information security threats.

We continuously review and mature our security controls across the Company, leveraging a recognised external framework.

The Information Security team regularly reports to the Audit and Risk Committee on key milestones on maturing our security controls and any relevant analysis of internal and external security threats and trends.

No change – Cyber threats continue to evolve, and remain an area of focus and priority due to the nature of our business. We continue to monitor internal and external security threats and trends and consider the overall profile of this risk unchanged.

Data management

Data is foundational to the success of our business and ability to make high quality choices and deliver value for the different sides of our marketplace. We could face significant operational disruption and reputational and legal consequences, as well as financial loss if we fail to manage data appropriately.

Primary impact type

Compliance

Link to strategy

1 2 3

Risk appetite



Low – High quality data is crucial to effective decision making at Deliveroo.

We focus on ensuring our data management is compliant with laws and regulations governing the various types of data within our infrastructure, be it commercial, financial or personal data. We operate security controls to ensure that access to data is restricted to appropriate employees. Changes to systems managing our data are subject to change control processes. We have controls in place to minimise the risk of bias in algorithms used in our business operations.

No change – we continue to expand our use of data analytics to support value creation and new opportunities, and assess our risk management practices to ensure they are appropriate. We evaluate any new regulations in relation to our use of data and the potential impacts on our business.

Key to strategy

1 Invest in key CVP levers 2 Focus on priority verticals 3 Increase operating efficiency

Key to risk appetite

— No change ▲ Increase ▼ Decrease

Risk management and our principal risks continued

Our principal risks and uncertainties continued

Description	Mitigation	Change to risk profile in 2023
Rider model and rider status		
<p>Our business would be adversely affected if our rider model or approach to rider status and our operating practices were successfully challenged or if changes in law required us to reclassify our riders as employees including with retrospective effect.</p> <p>Primary impact type Compliance</p> <p>Link to strategy 3</p> <p>Risk appetite —</p> <p>Low – Our rider model is critical to our long-term profitability and our ability to compete effectively in each of our markets. As such we have a low risk appetite for this risk.</p>	<p>Policy and Employment Legal teams continuously focus on ensuring our rider model is compliant with local laws and regulations.</p> <p>We proactively engage with Government bodies to discuss proposals or consultations.</p>	<p>No change – Our rider model continues to be a principal risk for the Group. The level of risk differs by market depending upon specific local circumstances, including legislative changes, but the overall profile of this risk is unchanged.</p>
Key commercial relationships		
<p>We rely on partnerships with various national and global brands in each of our markets in which we operate, sometimes on an exclusive basis. The loss of such relationships or the inability to enter into new relationships (on commercially attractive terms or at all) could adversely affect our business.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 1 2</p> <p>Risk appetite —</p> <p>Medium – We need to strike a balance between enabling growth with commercial terms that support our path to profitability.</p>	<p>Our Commercial teams in each of our markets develop strong working relationships with our partners to foster mutual success. We have a defined commercial architecture to define the value proposition with our partners.</p>	<p>No change – We continue to add new significant national and global brand accounts to the platform across merchants with expanded offerings. Notwithstanding normal account churn, the risk to growth of losing any of these brands remains static.</p>
Reputation and brand		
<p>Our reputation, brand and ability to build and retain trust with new and existing stakeholders (including shareholders) may be adversely affected, including by unfavourable or inaccurate publicity or events beyond our control (including misconduct by our employees, riders, or merchants). This could negatively impact our future performance and prospects.</p> <p>Primary impact type Reputational</p> <p>Link to strategy 1 3</p> <p>Risk appetite —</p> <p>Low – As a foundation to attracting and retaining all three sides of the marketplace, as well as our broader stakeholders, we have a low risk appetite to any adverse impact on our reputation and brand.</p>	<p>Our Code of Conduct, the Roo Way, defines expectations for behaviour from our employees. Our Business Partner Code of Conduct, applicable to our suppliers, partners and contractors (including riders) defines similar expectations.</p> <p>We carefully vet our prospective riders and merchants.</p> <p>We proactively contact our consumers, riders and merchants when something goes wrong.</p> <p>We have a public policy strategy in each of our markets which involves actively engaging in relevant discussions with appropriate public bodies to build transparency and trust.</p>	<p>No change – There continued to be media coverage of issues relating to digital marketplaces throughout 2023, although these issues were in general related to all marketplaces and not specific to Deliveroo.</p>

Description	Mitigation	Change to risk profile in 2023
<h3 style="background-color: #00a68f; color: white; padding: 5px;">Attracting and retaining key personnel</h3>		
<p>We rely on the skills and experience of our key personnel, and our business may be adversely affected if we cannot attract and retain the talent required to solve the complex problems presented by our three-sided marketplace.</p> <p>Primary impact type Operational</p> <p>Link to strategy 3</p> <p>Risk appetite —</p> <p>Medium – Our risk appetite is determined to be medium as we take on a more balanced approach to talent growth with prevailing external economic uncertainties such as inflation and rising cost of living.</p>	<p>We strive to provide, and continuously enhance, an attractive value proposition for employees, including through the creation of an inclusive environment where our people have the opportunity to solve new problems and challenges at scale.</p> <p>To improve employee engagement and support across the organisation, our Employee Resource Groups ('ERGs') actively engage employees, including in the areas of Gender Equity, Women in Tech, Racial Equality, LGBTQ+ (Deloveroo), Wellbeing, Disability, Neurodiversity and Mental Health, and Family and Carers. This is in line with our execution of our central DE&I strategy.</p>	<p>No change – We continue to offer a competitive employee value proposition and a positive and supportive working environment to ensure our talent remains motivated and incentivised, providing progression opportunities through our organisation.</p>
<h3 style="background-color: #00a68f; color: white; padding: 5px;">Competition and innovation</h3>		
<p>We operate in a highly competitive industry and must compete effectively to succeed. We may not be able to achieve or maintain a position in each of our markets that is sufficient to support the business sustainably for the long term. Our competitors may develop new innovations that make our products and services uncompetitive. Our operational performance may not be as good as our competitors leading to customer churn.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 1 2</p> <p>Risk appetite ▲</p> <p>Higher – We carefully monitor our ability to compete effectively in each of our markets, with extensive due diligence undertaken including the competitive landscape and the level of investment required. We take measured risks to compete and innovate, and perform extensive market analysis to help ensure these initiatives are successful. We have identified new opportunities to grow our markets, for example in Retail, and therefore have a higher risk appetite than in 2022.</p>	<p>We plan and execute strategic initiatives targeted at achieving or maintaining a #1 or strong #2 market position, including through the continuous enhancement of the value proposition for consumers, riders and merchants.</p> <p>We work to identify new propositions to enhance the value we provide to all sides of our marketplace, for example the launch of our Retail proposition in 2023.</p>	<p>No change – The industry remains intensely competitive as in previous years.</p>

Key to strategy

1 Invest in key CVP levers 2 Focus on priority verticals 3 Increase operating efficiency

Key to risk appetite

— No change ▲ Increase ▼ Decrease → [See more on p59](#)

Risk management and our principal risks continued

Our principal risks and uncertainties continued

Description	Mitigation	Change to risk profile in 2023
Financial condition and growth		
<p>We have ambitious plans for our business. Our strategic planning and budgeting process may not consider all relevant material factors or risks in developing our plans, and we may fail to execute against these or identify risks to delivery on a timely basis. We may be unable to grow profitability in the business to meet our financial targets.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 3</p> <p>Risk appetite —</p> <p>Low – Our commitments to the market and ambitions set out in our 2023 Capital Markets Event are significant and important, and we remain focused on delivering these.</p>	<p>We have a robust planning and budgeting process which helps to identify potential risks and opportunities to the delivery of our plans.</p> <p>Our spend controls ensure that costs are monitored against the budget.</p>	<p>No change – We have continued to make progress on profitability, cost control and GTV growth, continuing on our path to profitability.</p>
Compliance with laws and regulations		
<p>We are subject to the laws and regulations of numerous national and local authorities. Changes to, or uncertainty regarding, the applicable laws, regulations or regulatory environment may adversely affect our business.</p> <p>Primary impact type Compliance</p> <p>Link to strategy 3</p> <p>Risk appetite —</p> <p>Low – Our risk appetite remains low on the basis that we apply a high standard for compliance with laws and regulations while executing on our Company objectives.</p>	<p>Our Group Ethics & Compliance team and Legal teams in our markets develop control frameworks to ensure that we comply with applicable laws and regulations.</p>	<p>No change – There were no significant changes in the period that adversely affect our business.</p>
External environment and events		
<p>Our business could be affected by the actions of governments, political events or instability, or changes in public policy in the countries in which we operate or by events elsewhere in the world. Adverse economic conditions could impact consumers' discretionary spending and in turn our growth and profitability.</p> <p>Primary impact type Strategic</p> <p>Link to strategy 3</p> <p>Risk appetite —</p> <p>Medium – We remain acutely aware of the external factors that impact the Group in setting our plans and objectives. As such, the risk appetite remains at a medium level.</p>	<p>We are continuously focused on the enhancement of the value proposition for consumers, including enabling access to a broad selection aligned to a hyperlocal market.</p> <p>The Executive Team and Board regularly reviews our financial performance and operating environment in our different markets and makes interventions where issues occur.</p>	<p>No change – Continued economic pressure, including inflation, could impact consumers' discretionary spending and in turn our growth and profitability. Heightened geopolitical disruption has not affected our operations although we remain vigilant to potential impacts.</p>

Task Force on Climate-related Financial Disclosures statement ('TCFD')

We recognise the challenges and opportunities that climate change presents to us, and our marketplace, more broadly. We are actively working to mitigate our impact on the climate (see page 36 for details of our capital programme to improve energy efficiency in our estate, and lower emissions) and adapt to any physical effects and regulatory changes.

The following disclosure is aligned with all the TCFD Recommendations and Recommended Disclosures. As this is the second year of our TCFD disclosure, many of the risks and opportunities identified in our first scenario analysis remain in place. However, we have identified new risks and opportunities where relevant. To develop our reporting from last year's statement, we have i) provided the financial impact of certain climate-related risks and opportunities and ii) published our Scope 3 emissions baseline for the first time.

Compliance statement

We have completed our TCFD disclosure in line with the UK Listing Rules (LR 9.8.6R). Our statement (and the information available at the locations within the statement) complies with all 11 recommended disclosures. We are also compliant with The Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 which amends sections 414C, 414CA and 414CB of the Companies Act 2006.

TCFD compliance index

Governance

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

→ Reporting and compliance p68

Strategy

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

→ Reporting and compliance p69

Risk management

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

→ Reporting and compliance p68

Metrics and targets

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

→ Reporting and compliance p74

Task Force on Climate-related Financial Disclosures statement continued

Governance

Introduction

We operate as a marketplace connecting consumers, riders and merchants (the model is set out on see page 14 of our report). This means that many of the climate-related risks and opportunities for our business will affect the three-sided marketplace in different ways to our core operations.

Governance actions during 2023

During the year, the Board received two updates on the Company’s ESG strategy which covered climate risk and opportunities. They approved the Company’s emissions reduction priorities for FY2024 as well as our longer-term Scope 3 net zero targets. For more information see our Sustainability Review on page 31. Net zero targets were considered on the basis of their feasibility and our responsibility to act to mitigate the effects of climate change.

The Audit and Risk Committee reviews the effectiveness of our internal control framework and risk management arrangements. It supports the Board in carrying out a robust assessment of the principal risks facing the Group and the nature and extent of the principal risks the Board is willing to accept in delivering the Company’s strategy. No principal risks were climate-related. Risk management and TCFD planning updates are standing items on the Committee’s agenda. During the year, the Committee monitored management’s progress in considering its climate-related strategy/goals including: the methodology and data collection for the Scope 1, 2, and 3 emissions, how climate-related risks/opportunities were considered as part of the Company’s risk framework, and the establishment of protocols to support these reflecting the TCFD recommendations and disclosure requirements. This year, the Committee also considered compliance against the new CFD requirements.

The Remuneration Committee establishes and reviews the remuneration framework for our Directors and the Executive Management Team and determines pay outcomes against performance metrics. Last year, to support our ESG strategy, a climate metric around market-based Scope 1 and 2 emissions reduction was introduced into our PSP. This will be continuing in 2024. The Committee received updates on progress against that target and the strategy to meet it (the three phases of Scope 1 and 2 emissions reduction are detailed on page 38).



Ongoing management oversight is led by the CFO, who has responsibility for carrying out the overall ESG strategy, including coordinating climate activities and ensuring that climate-related risks and opportunities form part of the risk management framework. This includes establishing the priority areas of focus for investment and programmes. Budgets are allocated on the basis of the relative emissions intensity of our markets and our specific operations. For example, this means we are focusing on emissions reduction in Editions kitchens in the UK and UAE to begin with, given these markets are our highest emitters and Editions kitchens account for c.75% of our Scope 1 and 2 emissions. The CFO also monitors progress against our overall net zero targets and the effectiveness of programme delivery during quarterly sustainability business reviews.

The CFO is supported by both the VP Strategic Finance and Investor Relations and the Director of Policy and Sustainability who are responsible for the delivery of our sustainability programmes. The Director of Policy and Sustainability leads internal engagement with key business stakeholders who are delivering programmes (e.g. with operations teams who launch e-bike trials) and agrees the metrics for success of those programmes. The Director of Policy and Sustainability also leads internal climate communications. This year, through a series of internal teach-ins (including ones that covered climate) we engaged employees so that they understand the climate impact of the business and how they can reduce emissions impact in their areas of operation. Finally, the Director of Policy and Sustainability leads external engagement on climate risk – understanding emerging best practice in this area and regulatory compliance.

Management’s role in assessing climate risks and opportunities is described on pages 73 and 74 in the risk management section. Climate risk management is currently a top-down Group process with risks identified centrally.

Strategy

We set out our commitment to achieving net zero in our Sustainability review on page 31. We will aim to reach net zero across our Scope 1 and 2 emissions by 2035 and across our full value chain Scope 3 emissions by 2050.

We have also refreshed our scenario analysis to identify relevant climate-related risks and opportunities and the resilience of our strategy under three possible future climate scenarios. In line with TCFD guidelines, we analysed the impact of three potential warming scenarios (>2°C, 2°C, <2°C) on each side of the marketplace and our core operations. The scenarios that we have considered include changes in the physical, policy, and technology environments and were informed by data from the following scenarios RCP2.6 (<2°C), RCP 4.5 (2°C) and the “Network of Central Banks and Supervisors for Greening the Financial System” (NGFS) current policies scenario (broadly equivalent to RCP6.0) (<2°C).

These scenarios were chosen given they cover all required warming scenarios and have available data for our global markets. The NGFS current policies scenario provides data based on current government policies so provides a useful starting point for comparison to the lower warming scenarios. The scenarios also consider global risks across all of our markets although where relevant we have highlighted specific market risks. To develop the scenario analysis, the sustainability team reviewed the outputs of last year’s work (many of which remain relevant) and held a climate horizon scanning workshop with internal stakeholders across the Group to identify other relevant climate-related risks and opportunities which have the greatest potential to impact Deliveroo. In line with the TCFD strategy recommendation, we considered the cross-sectoral risks that the TCFD

implementation guidance lists in Table A.1.1 and A.1.2 and identified three transition risks and one physical risk as the most relevant to our operations. The TCFD steering group reviewed the analysis. During 2023, we developed our climate scenario analysis by including financial impacts on risks where we had sufficient data and insight to be able to disclose useful ranges. At this stage we do not deem any climate risks to be material to our core operations. Over time, climate risk may become more significant for different sides of the marketplace or to our core operations.

In the scenario analysis, we define short term as <5 years, medium term as 5–15 years and longer term as >15 years. These timelines were chosen on the basis of achievement of our climate targets i) our short-term targets are within the horizon for our PSP Scope 1 and 2 interim reduction targets, our Scope 1 and 2 net zero target is within the medium-term horizon (12 years away), our Scope 3 net zero target is longer term. Where relevant we have provided ranges for the potential financial implication of certain climate-related risks and opportunities (this was based on areas where we either have internal data or can make sensible assumptions). Against each risk, we have also described the resilience of our business model and strategy; we are content that overall the business is resilient to the currently-identified risks. We use the auditors materiality of £16.2 million as a threshold for defining our own financial materiality related to climate risk. This year, the output of our scenario analysis has supported policy development on prioritisation of investment for reducing Scope 3 emissions (for example, the potential benefit offered by increased electrification of the fleet).

Our transition plan for a low-carbon economy is detailed as part of Sustainability Review on page 31. As described, we see three phases of activity for reaching our Scope 1 and 2 net zero targets and have set out initial steps for Scope 3 reduction. These actions are our prioritised mitigation activities. The scenario analysis on the following pages presents some of the key adaptation steps we are taking.

Task Force on Climate-related Financial Disclosures statement continued

Strategy continued

Climate-related risk analysis

Extreme weather		
<p>Future warming impact</p> <p>Higher frequency of days with intense rainfall or extreme temperatures.</p> <p>Extreme weather also causes increased incidence of crop failure and UK food price increases in the range of 0-60% depending on climate scenario.</p>	<p>Timeframe</p> <p>Short, medium and long-term.</p> <p>Scenarios</p> <p>All – impacts are greater in 2°C and above.</p>	
<p>Marketplace impacts (risks)</p> <p>Riders</p> <p>Possible increased frequency of periods where orders are less likely to be accepted due to potentially difficult or unsafe riding conditions.</p> <p>It may become harder to match rider supply with order demand as the nature of outdoor work becomes less predictable.</p> <p>Some rider assets may not be suitable for extremely hot weather (e.g. kit) requiring new items or kit changes (particularly a risk in Middle East markets).</p> <p>Consumer</p> <p>Potential increase in bad order experiences due to increased frequency of extreme weather events. Extreme weather could make it harder for riders to arrive in good time or to maintain food temperatures, affecting future demand for the service.</p> <p>Merchants</p> <p>Extreme weather will increase rates of crop failure. This will drive up prices and restrict availability of certain crops. In turn, this may lead to price rises on certain dishes or changes in restaurant menus towards more available products.</p> <p>Core Operations</p> <p>Increased extreme heat events may necessitate installation of air conditioning units in European Editions sites to ensure they stay cool.</p>	<p>Marketplace impacts (opportunities)</p> <p>Across all sides of the marketplace</p> <p>Bad weather could drive increased order volume from consumers (who go out less). In turn this may mean more earning opportunities for riders and restaurants and more consumers using the app.</p>	<p>Materiality</p> <p>Immaterial</p> <p>For the wider marketplace the impacts would largely be confined to individual markets and a small number of days in the year. The overall financial impact therefore determined by which days of the year and in which markets an outage might occur.</p> <p>The impacts of specific day outages may be mitigated by more consumers using the app in general.</p> <p>For our core operations, we estimate the cost of installing air conditioning units in our European Editions and Hop sites to be between £3-15m.</p> <p>We are unable to quantify the impact of changes in food price inflation and crop failure because there are too many variables involved in the calculation e.g. changes in supply from restaurants, shifts in consumer demand and the high range variation in terms of prices across different food products.</p>
	<p>Management and strategic resilience</p> <p>Where it is safe to operate, we are able to match an increase in demand with rider supply:</p> <ol style="list-style-type: none"> 1. We are able to encourage more riders onto the road by highlighting areas of high demand. 2. We can change delivery radiuses to a lower distance to cope with temporary increased network strain. 3. We can rely on higher rates of order stacking when fewer riders are available to increase our remaining fleet's efficiency. <p>We have launched new rider kit that helps riders keep cool in hot weather.</p> <p>We have rolled out restaurant training which includes support on how restaurants can establish sustainable supply chains.</p> <p>The financial impact and business mitigation of food price impacts are explored on page 71 under the emissions taxation scenario.</p> <p>We believe the business to be resilient to risks in this scenario given our ability to respond to extreme weather events.</p>	

Emissions taxation

Future warming impact

Government intervention in the form of meat taxes. We have assumed a focus on beef as the highest-emitting food product per kg and because it is already subject to potential taxation (e.g. New Zealand).

Timeframe

Medium and long-term.

Scenarios

We assume such a tax is more likely in a 2°C or below scenario where the government takes significant, proactive action to mitigate climate-related risks.

Marketplace impacts (risks)

Restaurants and Consumers

Restaurants would face higher costs for sourcing beef as farmers increase their prices in response to a beef tax. In turn, these costs may be passed on to consumers affecting demand.

Marketplace impacts (opportunities)

Consumers

There could be an opportunity to cater to changing consumer needs by expanding sustainable food selection.

Restaurants

Beef taxes would likely move production and demand towards more plant-based dishes, other meats or new food items (e.g. meat alternatives). Restaurants and grocers can attract new consumers with new products/dishes.

Materiality

Immaterial

Based on external estimates of the potential social cost of beef production and therefore an assumed tax rate, given the total global volume of beef sales through the platform we estimate an additional £15m–25m per year cost applied to beef that is sold on our platform. This may negatively impact demand. However we expect any demand impact to be offset by a change in consumer habits so the financial impact on the core business would be negligible.

Given the scale of the price rise per item we would expect these effects to be negligible and the impact on our core business to be less than 1% of revenue.

Given these price increases will be broad based it is unlikely Deliveroo is more or less exposed than any competitors. Taxes will also have less impact over time as lower carbon alternatives start to reach price parity. We expect that emissions taxes would be most likely to affect merchants due to an increase in food prices while riders who might face an impact from fuel taxes can more easily switch to green alternatives.

Management and strategic resilience

Mitigations for Deliveroo will include ensuring we can develop a wide plant-based selection and drive customers towards those choices. We already have a good selection of vegetarian and vegan restaurants and have rolled out dietary tags in all markets to support consumers to find these categories. For restaurants, mitigation would include being able to respond to demand for new plant-based dishes or other meat choices.

We believe the business to be resilient to risks in this scenario given we already have good selection and our restaurant partners can pivot to meet new demand.

Task Force on Climate-related Financial Disclosures statement continued

Strategy continued

Climate-related risk analysis continued

Focus on food and packaging waste

Future warming impact

Around a third of food is wasted. We therefore expect that there will be increased awareness and potentially legislation around waste targets or waste information provisions (e.g. eco-labelling).

Timeframe

In the short term, restaurants will gain greater awareness of food waste whereas legislation to provide more information about food waste is likely in the medium to long term. Regulation on packaging waste is likely in the short term.

Scenarios

More likely in a 2°C or below scenario where the government takes significant, proactive action to mitigate climate risks.

Marketplace impacts (risks)

Restaurants and Consumers

Mandatory targets on reducing waste or mandatory provision of information about waste may require restaurants to change their operations to reduce waste (for example by measuring food waste).

Restaurants may start to adopt sustainable and reusable packaging which can increase cost.

Core Business

Potential cost increases or opportunity cost as internal tech teams are used to develop solutions to facilitate single-use plastic charges (e.g. deposit return schemes which require consumers to pay a small, refundable deposit on single use containers).

Marketplace impacts (opportunities)

Restaurants

An increased focus on food waste allows for cost savings as restaurants take action to reduce their food waste.

Innovative packaging options may support brands to communicate their sustainability mission to value-driven consumers.

Our sustainable packaging store can benefit from increased sales as restaurants seek sustainable suppliers.

Consumer

Certain types of reusable packaging may be effective at keeping food warmer for longer, improving service outcomes.

Core Business

Our sustainable packaging store can benefit from increased as restaurants seek sustainable suppliers.

Materiality

Immaterial

Estimates from WRAP (The Waste and Resources Action Programme) suggest there is £10k worth of food waste from each restaurant in the UK per year. Applying this to our global restaurant population and assuming a reduction of between 1 and 10% in total cost, there is opportunity for restaurants to save between £1.5–15m per year by reducing food waste. Assuming these costs are then passed through to consumers, we would expect a positive increase in demand. We would expect the impact on our core business to be less than 1% of revenue. These costs are net of any process changes that merchant partners may need to make.

On tech changes, we estimate the impact of implementing similar deposit return schemes to be less than £0.5m.

Management and strategic resilience

On food waste:

We have launched a partner training academy that includes top tips to help restaurants reduce waste.

On packaging waste:

We have continued our packaging subsidy to support our partners to transition to sustainable packaging. Our packaging webstore supports sustainable packaging sales in our European and Middle Eastern markets.

We believe the business to be resilient to risks in this scenario as the core business risks mostly relate to increased tech costs. These risks will reduce over time as our tech teams build multiple responses to single-use plastic charges.

Increased electrification

Future warming impact

We anticipate that governments will regulate to ensure usage of electric vehicles ('EVs') over time and the wider vehicle market will develop to predominantly offer EVs over time. We expect this will happen quickest in our European markets.

Timeframe

Medium and long-term.

Scenarios

All.

Marketplace impacts (risks)

Riders

EV charging infrastructure may not keep pace with the widespread availability of e-cars and e-bikes, limiting the efficiency of riders if they have to stop to charge their vehicle. We anticipate this will have limited to no- impact on the core business because we can mitigate it through working with governments, local authorities and third parties to highlight areas where additional charge points can be installed.

Government regulation may force adoption of certain green technologies before they are cost efficient thereby potentially increasing costs to riders. In turn, this may encourage riders towards bikes and e-bikes, changing our fleet composition. We would anticipate any operational impact of this composition shift to be negligible.

Marketplace impacts (opportunities)

Riders

Lower expected EV running costs per hour may support lower rider costs. Transition costs will come down over time. This represents an opportunity because we include fuel costs when calculating the fee offered to riders driving motorised vehicles. As the fleet of motorised vehicles electrifies, this element of fuel cost will reduce.

Materiality

Immaterial

Not accounting for any transition costs (which we assume here to be borne by the wider market and not riders, e.g. the installation of charge points) a rider fleet switch from combustion engines to EVs could save costs related to fees for car users £18m to £30m on hourly run costs per year. These cost savings could be invested back into other aspects of rider pay.

Management and strategic resilience

Riders will be able to adopt EVs as the wider market for EV manufacture develops and charging infrastructure matures.

We have run trials to understand how best to support riders to transition to EVs. This has given us an understanding of the riders who are most likely to transition to e-bikes and some of the key barriers relating to cost.

We are exploring installation of charge points at relevant operational sites to increase the efficiency of those riders who are using EVs.

We believe that electrification represents a positive opportunity to improve operational efficiency (and therefore consumer outcomes) as well as reduce emissions. We believe we are therefore resilient in this scenario.

Risk management

The Board is responsible for determining the nature and extent of the significant risks and the relevant risk responses in achieving the business's long-term strategic objectives. The Board determines principal risks on the basis of the risk management framework set out in the Risk management and our principal risks section (see page 58). The Audit and Risk Committee has approved the principal risk identification and was content that climate-related risk is not a principal risk. Climate-related risk is nevertheless included in the wider Company risk register and assessed at working level as part of risk reviews. Climate-related risks are identified through risk workshops (informed by scenario analysis work above), as well as peer benchmarking

(e.g. review of wider industry disclosures) and external engagement (e.g. trade association engagement where best practice is shared). Climate-related risk is assessed for impact and likelihood and is scored on the basis of the risk management framework set out on page 58.

Impacts are considered in both financial terms (as detailed on page 72) but also wider business impacts (e.g. reputational) and the time horizon on which they will materialise is also considered. On the basis of the overall risk score the climate risks are then prioritised. This assessment will be kept under review as part of the Board's annual principal risk review. We will continue to update our assessment of climate-related risk and change our response and categorisation accordingly. Risks are then managed by the Sustainability team, for example, targeting investment in markets with the most emissions.

Task Force on Climate-related Financial Disclosures statement continued

Risk management continued

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

Further actions to help us monitor and respond to climate-related risks and opportunities (in addition to the general risk management approach) in FY2023 included:

- Regulatory horizon scanning to understand key areas of climate disclosure and potential risks and opportunities.
- Considering how our business affects nature and biodiversity given the interlinkage between climate change and biodiversity impacts. We hope to publish more on this issue as the TCFD disclosure framework develops.

Metrics and targets

The metrics to assess climate-related risks are detailed above and in the general risk management framework. We assign inherent risk scores on the basis of likelihood multiplied by impact and then changing the inherent risk score on the basis of what management actions can be taken to mitigate risk. In measuring our emissions across Scopes 1, 2 and 3, we have identified parts of our operations that have relatively higher levels of GHG emissions. As set out in the Sustainability Review, these include the emissions from rider vehicles and rider kit under Scope 3 and we have launched kit recycling and vehicle transition programmes to support a reduction in emissions.

Our Scope 1 and 2 emissions are disclosed on page 36. We have set out our 2035 net zero target on page 38. To help achieve this, we have also set an interim target of a 20%–30% absolute reduction in market-based Scope 1 and 2 emissions by the end of 2026 against a baseline year of 2022 as part of our PSP. This range represents our target and stretch goals for emissions reduction.

As disclosed in our SECR report on page 39, this year our overall location-based emissions have fallen by 3%. Our market-based emissions, which are those that are relevant for the PSP, have fallen by 2.6% against baseline. Against our PSP baseline the reduction is slightly less as the FY2022 baseline is market-based and excludes markets we have exited. Our carbon intensity (i.e. emissions against revenue or order volume) has also fallen.

We are confident that we are on track to meet our net zero target with this positive progress. We have disclosed our Scope 3 emissions on page 40 and set a net zero target of 2050 for overall emissions, with an earlier 2040 target for our category 9 downstream transport emissions. As detailed in Table A2.1 of the TCFD implementation guidance, these

metrics and targets are based on the categories of 'GHG emissions' and 'remuneration' and are actively used by the business to assess and manage climate-related risks and opportunities through an understanding of the emissions intensity of our operations.

We will continue to measure emissions reductions each year and performance against PSP targets. We also track capital deployment. That is the amount of investment to decarbonise Editions, Hop and corporate estate. We have internal targets around the amount of carbon saved by the investments alongside the return on investment from reduced energy costs.

Away from the metrics identified in Table A2.1 of the TCFD implementation guidance we also track the following climate-related metrics as part of our usual operations which are relevant to climate. As above, given we have not defined climate risk as material to the business, these metrics do not yet have climate targets associated with them nor are they used in the context of assessing climate risk and opportunity. Instead they are business metrics which have climate relevance and we will consider setting climate-related targets in future in case they become material to our operations. The metrics below are all reported on for the first year, so we are not able to provide previous year comparators.

- Waste from our Hop sites. Where we measure the sale of zero waste bags which contain food that would otherwise be wasted. Good performance on this metric looks like reducing the overall amount of waste while also making sure a greater proportion of that waste is directed to zero waste bags. In FY23 we sold 4,931 of our zero waste bags from Hop Sites.
- Water usage in our Hop stores. Good performance on this metric is reducing the overall amount of water used on an intensity basis (0.25 cubic metres of water per square foot in FY23). This is based on partial and estimated data and we will improve accuracy as we collect more data.
- Percentage of deliveries done by bike or electric vehicle. Good performance here looks like increasing the percentage of deliveries done on these vehicles. We have provided the figure for certain zones on page 36. We hope to increase the level of disclosure next year.
- We do not have an internal carbon price.

These climate-related metrics are chosen because they represent areas of activity that are more within our direct control rather than those of our marketplace (e.g. a target on food waste in restaurants would depend heavily on restaurant behaviour).

Next steps

The Sustainability Review on pages 31 sets out our wider programme of work for mitigating and adapting to the impacts of climate change. This year we provided financial ranges for some of the climate risks and opportunities. We will further develop this financial analysis in order to continue integrating climate risk and opportunity into our ongoing planning and strategy.

Viability statement

The Directors have voluntarily complied with Provision 31 of the UK Corporate Governance Code, in which the Directors are required to assess the viability of the Group over an appropriate viability period. As part of this assessment, the Directors have issued a viability statement declaring that they believe the Group can continue to operate on normal terms and meet its liabilities for the three-year period from December 2023. In assessing viability, the Directors have considered the Company's current financial position and forecasted position, the business model, our strategy, principal risks and the resilience of the food delivery industry (see pages 14 to 66).

Assessment period

In considering the viability of the Group, the Directors considered the three-year period to 31 December 2026. This period is aligned with the Group's planning period and strategic planning period. Whilst the long-term Financial Plan extends for a five-year period, given the relatively early stage of the Company's maturity, along with the rapid pace of change in the food delivery industry, it is the initial three years of the plan that are assessed at the most detailed level. This also corresponds to the remuneration strategy for senior level employees, and the useful economic life of our internally developed intangible assets. As such the Directors have concluded that a three-year time horizon is the most appropriate period for the viability review.

Long-term prospects

The Group has a strong cash and cash equivalents position of £603.1 million at the balance sheet date and is successfully delivering on the plan to further profitability, reaching an adjusted EBITDA margin (as a % of GTV) of 1.2% in FY2023. Within the three-year time horizon of the viability assessment, we expect to continue to deliver on our strategic plan despite short-term macro pressures.

Planning process

The Group's overall strategy and business model, as set out on pages 14 to 16 are fundamental in driving growth in the business and therefore future prospects.

The Group's future prospects are assessed through the strategic planning process. The strategic planning process involves a detailed review of each country by the CEO and CFO. This is done in conjunction with the Executive Team, and culminates in a presentation to and discussion with the Board. The strategic plan then forms the basis of the Long-Term Financial Plan ('LTFP'), which considers the Group's profitability, Income Statement and cash flow. This plan is based on a number of key assumptions, including growth in GTV, revenue take-rate, and gross margin and savings arising from marketing and capital expenditure opportunities. The planning process includes a detailed budget for the next financial year and progress against this budget is then reviewed monthly and reported to the Board. The output of the process above reflects the Directors' best assessment of the future prospects of the Group over the next three years, and represents a reasonable expectation of results, rather than fact.

Stress testing

For the purpose of assessing the Group's viability, the Board assessed all of the principal risks detailed on pages 62 to 66 to determine which risks in particular could present the greatest threat to future performance and liquidity. Those that were considered to have the greatest potential to impact long-term

solvency were developed into individual scenarios, to model how that risk could impact viability.

The scenario planning we have undertaken includes modelling scenarios from the following risks: External environment and events – we have modelled an ongoing economic recession resulting in order volumes remaining flat at FY2023 levels; Financial condition and growth – we have assumed that the average consumer continues to experience cost of living difficulties exacerbated by higher inflation rates and our ability to improve gross profit margin is impeded, thereby resulting in a decline to gross profit margin in FY2024, which then stays flat for the remainder of the period; Competition and innovation – we recognise the risk that new entrants will enter the market, or existing competitors will expand their geographic coverage to break into new territories where Deliveroo is already operating – we have therefore modelled the impact of a new entrant in the Middle East market during 2025 and the associated impact on order volumes and costs; and finally Service availability and Cyber and Data security – we have assumed that a severe service outage or cyber incident impacts the ability of the Company to accept orders for a month, followed by a gradual return of the platform with orders taking a quarter to recover, in conjunction with a fine commensurate with a serious incident.

The Board has also considered the potential impact of changes to environmental factors which may affect the business model and performance in the future. As set out in the Taskforce on Climate-related Financial Disclosures ('TCFD') section on pages 67 to 74, there have been no material risks identified that could impact the Group's viability.

Whilst each of these scenarios can be considered 'severe but plausible', we also considered an aggregated impact of sensitivities, taking into account flat order volumes, a decline in gross profit margin and a severe service or cyber incident, to test the robustness of the Group's viability.

In this extreme scenario we did not model any mitigating actions and there was still sufficient cash to ensure that the Group will be able to continue in operation to meet its liabilities as they fall due over the three-year assessment period.

Financing facilities

Since the year-end, the Group has been in negotiation to replace its Revolving Credit Facility ('RCF') which expires on 7 April 2024. It is being replaced with a new RCF for £140 million. The facility is expected to be effective from 7 April 2024. It will have an initial term of 36 months which can be extended by up to 24 months. To date, no drawdowns have been made under this or preceding facilities.

Viability

As at 31 December 2023, the Group had net assets of £508.8million (2022: £804.1 million), together with net cash of £678.8 million (2022: £999.6 million). The Group has a strong financial position and sufficient cash reserves to draw down on as needed, as well as the RCF which remains undrawn as at the date of signing these financial statements.

Based upon the outcome of the stress testing, the Directors have a reasonable expectation that the Group will have adequate resources to be able to continue in operation and meet its liabilities and obligations as they fall due over the three-year period of assessment.

Non-Financial and Sustainability Information Statement

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

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

Reporting requirement	Policies and standards which govern our approach	Where to find more information
Environmental matters	<ul style="list-style-type: none"> Streamlined Energy and Carbon Reporting Our Sustainability Strategy and six key pillars Climate-related financial disclosures TCFD recommended disclosures 	<ul style="list-style-type: none"> Sustainability review, pages 31 to 41 TCFD Disclosure, pages 67 to 68
People	<ul style="list-style-type: none"> Our culture and values Equal Opportunities Policy Diversity Policy Our Code of Conduct – The ‘Roo Way’ Family Support Policies (including Paternity, Maternity, Shared Parental Leave, Adoption Leave and Time off for Dependents) Board Diversity Policy Flexible Working Policy 	<ul style="list-style-type: none"> Directors’ Report, pages 128 to 133 People section, pages 42 to 46 Sustainability review, pages 31 to 41 Stakeholder statement, pages 25 to 28 Gender Pay Gap Report on the Deliveroo website
Respect for human rights	<ul style="list-style-type: none"> Health and Safety Policy Data Protection Policy Privacy policies (policy per relevant stakeholder, such as our customers, riders, employees and partners) Mental Health and Wellbeing Policies Modern Slavery statement and Modern Slavery Policy Anti-Bullying and Harassment Policy 	<ul style="list-style-type: none"> Sustainability review, pages 31 to 41 Annual Modern Slavery statement on the Deliveroo website
Social matters	<ul style="list-style-type: none"> ‘We Are Deliveroo’ volunteering programme Volunteering and Public Duties Policy 	<ul style="list-style-type: none"> Sustainability review, pages 31 to 41 People section, pages 42 to 46
Anti-corruption and anti-bribery	<ul style="list-style-type: none"> Anti-Bribery and Corruption Policy Anti-Fraud Policy Anti-Money Laundering Policy Anti-Facilitation of Tax Evasion Policy Business Partner Code of Conduct Our Code of Conduct Spending Deliveroo Money Policy Conflicts of Interest Policy Speak Up Policy 	<ul style="list-style-type: none"> Audit and Risk Committee Report, pages 94 to 101 Sustainability review, pages 31 to 41
Additional disclosures	<ul style="list-style-type: none"> Group risk management processes and procedures 	<ul style="list-style-type: none"> Business model, pages 14 to 15 Key performance indicators, pages 20 to 24 Risk management and our principal risks section, pages 58 to 66

Governance at a glance

The Governance section sets out the Board's corporate governance structures and work for the financial year to 31 December 2023. Together with the Directors' Remuneration Report on pages 102 to 127, it includes details of how the Company has applied the principles and complied with the provisions of the 2018 UK Corporate Governance Code (the 'Code'). The Governance section has been organised to follow the structure and principles (A to R) of the Code.

Compliance with the Code

The Listing Rules require that companies listed on the Premium Listing of the London Stock Exchange describe in their annual report how they have applied the main principles of the Code and also any areas where they do not comply with the Code provisions. Although with a Standard Listing we are not subject to this Listing Rule requirement, in recognition of the importance of good governance, as a Board we committed to voluntarily comply. We consider ourselves to be fully compliant with the Code for the 2023 Annual Report.

Further information on the Code can be found on the Financial Reporting Council's ('FRC's') website: www.frc.org.uk.

Governance highlights

- Enhanced shareholder dialogue
- 97%+ votes in favour of all resolutions at the 2023 AGM
- Considered Board diversity and the FCA diversity targets
- Approved £250 million return of capital to Shareholders

Director changes

- Scilla Grimble was appointed as CFO and member of the Board with effect from 20 February 2023
- Shobie Ramakrishnan was appointed to the Board as Independent Non Executive Director with effect from 1 January 2024

Board leadership and Company purpose

A	An effective Board	→ See p83
B	Purpose, values and culture	→ See p83
C	Governance framework and Board resources	→ See p85
D	Stakeholder engagement	→ See p83
E	Workforce policies and practices	→ See p84

Division of responsibilities

F	Board roles	→ See p86
G	Independence	→ See p79
H	External appointments and conflicts of interest	→ See p128
I	Key activities of the Board in 2023	→ See p87

Composition, succession and evaluation

J	Appointments to the Board	→ See p91
K	Board skills, experience and knowledge	→ See p80
L	Annual Board and Committee evaluation	→ See p89

Audit, risk and internal control

M	Financial reporting, external auditor and internal audit	→ See p97
N	Review of the 2023 Report and Accounts	→ See p101
O	Internal financial controls and risk management	→ See p99

Remuneration

P	Linking remuneration with purpose and strategy	→ See p103
Q	Remuneration Policy review	→ See p104
R	Performance outcomes in 2023 and strategic targets	→ See p106

Chair's introduction to governance

Introduction

On behalf of the Board, I am pleased to introduce the Governance Report which describes the activities of the Board during the year, along with our governance arrangements and our planned focus for 2024.

It has been a busy year for Deliveroo. As noted in my Chair's Letter (on page 12), it has been a time for the Board and Executive Team to reflect on the Company's achievements and articulate our strategic and operational focus and future trajectory (including our enhanced mission).

Many threads of Board activity were woven into this including our annual strategy day in June, the consideration of our capital allocation strategy including our tender offer to purchase up to £250 million of our shares announced at the end of September, our Board visit to Italy to better understand our thriving business there, and the consideration of our strategy, messaging and financial guidance ahead of our Capital Market Event ('CME') in November. We have set out some of the key highlights of the Board's focus in this report, which I hope gives some insight into the breadth of our work during the year.

As a Board we have continued to focus on embedding good governance including our compliance with the UK Corporate Governance Code, Board/Senior Management composition and performance, enhancing management and operational processes, monitoring our culture and the refreshing of our Company Values. While there are still areas where we need to improve, we have made good progress.

Board/Committee composition and diversity

During the year we welcomed Scilla Grimble to the Board who joined as Chief Financial Officer ('CFO') on 20 February 2023. Scilla has made an invaluable contribution to improving our ways of working and as a partner to the business with her highly relevant skills and experience. We also welcomed Shobie Ramakrishnan as a Non-Executive Director ('NED') from 1 January 2024. Shobie has over 20 years of experience

leading technology-driven programmes and currently leads the technology agenda at GSK in her role as Chief Digital and Technology Officer.

Maintaining a diverse culture on our Board is very important and so the Nomination Committee keeps the balance of skills, experience and knowledge of our Board under review. We know that an experienced and diverse Board most effectively supports our Executive Team as it evaluates the strategic, operational and sustainability issues and opportunities that affect the Company. We welcome the FCA's new listing rule requirements around diversity and inclusion reporting, which we report on for the first time on page 92. I am pleased to report that during 2023 our Board make-up met the gender diversity targets set by the FCA with 50% of our Board comprised of women, and our Chair, CFO and Senior Independent Director positions held by women. There are a number of initiatives underway to promote diversity within Deliveroo, particularly to increase opportunities for women to move into more senior roles in the organisation (particularly in tech). Gender diversity is also a specific target under our 2023 and 2024 PSP awards (see the People section on page 45 and the Directors' Remuneration Report on page 102).

Board performance

As noted, I believe that our focus on governance has been an important factor in our achievements and will play an important role in our future success. We reported last year that we had conducted an early externally facilitated Board and Committee review to get an independent view of how we were operating and how we could embed robust governance across the business. This year we conducted an internally facilitated review covering our progress on the key areas of focus arising from last year's review. Our review concluded that the Board and Committees continue to operate effectively and improvements continue to be made in ways of working and in maturing the standard of governance across the business, particularly on the areas identified in the independent review. More information on the process, the outcomes and the proposed actions can be found on page 89.

Claudia Arney
Chair

Stakeholder engagement

We know that to drive sustainable value for the Company our decision making and strategy needs to be informed by engagement with our marketplace as well as our employees, shareholders and other stakeholders.

The Board receives updates from our CEO, Chief People Officer and Dominique Reiniche, our Employee NED, on employee engagement, diversity and matters impacting our culture and values. A key highlight this year, was the refresh of our Company Values which was considered by the Board following a project led by the Executive Team that involved significant engagement with employees across the business. I introduced the launch of the refreshed values to our colleagues in June. We discussed that a well understood set of company values which are lived every day are the building blocks of a healthy culture; and a healthy culture creates both value for the business and a great place to work for our employees.

I also welcomed the opportunity to meet several of our largest investors ahead of our Annual General Meeting last May to discuss general governance matters. Investors were interested in how the Board interacts with management and how key decisions are made, the Board's views on strategy, our focus on profitability versus growth and future opportunities, capital allocation, rider conditions and our progress on the journey to build a comprehensive ESG strategy. It was also good to meet investors at the CME in November and to hear some positive feedback on the business, our plans and the team. Investor engagement by our Executives and the Investor Relations team during the year provided very important context for Board deliberations, particularly on our strategy and capital allocation. We are holding our AGM on Thursday, 23 May 2024 and the Board and I look forward to meeting with shareholders then. More information on the AGM will be available on the Company website closer to the meeting date.

For more information on how we have considered our stakeholders, see the Stakeholder statement on page 25 and our statement on how Directors have had regard to the matters set out in Section 172 (1) of the Companies Act 2006 on page 29. For more information on our people, see the People section on page 42.

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

Claudia Arney

Chair
13 March 2024

Board composition and diversity

as at 13 March 2024

Board gender diversity

- Female - 5
- Male - 4



Board composition

- Chair - 1
- Independent Non-Executive Director - 5
- Non-Executive Director - 1
- Executive Director - 2



Board tenure

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



Board nationality

- UK - 5
- US - 2
- EU - 2



Board independence

- Independent (including Chair) - 6
- Non-Independent - 3



Board of Directors



Claudia Arney Chair

N

Joined: 23 November 2020
Appointed to Deliveroo plc:
19 March 2021

Nationality:

UK

Experience

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

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

Other appointments

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

Key to Committees

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



Will Shu Chief Executive Officer

Appointed as CEO: 1 February 2013
Appointed to Deliveroo plc:
19 March 2021

Nationality:

US

Experience

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

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

Other appointments

None



Scilla Grimble Chief Financial Officer

Appointed as CFO: 20 February 2023

Nationality:

UK

Experience

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

Other appointments

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



Peter Jackson

Independent Non-Executive Director

A N

Appointed: 1 January 2022

Nationality:

UK

Experience

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

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

Other appointments

- Flutter Entertainment plc – Chief Executive Officer



Dame Karen Jones DBE

Senior Independent Non-Executive Director ('SID')

N R

Appointed: 1 June 2021

Appointed as SID: 1 January 2022

Nationality:

UK

Experience

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

Other appointments

- Whitbread plc – Non-Executive Director and Member of the Remuneration and Nomination Committees
- Hawksmoor – Chair
- Mowgli – Non-Executive Director
- Crown Estate – Non-Executive Director and Senior Independent Director
- Firmenich AG – Board Member



Rick Medlock

Independent Non-Executive Director

A N R

Joined: 1 October 2020

Appointed to Deliveroo plc:
19 March 2021

Nationality:

UK

Experience

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

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

Other appointments

- Smith & Nephew plc – Non-Executive Director
- Datatec Ltd – Non-Executive Director and Member of the Audit, Risk and Compliance Committee
- Alaska Topco Limited (t/a Nomentia) – Chair
- British Engineering Services Ltd – Chair

Board of Directors continued



Dominique Reiniche

Independent Non-Executive Director, Designated Employee NED

A N R

Appointed: 1 May 2021

Nationality:

French

Experience

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

Dominique previously held a number of senior roles at Coca-Cola Enterprises and at Coca-Cola Company, including President – Western Europe, President – Europe, and Chair – Europe. Dominique was previously a Non-Executive Director of Peugeot-Citroen SA, Severn Trent plc and AXA SA.

Other appointments

- Mondi plc – Non-Executive Director
- PayPal Europe – Non-Executive Director



Shobie Ramakrishnan

Independent Non-Executive Director

A N R

Appointed: 1 January 2024

Nationality:

US

Experience

Shobie Ramakrishnan has over 20 years of experience driving business success through smart use of data and technology. She currently leads the technology agenda at GSK in her role as Chief Digital and Technology Officer helping GSK use technology as a differentiator to discover transformational medicines, deliver growth and positive health outcomes for patients. Before joining GSK, Shobie held senior technology leadership roles in organisations including AstraZeneca, Salesforce, Genentech and Roche.

Other appointments

- GSK plc – Chief Digital and Technology Officer



Tom Stafford

Non-Executive Director

Appointed: 19 March 2021

Nationality:

Irish

Experience

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

Other appointments

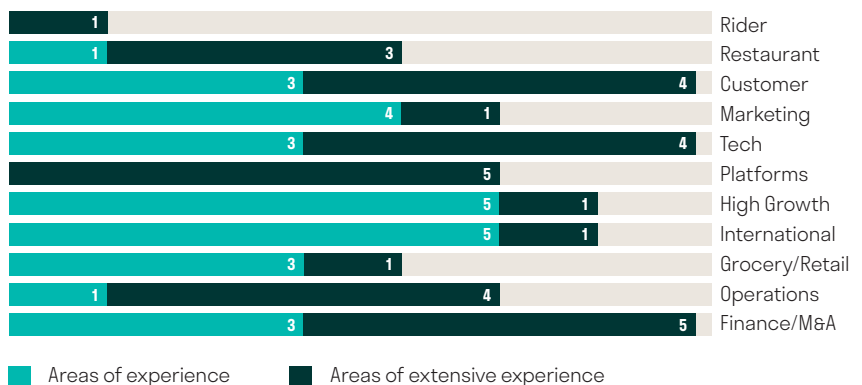
- DST Global – Managing Partner

Key to Committees

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

Board skills

as at 13 March 2024



Governance Report

Board leadership and Company purpose

An effective Board

Our Board is composed of highly skilled professionals who bring a range of skills, perspectives and corporate experience to the boardroom (see pages 80 to 82). The Board is collectively responsible for delivering the long-term success of Deliveroo for the benefit of its shareholders and wider stakeholders. The Board leads and provides direction in the setting of strategy and overseeing its implementation by management.

To maximise the effectiveness and ensure sufficient time and attention can be devoted to key matters, the Board has delegated authority in certain areas to its principal Board Committees as set out on page 90. The specific activities undertaken by the Board during the year are set out on page 87. The Board also monitors the Group's operations within an agreed framework of controls, allowing risk to be assessed and managed within agreed parameters. This is discussed further in the Risk management and our principal risks section on page 58 and the viability statement on page 75.

The Executive Directors have been delegated responsibility for ensuring that policies and behaviours set by the Board are effectively communicated and implemented across the business. If the Board is concerned or dissatisfied with any behaviours or actions, it will seek assurance that corrective action is being taken.

Mission, culture and values

The Board sets the clear tone from the top by satisfying itself that Deliveroo's mission, culture and values are aligned with its strategy.

Mission

We have broadened our Company mission to reflect the evolution of our business into non-food retail. Our mission is to transform the way our customers shop and eat, bringing the neighbourhood to their door by connecting consumers, restaurants, shops and riders. More information on our strategy and how we are evolving our business into non-food retail is set out in the Strategy section on pages 16.

Culture

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

The Board monitors and assesses the culture of the Group via regular management updates as well as:

- assessing cultural indicators such as: management's attitude to risk; fraud and whistleblowing ('Speak-Up') reporting; compliance with the Group's Code of Conduct, policies and procedures; and key performance indicators ('KPIs') such as Peakon employee feedback scores and staff retention;

- feedback from the Employee NED on her engagement on employee matters;
- feedback from our wider stakeholders (see the Stakeholder statement on page 25); and
- independent assurance via the external auditor, the Internal Audit function and other advisers.

Embedding our culture and values throughout our organisation is important, and is a key consideration during our recruitment processes and is reinforced during our induction programme and performance reviews. It is also emphasised by the Executive Team-led monthly 'firmwides' which are all-Company meetings provided to everyone in the organisation. Inclusivity is also important, with a focus on DE&I initiatives as set out in our People section on page 42.

Values

During the year we took the opportunity to refresh our Company Values. Deliveroo has grown and matured over recent years and while many of our old Values remain, it was important to refine and focus our Values to continue to embed a strong culture to continue to drive business success, positive marketplace outcomes and to create a great place for our people to work.

The project to refresh our Values was led by Will Shu and the Executive Team, tested across the employee population and considered with the Board. Our Company Values are embedded in our operational practices through the policies approved by the Board and the direct oversight and involvement of the Executive Directors and the Executive Team.

Stakeholder engagement

Approach to engagement

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

Information on our key stakeholders and how the Board has considered stakeholder interests during the year are set out in the Stakeholder statement on page 25 and the Board's Section 172 Statement on page 29.

Our marketplace and local communities

Our impact on our marketplace is an important focus of the Board's annual deep-dive session on strategy and business initiatives. During the year the Board also receives regular updates on matters relating to our consumers, riders and merchants as well as our key markets, from the CEO and members of the Executive Team. Highlights during the year include the Board's visit to Italy in September 2023 to better understand our business there, and the key strategic and business initiatives shared with investors at our Capital Markets Event in November.

Governance Report continued

Stakeholder engagement continued

Our marketplace and local communities continued

The Board also receives regular reports on ESG matters. During the year the Board considered progress against the sustainability pillars set out in the 2022 Annual Report, as well as the specific commitments to reduce our direct emissions and to improve gender representation in our workforce, as linked to our executive remuneration in relation to our 2023 and 2024 PSP awards. The Board also approved the sustainability strategy for 2024 including the further evolution of our emissions targets. More detail on this can be found in our Directors' Remuneration Report on page 102 and the Sustainability review on page 31.

Employees

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

Dominique receives reports on monthly feedback from our employees through our Peakon surveys and discusses the outcome with the Chief People Officer. Dominique also met several times during the period with the Director of DE&I and her team to consider progress with our diversity, equity and inclusion ('DE&I') initiatives. Dominique reported to the Board on her views of the key wins and misses during FY2023 in terms of People initiatives and events impacting employees. There had been some challenges due to the redundancy programme during the early part of 2023 which had impacted Peakon scores as well as the embedding of the recent return to office policy. There was also further work to be done on meeting gender diversity goals. Her engagement plan for FY2024 is aimed at improving alignment with the priorities/activities of the People Team to enable a more holistic engagement approach. More information on the ways in which the Company engages with its employees and other key stakeholders can be found in the Stakeholder statement on page 25 and in the People section on page 42.

Workforce policies and practices

The Executive Directors, with the assistance of members of the Executive Team, review and approve all key policies and practices which could impact on our employees or influence their behaviours, to ensure they support the Group's mission and reflect our Values. The Board approves the Remuneration Policy for the Executive Directors, via the Remuneration Committee, and has oversight of the wider workforce remuneration practices (for further information see page 123).

Our policies are readily accessible to employees through our intranet and new hires are required to confirm their understanding of these policies during onboarding. This year we refreshed our Code of Conduct – known as the 'Roo Way' – which reflects our commitment to conduct business in accordance with our Company Values, to act with integrity and to offer the best experience to our marketplace. To ensure the Code of Conduct and all other policies are effectively embedded in our business practices, we communicate regularly with staff to highlight the key messages and notify them of any material changes. We also operate a training programme designed to reinforce essential compliance messages.

We encourage our employees to embrace high standards of conduct and to speak out if they witness any wrongdoing which falls short of those standards. To facilitate this, we have implemented a whistleblowing policy – known as 'Speak Up' – which is accessible through the intranet. Further information on this is in the Audit and Risk Committee Report on page 94.

Investor engagement

The Board is committed to maintaining good communications with existing and potential shareholders. Throughout 2023, we provided quarterly market updates, including hosting webcasts for our annual and interim results, as well as our Q4 trading update. The CEO, CFO and the Investor Relations team met with investors after each financial update, as well as on an ad hoc basis.

Outside of reported financial results, we hosted two in-person events for analysts and investors; a grocery seminar on 18 July 2023 and a Capital Markets Event on 29 November 2023. We also engaged extensively with institutional investors in August and September ahead of the Tender Offer process, which concluded in October 2023. Claudia Arney, our Chair, also engaged with our investors during the year including meeting with a number of our largest shareholders ahead of our Annual General Meeting ('AGM') on 24 May 2023, and reported on this to the Board. Further information regarding our investor engagement is set out in the Stakeholder statement on page 25.

All shareholders may ask questions by contacting us and we encourage participation in our 2024 AGM, where shareholders will have the opportunity to engage with our Board members. The Notice convening the 2024 AGM will be made available to shareholders in advance of the meeting and will provide information on the resolutions to be put to the meeting and other information relevant to the AGM including how to vote. The results of the proxy votes on each resolution will be collated independently by the Company's registrar and will be published on the Company's website after the meeting.

The Company's 2023 AGM was held on 24 May 2023. All of the resolutions put to the meeting were passed, receiving over 97% votes in favour.

Deliveroo's governance framework

The Board

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

- **Board of Directors on p80**
- **Chair's Letter on p12**
- **Our principal risks on p58**
- **The Section 172(1) statement on p29**

Board reserved matters

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

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

Board Committees

Nomination Committee

The purpose of the Committee is to ensure that the Board and its Committees have the appropriate balance of skills, knowledge and experience, and that adequate succession plans are in place for the Board and the Executive Team including a diverse talent pipeline.

→ **See more on p91**

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

Audit and Risk Committee

The purpose of the Committee is to monitor the integrity of the Group's financial reporting, ensure that an appropriate relationship is maintained with the external auditor and monitor the effectiveness of the Group's risk management systems and internal financial controls, including the principal and emerging risks.

→ **See more on p94**

Remuneration Committee

The purpose of the Committee is to establish the Group's Remuneration Policy and ensure that there is a clear link between performance and remuneration, including setting policies for executives that promote the long-term sustainable success of the Group and are aligned with the Group's strategy.

→ **See more on p102**

Executive Directors

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

- **Founder and CEO's Letter on p4**
- **Group highlights 2023 on p2**
- **Operating and strategic review on p47**

Supporting Executive Team Committees

The Executive Team operates a number of supporting committees that provide oversight on key business activities and risks.

- Executive Committee – Meets on a weekly basis
- Executive Risk Committee – Meets on a quarterly basis

→ **More information on the Executive Team including their bios are available on the Group's website at: <https://corporate.deliveroo.co.uk>.**

Governance Report continued

Division of responsibilities

Board roles

Chair

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

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

Chief Executive Officer ('CEO')

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

Chief Financial Officer ('CFO')

Scilla Grimble is a member of the Executive Team reporting to the CEO. Her role is to support the CEO in developing and implementing strategy and the development of business plans and the Company's annual budget in collaboration with the Board. She leads the Finance, Tax, Treasury, Risk and Internal Control and Company Secretariat teams, and oversees the Company's relationship and communications with the investment community.

Senior Independent Non-Executive Director ('SID')

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

Employee Non-Executive Director ('Employee NED')

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

Non-Executive Directors

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

The Company Secretary

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

The Board Committees

The Board delegates a broad range of responsibilities to its Committees (the Audit and Risk, Remuneration and Nomination Committees). It is therefore important that effective links are maintained between the Committees and the Board. Each Committee has its own Terms of Reference, which are reviewed annually, and the Board has access to the minutes of Committee meetings as well as verbal updates at the Board, where appropriate.

The Executive Team

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

In particular, the Executive Team is responsible for:

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

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

Key activities of the Board during 2023

The Board has been busy, having met for seven scheduled board meetings, including the annual review of the Company's strategy and an additional three unscheduled meetings. The Non-Executive Directors also met on five occasions without management present. Board and Committee attendance for regularly scheduled meetings during 2023 is set out on page 88. During this period, the Board has been very mindful of our stakeholders and the possible impacts of events on them. More information on our key stakeholders is on page 25 and the Board's consideration of our stakeholders in its decision making is in our Section 172 (1) statement on page 29.

Board focus during 2023 and up to the date of this report was on the following key areas/activities:

Company strategy and performance

- Received regular updates from the CEO and CFO at each meeting detailing the performance of the business against the strategic and financial goals and the competitive/macro-economic impacts on the business.
- Approved capital allocation matters including the return of value to shareholders through a tender offer of up to £250million and a £50million share purchase programme, as well as a £75million Employee Benefit Trust ('EBT') share purchase programme.
- Annual Board strategy day to discuss/agree the strategic objectives of the business.
- Board visit to Italy to obtain a deeper understanding of the Italian business.
- Approved the key messages/guidance to investors as part of the Capital Markets Event.
- Approved the refreshed Company mission.
- Approved the long term financial plan and 2024 budget.
- Received regular reports from the Executive Team on global operations, key areas of the business/strategic initiatives and competitor and external environment context.
- Received regular reports from the General Counsel on material litigation, regulatory and other matters impacting the business.

People, culture and risk

- Monitored the maintenance of the risk management and internal control systems, reviewed the Group's principal risks and approved its risk appetite.
- Approved the 2023 Gender Pay Gap Report and Modern Slavery Statement.
- Considered Board succession matters including the appointment of a new Non-Executive Director.
- Considered the Board's and organisation's gender and wider diversity, including the new FCA Listing Rule requirements for wider diversity reporting in our Annual Report.
- Approved the refreshed Company Values.
- Received updates from the Nomination Committee, Chief People Officer and Employee MED on people matters including culture, retention, values, DE&I, gender pay and the return to office policy.

Environmental, social and governance ('ESG')

- Approved the Board objectives and the annual calendar and workplan for the Board and Committees.
- Considered the outcome of the Board/Committees Effectiveness Review and their respective terms of reference.
- Received regular reports from the Chairs of the Audit and Risk, Remuneration and Nomination Committees on the work of those Committees.
- Received updates on the progress of the Group's ESG Pillars (as set out in the 2022 Annual Report) and commitments to reduce our direct emissions and to improve gender representation in our workforce (as linked to our executive remuneration in relation to the 2023 PSP awards). Approved the Sustainability Strategy for 2024.
- Approved the plans and resolutions for the 2024 AGM.
- Considered Director interests and any potential conflicts of interest.
- Received regular governance updates from the Company Secretary.

Financial and investor updates

- Received regular reports from the CFO at each meeting detailing the financial performance and progress against plans and analyst consensus.
- Discussed and approved the Capital Markets Event content and statement of guidance.
- Considered and approved the financial statements and announcements including the Annual Report and preliminary, interim and quarterly results announcements.
- Received regular investor relations updates from the CFO, the VP Strategy and Investor Relations and the brokers on the competitive landscape, investor engagement and feedback, market reaction to announcements and analysts' views.

Wider stakeholders

- Considered rider earnings, benefits and conditions and regulatory matters.
- Considered impacts on restaurant partners and customers.
- Considered shareholder and proxy adviser views on strategy, performance and executive remuneration.
- Considered the outcomes of the Chair's and other engagement with investors ahead of the 2023 AGM.

Governance Report continued

Key activities of the Board during 2023 continued

Board and Committee scheduled meeting attendance for the year ended 31 December 2023

Director	Board	Audit and Risk	Nomination	Remuneration
Directors as at 31 December 2023				
Claudia Arney (Chair, Chair of Nomination Committee)	7/7	N/A	4/4	N/A
Will Shu (CEO)	7/7	N/A	N/A	N/A
Scilla Grimble (CFO) ¹	6/6	N/A	N/A	N/A
Dominique Reiniche	7/7	6/6	4/4	5/5
Dame Karen Jones DBE (SID, Chair of Remuneration Committee)	7/7	N/A	4/4	5/5
Peter Jackson	7/7	6/6	4/4	N/A
Rick Medlock (Chair of Audit and Risk Committee)	7/7	6/6	4/4	5/5
Tom Stafford ²	6/7	N/A	N/A	N/A

1. Scilla Grimble joined the Board on 20 February 2023. She attended all meetings since her appointment.

2. Tom Stafford missed one meeting of the Board due to the rescheduling of that meeting which then conflicted with a prior commitment which could not be altered.

Composition, succession and evaluation

Board composition

The composition of the Board, along with Director biographies and tenure, can be found on pages 80 to 82.

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

Our Board is a diverse and effective team, focused on promoting the long-term success of Deliveroo for the benefit of all stakeholders. It is the first year that we are reporting on the FCA's new Listing Rule requirements (LR 9.8.6(9)) for diversity and inclusion reporting and our full disclosure can be found in the Nomination Committee report section on page 92. Information about the wider Company diversity, equity and inclusion strategy can be found in our People section on page 44.

Appointment terms and election of Directors

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

The Board considers all Directors to be effective and fully committed to their roles and to have sufficient time to perform their duties. The Board has delegated to the Nomination Committee the responsibility for monitoring the Non-Executive Directors' external roles and commitments to ensure they remain able to devote an appropriate amount of time to their roles at the Company. In line with the recommendation of the Code, all Directors will be offering themselves for election or re-election at the Company's 2024 AGM.

External Executive appointments

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

Directors' interests

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

Our Directors must report to the Chair any changes to their commitments, any actual or potential conflicts or a change of circumstances relating to an existing authorisation. The Directors also complete an annual Directors' Interests Questionnaire as part of our year-end processes. Any conflicts or potential conflicts identified are considered and, as appropriate, authorised by the Board. Following our annual review it was confirmed that no circumstances

existed which would necessitate that any prior authorisation be revoked or amended, and the authorisation process continued to operate effectively.

Board skills, experience and knowledge

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

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

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

Annual Board and Committee effectiveness review

The Board monitors and improves performance annually by reflecting on the continuing effectiveness of its activities, the quality of its decisions and by considering the individual and collective contribution made by each Board member and the leadership of the Chair.

Process

Having conducted an extensive external review the prior year, during 2023 an internally facilitated review of the Board, Committees and Chair was undertaken. See below for an outline of the process.

Step one

Questionnaire

A number of questions were prepared by the Company Secretary, in conjunction with the Chair and Committee Chairs, covering key areas and particularly, building on the outcome of the previous year's review.

Step two

One-to-one sessions

The questions were circulated to each Director and their written responses were followed up with one-to-one sessions with the Chair to discuss their views in more detail. The Senior Independent Director also held one-to-one sessions with Directors to discuss the Chair's performance.

Step three

Outcomes

The responses were compiled and presented to the Board and Committees for discussion, and actions/areas of focus for the coming year were agreed. The Board also agreed its objectives for 2024.

Results

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

The themes arising from the review identified some opportunities for focus and action which will be incorporated into the Board and Committee plans for the coming year, as set out on page 90.

Chair performance

Led by the Senior Independent Director, the performance of the Chair was also assessed as part of the internal review, including receiving feedback from the Directors on her performance. The Chair is regarded by all as an excellent, hard working and authentic Chair. Her objectivity and independence are clear along with her significant commitment and strong moral tone. She has built strong relationships with the Executive Team which helps to ensure an effective link between the Board and the Executives.

Governance Report continued

Composition, succession and evaluation continued

2023 Board/Committee effectiveness review

2023 review themes

Proposed actions for 2024

Board

Board composition/dynamics

The Board was operating effectively with good debate, balanced contributions and strong engagement with the Executive Team.

Good progress has been made on Board composition, including the appointment of the new CFO and INED.

- Evolve the Board skills matrix to ensure consistency with current strategy.
- Further opportunities for engagement between the Board and Executive Team outside of meetings.

Meetings/ways of working

Annual calendar and agendas covered the right topics, with improved papers and Executive information sharing. Ensure sufficient time for debates on key priorities.

- Agendas to prioritise strategic topics and ensure sufficient time for discussion.
- Papers much improved but further focus on clarity of the key areas for decision/debate.

Board focus/strategic priorities

Good focus on strategy discussions, particularly Board Strategy Day, CME and Italy trip. Continued focus in this area including longer-term priorities.

- As the strategy is agreed now need to increase focus on operations and execution.
- Board focus areas to include culture, talent strategy, tech roadmap, and risk.

Audit and Risk Committee

The Committee was operating effectively and had made good progress, particularly with moving the risk and control maturity agenda forward. Paper content and timeliness had improved significantly.

- Rebalance of agenda items to leave more time for discussion.
- Continued focus on risks and controls, particularly, non-financial risks.
- Further improvements to papers/presentations.

Remuneration Committee

The Committee was operating effectively with improved agendas and papers. The Remuneration framework is now embedded and better understood within the business.

- Papers improved but further focus on clarity and appropriate benchmarks.
- More opportunities for NED feedback, including post-meetings.

Nomination Committee

The Committee was operating effectively, dialogue was open and constructive. Good progress on priorities (i.e. successful appointments of CFO and INED).

- Continued focus on talent management and succession plans for Board and Senior Executives.

Nomination Committee Report

Committee members^{1,2}

Claudia Arney (Chair)	Independent
Rick Medlock	Independent
Dominique Reiniche	Independent
Dame Karen Jones DBE	Independent
Peter Jackson	Independent

1 See page 88 for information on Committee attendance.

2 Shobie Ramakrishnan joined the Committee on 1 January 2024.

Focus areas for 2024

- Keep Board composition and succession under review.
- Continue to monitor Senior Management succession and talent development pipeline.
- Assess DE&I performance across the organisation.

Roles and responsibilities

- The regular review of the structure, size and composition of the Board and its Committees including the proper balance of skills, experience, independence and wider diversity, and to make recommendations on this to the Board.
- Succession planning for Directors and the Executive Team, with a view to ensuring continued strong leadership of the business and execution of its strategy, including oversight of the development of a diverse pipeline for succession.
- Identifying and nominating candidates to fill board vacancies, including managing the search process.
- Keeping under review potential Director conflicts of interest disclosed to the Company, including maintaining appropriate processes for the management of such conflicts where necessary.
- Assessing Board skills and overseeing Board induction training and evaluation.
- Overseeing the Company's policy, objectives and strategy on Board, Senior Management and organisation diversity, equity and inclusion.

As Nomination Committee Chair, I am pleased to present the Committee's report for the year ended 31 December 2023.

Role of the Committee

The role of the Committee is to ensure that plans are in place for the orderly succession of Board, Committee and Senior Management positions based on merit and objective criteria, while maintaining an appropriate balance of skills, experience, independence and diversity. The Committee regularly reviews the structure, size and composition of the Board and its Committees and succession plans, and makes recommendations to the Board and Committees with regard to any changes relating to them. We are fully compliant with the Code in relation to the composition of our Board and Committees.

As required by the Code, in addition to the Chair, the Committee is composed solely of independent Non-Executive Directors. The Company Secretary is secretary to the Committee. The Committee Terms of Reference can be found at <https://corporate.deliveroo.co.uk>.

Committee focus during the year and for FY2024

The Committee met formally four times during the year, with additional regular communications to provide updates on various matters. Meeting attendance can be found on page 88.

During the year as part of our succession planning, the Committee led the process to identify a new Non-Executive Director for appointment to the Board, reviewed the talent and succession plans for the Executive Team and Senior Management, and Board and senior leadership diversity. The latter included the refresh of our Board Diversity Policy to reflect the Financial Conduct Authority's ('FCA') new requirements for diversity and inclusion reporting, including targets for board diversity. More information on the work of the Committee is set out below. We welcome the FCA's new reporting requirements and our first Diversity Report is set out below on page 92.

Board succession planning

On 20 June 2022 we announced the appointment of Scilla Grimble as Chief Financial Officer. Scilla took up her role as CFO and joined the Board on 20 February 2023. Scilla was appointed as CFO following a formal search process led by executive search firm Egon Zehnder, which we detailed in last year's Annual Report.

Claudia Arney
Chair, Nomination
Committee



Nomination Committee Report continued

Board succession planning continued

On 8 November 2023 we announced the appointment of Shobie Ramakrishnan as Non-Executive Director, who joined the Board and the Audit and Risk, Remuneration and Nomination Committees on 1 January 2024. Shobie was appointed following a formal search process led by executive search firm Egon Zehnder. The Committee had identified that it was desirable to appoint a Non-Executive Director with tech experience to provide further support to the Board in this complex area. A clear brief was agreed by the Committee to ensure that prospective candidates would possess the right skills and experience, and would be the right fit in terms of our organisational culture and to reflect our aim to maintain an accessible and diverse Board. A long list of 18 candidates was reviewed and a shortlist of 3 suitable candidates was agreed, with interviews conducted by the Chair and members of the Board, resulting in Shobie's appointment. The Committee is satisfied that Egon Zehnder has no other connection with the Company or any of its Directors and that the advice it received is independent.

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

Looking forward

Following an externally facilitated Committee review last year, we conducted an internally facilitated review this year with the results set out on page 89. Our review concluded that the Committee was working well and had made good progress on its priorities. Given the importance of Board and Senior Management succession planning and the monitoring of diversity to the long-term success of the Company, the Committee will continue to dedicate significant time and focus to this topic in 2024.

Claudia Arney

Chair, Nomination Committee
13 March 2024

Reporting on our diversity

The Board believes that its perspective and approach can be greatly enhanced through diversity of age, gender, nationality, ethnicity, sexual orientation, socio-economic backgrounds, cognitive and personal strengths, tenure and relevant experience. We recognise that the delivery of our strategy requires the promotion of a high-performing culture, characterised by a diverse and inclusive Board. During the year, the Nomination Committee reviewed and updated the Board's Diversity Policy to reflect progress made over the past few years, to clarify its application to the Board's Committees and to reflect the FCA's Board diversity targets. While all Board/Committee appointments are based on merit, the Committee considers candidates against objective criteria and with due regard to the benefits of diversity. The Board is committed to diversity on the Board and aspires to meet the FCA targets on board diversity. The Committee also monitors the diversity of the Executive Team and wider Senior Management and the talent pipeline.

Set out on page 93 is the detailed report on our gender and ethnic diversity representation for our Board and Executive Management, as well as our approach to data collection which is based on self-reporting. During 2023 our Board make-up met the gender diversity targets set by the FCA but not wider ethnic diversity. For Executive Management (which includes our Executive Team and our Company Secretary) 60% of our leadership was male versus 40% female. For ethnic diversity, Executive Management comprised 70% white, 20% ethnic minority and 10% not specified/prefer not to say.

The Board is committed to supporting the efforts of the Executive Team on DE&I matters. There are a number of initiatives underway to promote diversity within Deliveroo as set out in the People section on page 42. There is a particular focus on increasing opportunities for women to move into more senior roles in the organisation (particularly in tech) with gender diversity a specific target under our 2023 and 2024 PSP awards (see the Directors' Remuneration Report on page 102).

Board diversity report summary

FCA Board diversity targets	Board performance as at 31 December 2023
At least 40% of the board are women.	50% of our Board are women.
At least one senior board position (Chair, CEO, CFO or Senior Independent Director) is a woman.	Each of our Chair, CFO and Senior Independent Director are women.
At least one member of the board should be from an ethnic minority background, excluding white ethnic groups.	No Directors reported that they are from an ethnic minority background, with three Directors specifying they preferred not to say.
Board Diversity Policy applies to the Board and its Committees and covers aspects such as ethnicity, sexual orientation, disability, and socio-economic background (in addition to the previous requirements of age, gender, or educational and professional backgrounds).	Our Board Diversity Policy covers these requirements.

Reporting table on sex/gender representation (as at 31 December 2023)

	Number of board members	Percentage on the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
Men	4	50%	1	6	60%
Women	4	50%	3	4	40%
Other categories	0	0.0%	0	0	0%
Not specified/preferred not to say	0	0.0%	0	0	0%

Reporting table on ethnicity representation (as at 31 December 2023)

	Number of board members	Percentage on the board	Number of senior positions on the board (CEO, CFO, SID and Chair)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	5	62.5%	3	7	70%
Mixed/Multiple ethnic groups	0	0.0%	0	1	10%
Asian/Asian British	0	0.0%	0	0	0%
Black/African/Caribbean/Black British	0	0.0%	0	0	0%
Other ethnic group, including Arab	0	0.0%	0	1	10%
Not specified/prefer not to say	3	37.5%	1	1	10%

Data collection approach

At the Board level, as part of our annual year-end verification process, Directors voluntarily self-disclosed their gender and ethnicity. These self-disclosures were used for the review against diversity targets.

At the Executive Management level, we use data collected as part of wider employee diversity reporting. Where data can be legally collected, all leaders and employees at Deliveroo are invited to voluntarily self-report across gender and ethnicity in our human resources information system ('Workday'). This data is pulled in aggregate for the Executive Management team to remain anonymous. It is made clear to employees that their self-reporting is completely voluntary and confidential.

Audit and Risk Committee Report

Committee members^{1,2}

Rick Medlock (Chair)	Independent
Dominique Reiniche	Independent
Peter Jackson	Independent

1. See page 88 for information on Committee attendance.
2. Shobie Ramakrishnan joined the Committee on 1 January 2024.

Focus areas for 2024

- Continue to monitor plc governance and further improvements in ways of working.
- Consider the key risks to the business and monitor our risk and internal controls processes as these become further embedded.
- Review of cyber security, IT general controls and resilience processes including platform security risks and business continuity plans.
- Monitor the development and progress of ESG and TCFD reporting.
- Oversee planned accounting process improvements and automation.
- Review the 2024 UK Corporate Governance Code requirements and guidance particularly in the context of our internal review of controls.

Roles and responsibilities

- Monitoring the integrity of the Group's financial statements and announcements relating to the Group's financial performance, including the review of significant financial reporting judgements.
- Consideration of the Group's viability statement and going concern assessment.
- Advising on whether the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable.
- Assessing the effectiveness of the external audit process and quality, the independence of the external auditor, and negotiating and approving the terms of engagement and fees.
- Approving the policy on the engagement of the external auditor to supply non-audit services and approving such services.
- Reviewing our whistleblowing procedures (known internally as 'Speak Up') and monitoring investigation outcomes and follow-up actions.
- Monitoring and reviewing the effectiveness of the Group's internal audit function, and the effectiveness of the Group's risk management and internal control processes.
- Advising the Board on the Group's overall risk appetite, tolerance and strategy and on the current risk exposures and future risk strategy.
- Reporting to the Board on how the Committee has discharged its responsibilities.

As Chair of the Audit and Risk Committee, I am pleased to present the Committee's report for the year ended 31 December 2023.

The Committee has continued to play a vital role in assisting the Board by providing independent challenge, oversight responsibility and monitoring of the integrity of our financial information and controls, for the benefit of our shareholders. The Committee Terms of Reference can be found at <https://corporate.deliveroo.co.uk> and more information on the composition of the Committee is set out on page 95.

I would like to take this opportunity to welcome Shobie Ramakrishnan, who joined the Committee on 1 January 2024.

Committee focus during the year and for FY2024

The Committee met six times during FY2023 discussing a range of topics at each meeting as set out on page 96. The Committee also met separately with the external auditor and VP Assurance. In addition, the Committee Chair holds regular private sessions with the CFO, senior members of the finance and legal teams, and the Company Secretary, to ensure that open and informal lines of communication exist should they wish to raise any concerns outside formal meetings.

We have seen significant progress since the IPO on the maturity of ways of working, engagement with the external auditor and financial/internal control processes particularly, supported by Scilla Grimble who joined as CFO during the year. Consequently, we spent time considering the approach to our agenda and meetings for FY2024 and agreed that the maturity of processes meant that we could be more targeted in our work, leaving more time for more in-depth discussion on areas of focus, particularly on key risks.

Our areas of focus for 2024 are set out in the box on this page.



Rick Medlock
Chair, Audit and Risk Committee
13 March 2024

Following personnel changes we also reassessed our risk management and internal audit functions and decided to combine these under our new VP Assurance. The aim was to align activities in these areas to gain a more comprehensive and unified view of risks and the effectiveness of our internal controls via integrated sources of assurance, leading to more effective oversight within the organisation. More information on this is set out on page 100.

We reported last year that we had conducted an early externally facilitated Board and Committee review to get an independent perspective of how we were operating and how we could embed robust governance across the business. We conducted an internally facilitated review this year with the results set out on page 89. Our review concluded that the Committee continues to operate effectively and has made good progress, particularly with moving the risk and control maturity agenda forward.

Corporate governance reporting

Throughout the year the Committee was updated regularly on progress of the outcome from the BEIS review 'Restoring Trust in Audit and Governance' culminating in the 2024 UK Corporate Governance Code issued in January 2024. The Committee will focus on compliance with the updated 2024 Code as it relates to the work of the Committee. Particularly, the enhanced requirements around the Board's review of the Company's risk and internal control framework and the effectiveness of material controls, including the disclosures to be made in the Company's Annual Report.

During the year, the Board received notification from the FRC's Corporate Reporting Review Team that the Company's FY2022 Annual Report and Accounts had been selected for review¹. The Committee and management welcomes the FRC's drive for continuous improvement in the quality of financial reporting, and I am pleased to confirm that, although they set out some matters for our attention, the FRC had no specific queries that they wished to raise with us following their review. The observations and points of feedback they provided were considered by the Committee and management as part of our processes for compiling the 2023 Annual Report.

Looking forward

Looking ahead, there are a number of priority areas which the Committee will be focusing on, including key risks, the continued evolution of the Group's internal controls environment and compliance with the 2024 Code.

The remainder of this report contains the work of the Committee and matters addressed by it during the year, which should be read in conjunction with the Independent Auditor's Report from page 135 and the Group's financial statements from page 143. This includes the significant accounting matters and issues relating to the financial statements that the Committee assessed, which can be found on page 97.

Rick Medlock

Chair, Audit and Risk Committee
13 March 2024

Committee membership and Code compliance

As required by the Code, the Committee comprises three independent Non-Executive Directors. All Committee members have past employment experience in either finance or accounting or senior management roles and have knowledge of financial reporting, the tech sector and/or international businesses. Rick Medlock as Chair of the Committee has held a number of CFO positions throughout his career and is a qualified chartered accountant. Rick is also the Audit Committee Chair for Smith & Nephew plc. As such, the Board is satisfied that in compliance with the Code the Committee, as a whole, has the relevant business sector competence, and Rick Medlock has recent and relevant financial experience. Further details of the Committee members' experience can be found in their biographies on pages 80 to 82.

1. The Committee notes that the FRC letter provides no assurance that the annual report and accounts are correct in all material respects as the FRC's role is not to verify the information provided but to consider compliance with reporting requirements.

Audit and Risk Committee Report continued

Main activities during 2023 and following the year-end

During the financial period until 31 December 2023 and following the year-end the Committee focused on the following key areas.

Financial and narrative reporting	<ul style="list-style-type: none"> • Regular updates on Group accounting processes and policies including progress updates related to projects to automate financial reporting processes and data flows and updates to and new judgemental areas. • Review of FY2022 audit/Annual Report processes and recommendations in the external auditor's management letter, and monitoring of the agreed actions. • Review of the observations made by the FRC in its Corporate Reporting Review on the FY2022 Annual Report. • Review of financial reporting matters including the approval of market announcements for the interim results, trading updates and the preliminary 2023 year-end results, as well as the review and recommendation for approval of the 2023 Annual Report. • Review of plans and process for the preparation of the Annual Report and Accounts for FY2023 including Code and regulatory requirements, timelines, verification and resource.
Risk management and internal control	<ul style="list-style-type: none"> • Review of the adequacy and effectiveness of the Group's risk management systems and internal control processes through evaluating: the risk management framework; the Group risk register; internal audit reports; and business and financial control updates. • Review of preparedness for anticipated changes to the Corporate Governance Code - particularly in relation to internal controls - and the published 2024 Code. • Review of updated principal risks including the risk appetite proposal for recommendation to the Board. • Review of information and cyber security, IT general controls and resilience processes, platform security risks, business continuity plans and user access controls. • Approved Financial Code of Conduct for Senior Finance Officers. • Review and recommendation to the Board of the Group's insurance programmes, including Directors and Officers, and Cyber and Corporate Insurances.
Internal audit	<ul style="list-style-type: none"> • Review of progress in establishing the internal audit function, the scope of the function and re-approval of the Internal Audit Charter. • Review and approval of the Internal Audit Plan for FY2023 and review of reports on internal audit findings and progress on delivery of management actions and the effectiveness of the function.
Relationship with the external auditor	<ul style="list-style-type: none"> • Approval of the external audit plan for FY2023. • Review of the scope of, and findings from, the external audit for FY2023 undertaken by Deloitte as the external auditor. • Assessment of the effectiveness of the external audit process and the performance, continued objectivity and independence of the external auditor. • Review of fees for permitted non-audit services, along with the review of the Non-Audit Services Policy and processes. • Approval of the reappointment of Deloitte as external auditor for FY2024 and associated fees.
Governance, compliance, whistleblowing and fraud	<ul style="list-style-type: none"> • Corporate governance and regulatory matters including reporting against the TCFD requirements, consideration of BEIS audit and corporate reform proposals and the 2024 Code. • Ongoing review of progress on financial integrity assurance, business continuity management and embedding of the risk and controls matrix. • Regular updates on tax and treasury matters including transfer pricing. • Review and approval of new and/or amended policies including the Treasury Policy, Policy on exceptional items and Policy on Non-Audit fees. • Review of business integrity measures (including the Speak Up process) and other legal and compliance matters including monitoring investigation outcomes and any appropriate follow-up actions.

Financial reporting and significant financial judgements

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

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

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

Significant matters for the year

Significant matters for the year ended 31 December 2023

How the Committee addressed these matters

Significant matters for the year ended 31 December 2023	How the Committee addressed these matters
Provisions and contingent liabilities	<p>The Group is subject to various legal and regulatory investigations and challenges across its jurisdictions. Judgement is applied in assessing each matter on a case-by-case basis, with reference to the criteria set out in IAS 37 Provisions, contingent liabilities and contingent assets and all the available information in relation to each case, including the existence of an obligation, scope of any claims and the likelihood of any associated economic outflow, the availability of reliable data for the quantification of any economic outflow, is reviewed to determine whether a provision or a contingent liability is indicated, and if so the measurement of the amount.</p> <p>The committee discussed the key judgements underpinning the calculation of provisions and contingent liabilities, and the assessment as to whether an outflow was "probable" or "likely", in light of the overall risk landscape and looking back on the prior period closing positions. The Committee concluded that the judgements made by management were reasonable and was satisfied with the associated disclosures.</p>
Valuation of investment in subsidiary	<p>The carrying value of the investment that Deliveroo plc holds in its wholly owned subsidiary, Roofoods Ltd is £3.2 billion (2022: £3.2 billion). The market capitalisation of the Group at year-end was below the carrying value of the investment, constituting an indicator of impairment. Judgement is exercised when assessing whether the investment value should be impaired. Management prepared a discounted cash flow to estimate the future cash flows of the Roofoods Group, based on the long-term financial plan, a long-term growth rate, and a discount rate. The impairment model is sensitive to a change in any of these key assumptions, individually and in combination.</p> <p>The Committee considered the key assumptions used in evaluating the recoverable amount of the investment in subsidiary and the associated sensitivity analysis prepared by management. The Committee concluded that the assumptions underpinning the discounted cash flow were reasonable and was satisfied with the related disclosure.</p>
Going concern and viability statement reporting	<p>The Committee discussed the Group's considerations in assessing the appropriateness of adopting the going concern basis of accounting and considered the financial statement disclosures in respect of adopting the going concern basis in preparing the financial information. The Committee concluded that adopting the going concern basis and the disclosures given were appropriate.</p> <p>The Committee discussed the key assumptions used in evaluating the long-term viability of the Group, the time period for the viability statement and the stress testing used as a basis for conducting the overall assessment. The Committee concluded that the assumptions made and the wording included in the viability statement were appropriate.</p>
Other matters	<p>Capitalised development costs – judgement is exercised in identifying the development projects which meet the recognition criteria set out in IAS 38 Intangible assets. Management has continued to evolve the process of capitalised development costs, making improvements to the way projects are identified, and measured.</p> <p>For all other matters, the Committee considered management's judgements and estimates related to the valuation and recognition of development assets and reviewed the relevant disclosure. The Committee concurred with management's judgements and estimates and was satisfied with the disclosures.</p>

Audit and Risk Committee Report continued

External auditor

The Committee's responsibilities include making recommendations on the appointment, reappointment and removal of the external auditor and overseeing its effectiveness and independence. The Committee also assesses the qualifications, expertise, resources and independence of the external auditor and the effectiveness of the audit process. The Committee reviews annually the appointment of the auditor (taking into account the auditor's effectiveness and independence) and makes a recommendation to the Board and its shareholders accordingly.

During the period the Committee approved the terms of engagement with Deloitte for FY2023, the external audit plan and the proposed audit fee. In line with the Committee's Terms of Reference and the Code, the Committee reviewed the effectiveness of the audit process. This included an assessment of the quality of the audit, the experience of the audit partners engaged in the audit, the handling of key judgements by the auditor, the auditor's response to questions from the Committee, and also the nature and extent of challenge demonstrated by the auditor in its work and interactions with management. The Committee also assessed the performance of the external auditor in respect of the overseas subsidiary audits. Auditor independence and objectivity were assessed, including the nature of other work undertaken for the Group. In view of this, and having considered the continued objectivity, independence and effectiveness of the auditors, the Committee considers it to be in the best interests of the Company's shareholders for Deloitte LLP to remain as external auditor for the upcoming financial year.

Deloitte was first appointed as auditor of the Group in FY2018, and was reappointed at our AGM held on 24 May 2023. The current external audit engagement partner is Mark Lee-Amies. The Company will continue to monitor auditor tenure and put the external audit contract out to public tender at least every 10 years and will seek the rotation of the audit partner in line with regulation. The Committee is also satisfied that the Company is in compliance with the Statutory Audit Services for Large Companies Market Investigation Order 2014 (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) for the financial year under review.

Non-audit services

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

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

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

During FY2023 the external auditor was not engaged to provide permitted non-audit services (FY2022: Nil). Details of fees to the external auditor during the financial year can be found in note 29 to the financial statements.

Evaluation of internal controls

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

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

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

Details of the Group's risk management process and the management and mitigation of principal risks together with the Group's viability statement can be found in the Risk management and our principal risks section on page 58 and viability statement on page 75.

The Board, through the Committee, has carried out a robust assessment of the principal risks facing the Group and agreed the nature and extent of the principal risks it is willing to accept in delivering the Group's strategy (the Board's risk appetite). It has considered the effectiveness of the system of internal controls in operation across the Group for the period covered by the Annual Report and up to the date of its approval by the Board. This review covered the material controls, including financial, operational and compliance controls and risk management arrangements. Since IPO, the Company has continued to mature its systems of internal control, initially to reflect the outcome of the FPPP Report and more recently to ensure preparedness for the anticipated changes to the UK Corporate Governance Code, with particular focus on the approach to the internal control environment. Our approach in this area has been to identify our internal controls standard, seek to identify gaps thereon and implement improvements and changes to our internal control environment with a particular desire to automate controls and enhance and mature the internal control environment across all parts of the business.

Control environment

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

The key corporate policies include the following areas:

- Code of Conduct;
- Inside Information, Disclosure and Share Dealing;
- Whistleblowing (known internally as 'Speak Up');
- Conflicts of Interest;
- Anti-Bribery and Corruption;
- Anti-Facilitation of Tax Evasion;
- Anti-Fraud;
- Anti-Money Laundering;
- Modern Slavery;
- Sanctions;
- Data Protection;
- Use of Generative AI; and
- Information Security.

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

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

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

The Group continues to strengthen the control environment by embedding the risk management and internal control framework within each function. A summary of the key risk management activities undertaken by the Group is included in the Risk management and our principal risks section on page 58 and viability statement on page 75.

Audit and Risk Committee Report continued

Control environment continued

During FY2023 the Risk, Control and Compliance team, with the help of risk owners, continued embedding the risk management and internal control framework and reported to the Committee regularly on the status of agreed enhancements to key controls, as well as the remediation of any control deficiencies identified. The Group continues to develop its 'three lines of defence' assurance model with the objective of embedding effective risk management and control throughout the business and providing assurance to the Board and the Committee of the effectiveness of internal control and risk management across the organisation.

This comprises the following:

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

More information on the three lines of defence model can be found in the Risk management and our principal risks section on page 58.

Internal audit

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

The Internal Audit function was established following the appointment of the Head of Internal Audit in December 2021, superseded by the appointment of the VP Assurance in September 2023. The appointment of the VP Assurance led to the combination of the Internal Audit team and the Risk, Compliance & Control team under a single leader, with the goal of enabling more integrated, effective and efficient delivery of risk and assurance activities to drive quicker and more sustainable improvements to risk management and internal control. The following helps to achieve the independence objectives of the function:

- the VP Assurance reports separately on the activities of the Risk and Internal Audit teams to the Audit & Risk Committee and the Board;
- in any instances where the work of Internal Audit audits the activities of the Risk, Compliance & Control team, an independent senior leader at the same level as the VP Assurance is assigned to perform quality assurance of the audit work performed; and
- as noted, the responsibilities of Internal Audit are set out in the Internal Audit Charter which are considered and approved by the Committee on an annual basis.

The function uses an enterprise-wide risk assessment to provide a risk-based audit plan for the approval of the Committee. Engagements are selected to provide coverage across the highest-rated principal risks and to address requests from management, the Committee and the Board.

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

During 2023 the work completed by Internal Audit included areas of internal controls over financial reporting, cyber security, partner payments, share awards and the use of artificial intelligence models, as well as following up on management actions identified in prior-year audits. In 2024, reviews are planned in areas of information security, data management, internal controls over financial reporting, procurement, third-party management and marketing effectiveness.

The Committee considers that the Internal Audit function is effective and provides appropriate assurance on the controls in place to manage the principal risks facing the Group.

Whistleblowing (known internally as ‘Speak Up’)

Our whistleblowing platform – supported by our Speak Up Policy – provides an important channel for employees and other parties to report any concerns regarding suspected misconduct. The policy is accessible to all employees via the intranet. We regularly reinforce our zero tolerance to retaliation through communications with employees and encourage colleagues to raise issues either in person or confidentially via our digital platform, should they wish to do so. Case management is overseen by the Ethics & Compliance team and reports are independently investigated by subject matter experts as appropriate.

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

Financial reporting

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

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

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

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

Fair, balanced and understandable assurance framework

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

At its meeting on 11 March 2024, the Committee conducted an assessment on the basis of the assurance framework set out below, and received confirmation from management that the assurance framework had been adhered to for the preparation of the 2023 Annual Report.

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

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

The Committee recommended to the Board that, taken as a whole, the 2023 Annual Report and Accounts (which the Board subsequently approved) is fair, balanced and understandable and provides the necessary information for shareholders to assess the Group and Company’s position and performance, business model and strategy. As such the ‘fair, balanced and understandable’ statement could be given on behalf of the Directors. The Board’s confirmation is set out on page 134.

Directors' Remuneration Report

Chair's Annual Statement

Committee members^{1,2}

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

1. See page 88 of the Governance Report for information on attendance.
2. Shobie Ramakrishnan joined the Committee on 1 January 2024.

Focus areas for 2024

- Review and refresh the Policy to be presented for a shareholder vote at the 2025 AGM.
- Determine the outturn of the FY2023 annual bonus targets.
- Set the FY2024 annual bonus and PSP structure, including metrics and targets.
- Oversee the ongoing implementation of the wider employee total reward philosophy.
- Monitor developments in market practice.
- Oversee employee pay arrangements, including engagement on pay, and use them as context for setting executive pay.
- Continue to reinforce the link between our delivery on ESG commitments and Executive pay structures.

Roles and responsibilities

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

Key sections of this report

Section	
Chair's annual statement	→ See p102
Remuneration at a glance	→ See p106
Link between incentives and strategy	→ See p109
Summary of the Directors' Remuneration Policy	→ See p110
Annual Report on Remuneration	→ See p114
Fairness, diversity and employee considerations	→ See p123
Other disclosures	→ See p127

Remuneration Committee Chair's Annual Statement

The Remuneration Committee (the 'Committee') comprised three independent Non-Executive Directors during the financial year. The Company Secretary, Chief People Officer and Director of Reward attend all meetings of the Committee. Other members of the Senior Management team may also be invited to attend for all or part of a Committee meeting as appropriate. The Committee's full terms of reference are available on Deliveroo's corporate website at: <https://corporate.deliveroo.co.uk/>.

As Chair of the Remuneration Committee, I am pleased to present our Directors' Remuneration Report covering the financial year to 31 December 2023.

The report is divided into the following sections:

1. The Annual Statement, which outlines the Committee's work during the year and the decisions taken relating to Directors' remuneration.



Dame Karen Jones DBE
Chair, Remuneration
Committee

2. A summary of the Remuneration Policy (the 'Policy'), which is the Group's framework for Directors' remuneration. The full Policy can be found on the Deliveroo corporate website at <https://corporate.deliveroo.co.uk/about-us/governance/other-disclosures/>.
3. The Annual Report on Remuneration, which sets out the details of the remuneration outcomes for the financial year to 31 December 2023 (FY2023), and states how the Committee intends to implement the Policy for the financial year to 31 December 2024 (FY2024).

In this Annual Statement, I set out information on the business context in FY2023 and Executive remuneration outcomes in the year, as well as a summary of the intended implementation of the Policy for FY2024. The statement also presents the key focus areas for the Committee during FY2023. I can confirm that the Policy operated as intended for FY2023.

I am delighted to welcome our new Non-Executive Director, Shobie Ramakrishnan, who joined the Board on 1 January 2024. Her wealth of experience in technology leadership roles over 20 years will strengthen the diversity of expertise and experience on the Deliveroo plc Board and in the Committee as we continue to execute our plans.

Linking Executive Director remuneration with our mission and strategy

2023 was a year of significant progress for Deliveroo. In the past few years our main operational focus has been to consistently enhance our consumer value proposition. We have taken important steps to ensure price integrity and value for money on our platform, improve the delivery experience, and continue to expand our merchant selection. Our operational progress is reflected in our financial performance as we continue to pursue our ambition to become a sustainable and profitable business. We are on track to reach 4%+ adjusted EBITDA margin by 2026, underpinned by a clear and defined Company strategy, and we are confident we can achieve mid-teens GTV growth in the medium term. At our Capital Markets Event in November, we updated our investors and the market on the journey we have been on since IPO, and, as part of this, we announced the launch of our retail proposition for customers in the UK&I and UAE. Our new Company mission highlights our broadened Company focus – to transform the way you shop and eat, bringing the neighbourhood to your door by connecting consumers, restaurants, shops, and riders.

Our Policy is designed to be simple, transparent and to promote the effective stewardship of the Group to deliver on our updated mission. The Committee strives to provide clarity on how pay and performance is reported at Deliveroo and ensure that the decisions we make support our mission and long-term strategy, align with our Values, and take into account the experience of key stakeholders. Further details of how our incentive plan framework supports our mission and strategy, are set out in our KPI section on page 20. Our strategy is set out in the Strategy section on page 16.

The Committee's particular focus during the year has been to continue to foster the core principles of the Remuneration Framework (see page 108) and to support management as it continues to evolve its people strategy, values, culture, and alignment with pay (including wider Company pay). Further details on the work of the Committee during the year are set out below.

Executive remuneration outcomes in FY2023

Annual bonus outcome for FY2023

The only Executive Director participating in the FY2023 bonus is our CFO, Scilla Grimble. Her bonus payout for FY2023 is based on the achievement detailed in the table at the bottom of this page.

Full details of the FY2023 performance targets and performance against them are set out on page 106. The formulaic outcome for our CFO, Scilla Grimble, was 50.6% of her maximum opportunity of 180%, pro-rated to 20 February 2023 when she joined the Board. She earned a bonus of £394,096 for FY2023. See detail on page 106.

When assessing the annual bonus outcome, the Committee considered several factors, including progress against the Board-approved plan and budget and the wider stakeholder experience during FY2023. It was determined that there was no need for discretion to be exercised to adjust the formulaic outcome.

PSP awards granted in FY2023

PSP awards under the Deliveroo Incentive Plan ('DIP') were made to the CFO and members of the Executive Team on 29 March 2023. The CEO, Will Shu, does not participate in the PSP awards and will not participate for the duration of the current Policy period.

Metric	Weighting	Threshold	Target	Maximum	Actual
GTV growth (in constant currency)*	45%	3.4%	9.4%	18.2%	2.7%
Adjusted EBITDA*	45%	£42.0m	£83.0m	£84.0m	£85.4m
Stakeholder measure: improvement in customer service outcomes	10%	5.0%	10.0%	15.0%	10.6%

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Directors' Remuneration Report continued

Chair's Annual Statement continued

Executive remuneration outcomes in FY2023 continued

PSP awards granted in FY2023 continued

The PSP awards are subject to stretching performance targets based on independent measures of relative total shareholder return ("TSR"), absolute TSR and two ESG metrics. Page 115 provides full details of the performance targets for each measure. The Committee reserves its discretion to adjust vesting outcomes if they are not deemed appropriate in light of the overall Company performance or shareholder experience over the performance period.

No PSP awards vested in FY2023. The first PSP award was granted in FY2021 and will vest on 15 May 2024.

Implementation of the Policy for FY2024

Base salary

Salary increases of 3% were awarded to Executive Directors effective 1 January 2024. These were the first increases awarded since the IPO in April 2021 and were made against the backdrop of increases provided to the broader employee population over the last three years. The increases were below the average increase being awarded to the wider employee population for FY2024 of c.4%. The CEO, Will Shu, will receive an annual salary of £618,000, and the CFO, Scilla Grimble, will receive an annual salary of £515,000 for FY2024. The fees for the Board Chair and base fees for Non-Executive Directors were also increased by 3% (rounded to the nearest £'000) to £438,000 and £93,000 respectively. These had not been increased since they were first set ahead of the IPO.

Annual bonus

The maximum bonus opportunity for Scilla Grimble in the year is unchanged at 180% of salary. Half of any bonus earned will be delivered in cash, with the remaining half granted in Company shares and deferred for three years subject to continued employment. Will Shu does not participate in the annual bonus and will not participate for the duration of the current Policy.

For FY2024, the annual bonus will continue to incorporate GTV growth and adjusted EBITDA measures, equally weighted at 45% each, and an updated service measure with a 10% weighting. The Committee is satisfied that the structure of the bonus continues to be relevant and fit for purpose and the measures selected support our strategic focus areas for the upcoming year, as set out in our Strategy section on page 16. More information on annual bonus measures, including the targets and our performance against them, will be provided in next year's Annual Report.

PSP award

For FY2024, Scilla will be granted a PSP award of 500% of salary, as in the previous year. Will Shu will not participate in the PSP for the duration of the current Policy.

Performance will be assessed using four independent measures. Three of these are retained from last year, namely relative TSR (30%), absolute TSR (30%), and the ESG component, targeting reduction in our Scopes 1 and 2 greenhouse gas emissions (5%) and improving the representation of women

in the Company (5%). The new fourth metric will be absolute adjusted EBITDA (30%). The weighting of relative and absolute TSR has therefore been reduced from 45% each to 30%. However, the market performance measures (absolute and relative TSR) will continue to represent the majority of the overall PSP award.

Introducing an absolute adjusted EBITDA metric to the PSP aligns with our long-term strategic focus on 'top-line' profitability and the importance placed by investors on free cash flow as we continue our ambitions for long-term growth and profitability. The Committee considered the possible overlap of this metric with the adjusted EBITDA metric used within the annual bonus, but concluded that the introduction of an absolute adjusted EBITDA metric to the PSP was appropriate as it reinforces our drive towards sustainable long-term profitability, clearly aligns with our business strategy, and incentivises management as it is a metric which is more directly within their control.

The Committee is committed to fostering a direct link between Executive pay and our long-term ESG strategy. For our target reduction in our Scopes 1 and 2 greenhouse gas emissions, we are stretching the 2026 target reduction by a further 5% compared to last year to emphasise our long-term ambition in this area. We are also expanding the scope of the representation of women metric for the FY2024 PSP beyond senior levels to include levels 4 and above, which covers the mid and senior population at the organisation. We believe that targeting a wider base will allow us to realise our goal of improved representation of women more holistically across the employee population. More detail on this is included later in this letter. More information on Company initiatives to promote wider diversity is set out in the People section on page 42, and the Nomination Committee report on page 91.

The Committee considered the PSP measures against Deliveroo's long-term strategy and concluded that the measures align with the vision and external commitments of the Company. Stretching long-term performance targets have been set, details of which are set out on page 109.

Further details on the implementation of the Policy for FY2024 can be found on page 107.

Other key focus areas for the Committee

Deliveroo's employee total reward philosophy

The Committee is responsible for decisions on Executive compensation. However, the Committee also keeps wider workforce remuneration arrangements and employment conditions under review, and takes these into account when making pay decisions. Our team members are the driving force behind our strong performance and the execution of our strategy, and so we remain committed to ensuring that they are paid competitively and in a fair manner. This year the Committee focused on the implementation of the refreshed employee total reward philosophy, as well as the enhancement of the overall Employee Value Proposition ("EVP") as an important component of the holistic employee experience. The updated total reward philosophy reflects our business strategy and brings our reward approach more in line with UK market practice and the shifts in the global tech industry. The main change since last year is that we have taken a more targeted approach to employee equity ownership, which is grounded in talent strategy principles

and takes into account our objectives, costs and the impact on overall dilution. The Committee will continue to monitor and support the evolution of our reward approach.

The Committee keenly monitors the dilutive effect of share-based compensation and acknowledges the importance of the prudent management of the dilution of shareholder capital. The more targeted approach to the total reward philosophy, along with the Company's management of the satisfaction of share awards through its EBT share purchase programme, have had a positive impact on limiting the effects of dilution. During 2024 and beyond, the Company intends to satisfy the exercise of all employee share-based compensation awards using shares currently held or purchased in the future by the EBT, thereby continuing to reduce the impacts of dilution. The Committee will keep this under review.

Refreshed Company Values

As Will's letter points out, in our continued effort to establish a strong EVP at Deliveroo, this year we refreshed our Company Values to acknowledge the changes that we have been through in the last few years, and to concisely and accurately align all employees to Deliveroo's aspirations for the future. This project was led by the Executive Team and involved significant engagement with employees across the Company, as well as review by the Board. In conjunction with the updated total reward philosophy, this is a fundamental step toward embedding a strong EVP and the right culture to drive business success and ensure that employees see Deliveroo as a definitive place to build their careers. More information about our refreshed Company Values and what these mean, can be found in the People section on page 42.

Our deepening ESG commitments

We understand the importance of environmental, social, and governance ('ESG') impacts on our marketplace communities, employees, and other stakeholders. In our Sustainability review on page 31, we outline the key pillars of our focus and the proactive steps we are taking in response. As noted in the description of our metrics above, the Committee remains committed to linking Executive pay directly to our ESG strategy, recognising its importance in fostering positive change.

Specifically for 2024, we will continue to focus on the reduction of market-based Scopes 1 and 2 emissions and are pleased with the 2.6% reduction achieved during 2023 compared to the previous year. In executing against the Scopes 1 and 2 emissions reduction target, we are focused on improving Deliveroo's energy efficiency, and thus reducing the amount of carbon intensive gas and electricity we consume, as well as aiming to reduce operating costs across our estate. As Deliveroo's sustainability ambition continues to mature, I look forward to our continued progress in this area.

For our gender representation ambitions, our 2023 and 2024 PSP targets include a focus on increasing the representation of women across the business, with a particular underpin on technology roles, where representation has been historically lower throughout the industry. For the 2024 PSP, we are expanding the scope of the representation of women metric beyond senior levels to include level 4 and above. This demonstrates our commitment to expanding representation more broadly across the organisation.

We recognise that sustainable improvement is best achieved through a bottom-up approach, with increased representation and effective succession pipelines that focus on women from an early point in their careers.

Increasing the representation of women has also been key to making a positive impact on our gender pay gap. When looking at the results for the whole UK population, our mean gender pay gap has shown improvement for the second year in a row, indicating a positive trend in response to the Company's focus on improving gender representation and other diversity, equity and inclusion initiatives. More information on our efforts to increase the representation of women and the gender pay gap can be found in the People section on page 42.

Shareholder engagement

At the AGM on 20 May 2022, shareholders approved the Remuneration Policy with 96.24% votes in favour, thus making it binding for three years. We also received overwhelming support for the FY2022 Directors' Remuneration Report with 99.91% votes in favour at the AGM on 24 May 2023.

The Committee was pleased with the strong shareholder support received in relation to the 2022 Directors' Remuneration Report. Alongside the release of the report, I wrote to shareholders to highlight the changes we intended to implement to incentive measures for this year. No significant matters of concern were raised in response, nor as part of the wider governance consultation carried out by our Board Chair, Claudia Arney.

The Committee did not undertake any further formal consultation this year, but will do so next year in preparation for the Policy vote due at the 2025 AGM. I am committed to maintaining an open dialogue with our shareholders and the main proxy advisers and I am always interested to hear feedback on our approach to remuneration. Similar to last year, I will write to our major shareholders to inform them of any changes to incentive measures we are intending to implement in 2024.

Concluding remarks

The Committee continues to support the Group's strategic priorities by carefully balancing the implementation of the Remuneration Policy while also taking into account market conditions and making permitted adjustments where necessary. We are committed to equipping Deliveroo with the necessary tools to attract, retain, and motivate executives and the wider organisation to achieve the Company's ambitious plans in a competitive global marketplace, whilst balancing the long-term interests of the Company and our shareholders.

I look forward to your support for this Directors' Remuneration Report, subject to an advisory shareholder vote at the Company's AGM in May 2024.

Should you wish to discuss any aspect of this Remuneration Report, I would be happy to hear from you. You can reach me via the Company Secretary, Catherine Sukmonowski. I will also be present at the Company's AGM in May 2024 to provide further clarification and answer any questions you may have.

Dame Karen Jones DBE

Chair, Remuneration Committee
13 March 2024

Directors' Remuneration Report continued

Remuneration at a glance

Key focus areas for the Committee for FY2023

Continued shareholder engagement on the Policy.

Determining outturn of the FY2022 annual bonus targets.

Setting FY2023 annual bonus structure including targets.

Setting FY2023 PSP award structure including targets.

Consideration of appropriate non-financial metrics for the FY2023 annual bonus.

Reviewing the fitness of the wider reward philosophy, and further refining the approach to pay and equity awards.

Monitoring developments in market practice.

Providing oversight on employee pay arrangements including engagement on pay.

Setting remuneration arrangements for the Executive Team.

Executive Directors' single figure outcomes for FY2023

Director	Salary £'000	Benefits £'000	Pension £'000	Annual bonus £'000	PSP awards vested £'000	Other £'000	Total single figure £'000
Will Shu (CEO)	600.0	51.9	22.8	—	—	—	674.7
Scilla Grimble (CFO) ¹	430.1	2.0	21.5	394.1	—	627.4	1,475.1

1. Scilla Grimble joined the Board as CFO on 20 February 2023. Her salary and annual bonus figures are pro-rated for her time served on the Board.

Find out more information on single figure outcomes on page 114.

Annual bonus outcome for FY2023

The CEO does not participate in the annual bonus for the duration of the current Policy. The CFO has a maximum annual bonus opportunity of 180% of salary. When assessing the annual bonus outcome, the Committee undertook a review of the formulaic outcome against several factors, including but not limited to, the Group's progress against its strategic plan and individual performance, and concluded that no adjustments to the formulaic outcome were necessary. The pro-rated annual bonus outcome for the CFO for her time on the Board starting 20 February 2023 is summarised below.

Performance measures	Weighting	Threshold (25%)	Target (50%)	Maximum (100%)	Actual ¹	Outcome as a % of maximum (weighted)	Formulaic outcome £'000	Outcome pro-rated for Board service £'000
GTV growth ^{1*}	45%	3.4%	9.4%	18.2%	2.7%	0%	nil	nil
Adjusted EBITDA ^{2*}	45%	£42.0m	£83.0m	£84.0m	£85.4m	45%	405.0	350.5
Service measure: improvement in customer service outcomes ³	10%	5.0%	10.0%	15.0%	10.6%	5.6%	50.4	43.6
Outcome for the CFO						50.6%	455.4	394.1

1. YoY growth in constant currency.

2. At reported FX rates.

3. Measured as an average YoY reduction across three separate metrics: orders marked delivered not received ('OMDNR'), missing items, and cancellations & rejections.

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Find out more information on the annual bonus outcome on page 114.

PSP awards granted in FY2023

A PSP award of 500% of salary was granted to the CFO in March 2023. The CEO does not participate in the PSP for the duration of the current Policy.

Performance will be assessed against stretching targets for absolute TSR (45%), relative TSR (45%), and an ESG component containing two metrics (5% each) – Scope 1 and 2 greenhouse emissions and representation of women at senior levels.

Find out more information on the FY2023 PSP award to the CFO on page 115.

PSP awards vesting in FY2023

No PSP grants vested in FY2023. The first PSP award was granted in FY2021 and will vest on 15 May 2024. Note that neither of the current Executive Directors have awards under the 2021 PSP.

Other share awards granted in 2023

As disclosed on page 121 of the 2022 Annual Report, buy-out awards were made to the incoming CFO, Scilla Grimble, who joined the Board on 20 February 2023 as compensation for incentives forfeited on leaving her previous employer, Moneysupermarket.com plc. These awards will vest subject to Scilla's continued service with Deliveroo and to the satisfaction of the conditions set out for each individual award. The buy-outs have been structured to provide no more value than would have been available under the awards at the CFO's prior employer. No other payments were made to the new CFO to secure her appointment. A summary of the awards is below and full information can be found on page 116.

- Buy-out of 2021 LTIP: The face value of this award was £117,900 at a share price of £0.9074. It assumes a payout under the award being forfeited from the prior employer of 30.8% of max. No further performance conditions apply to the award, but a two-year holding period will still apply after vesting on 31 March 2024 in line with the Policy.
- Buy-out of 2022 LTIP: The face value of the award is £732,149, at a share price of £0.9179. The award will vest on the same date as the PSP awards granted to the Executive Team in 2022, subject to the achievement of the same performance conditions under that award. A two-year holding period will apply in line with the Policy.
- Buy-out of 2022 DSP: The face value of the award is £169,833, at a share price of £0.8691. The award was granted in respect of the one-third deferred portion of the new CFO's earned 2022 bonus from her previous employer. It will vest after three years in line with the Policy.

Policy implementation for FY2024

The CEO does not participate in the annual bonus or in the PSP awards for the duration of the current Policy.

Financial year	2024	2025	2026	2027	2028	Implementation for FY2024
Salary						CEO: £618,000; CFO: £515,000 (following 3% increase from 1 January 2024)
Pensions						Up to 5% of salary in line with employees
Benefits						Normal benefits in line with Policy
Annual bonus	Cash	Deferred bonus shares ("DSP")				180% of salary subject to financial and other strategic targets
PSP awards	Performance period			Holding period		500% of salary subject to independent relative and absolute TSR measures, absolute adjusted EBITDA and an ESG component with two metrics
Shareholding requirement	To be built up over five years and maintained					800% of salary requirement CEO exceeds requirement CFO is building towards the requirement

Find out more information on the Policy's implementation for FY2024 on page 104.

Directors' Remuneration Report continued

Remuneration at a glance continued

Core principles of remuneration and the Policy

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

Objective	Rationale
Competition for talent	A key component of our strategy is to innovate and invest to develop our employee value proposition ('EVP') to build a durable competitive advantage. This is critically dependent on having the right people to achieve this. We continue to compete for skilled talent with well-established online food delivery companies, new market entrants, other online platforms and technology companies, as well as emerging competition from the likes of independent restaurants, grocers and other chains. In addition, as we continue to mature as a publicly listed company, we also compete with other public companies in attracting talent with the right broader skills to support our organisation as it evolves. The remuneration framework has been reviewed to ensure its continued fitness in supporting our strategy going forward and the overall shareholder experience, to more closely reflect the UK market practice and align to our ambitious talent strategy.
Attract, retain and motivate senior executives	<p>It is critical to the Group's success that we attract, retain and motivate talented and experienced senior executives to execute our strategy and to innovate, grow and scale our business for the best interests of our shareholders and wider stakeholders.</p> <p>The remuneration framework is designed to do both by providing highly competitive long-term performance-based rewards, which serve as both a retention and motivational tool.</p>
Pay for exceptional performance	<p>The remuneration framework is designed to ensure that there is a clear link between remuneration outcomes, exceptional business performance and the generation of long-term sustainable value.</p> <p>As the overall remuneration structure is heavily weighted towards long-term incentives, this ensures that there is strong alignment between the interests of executives, shareholders and wider stakeholders. Both the annual bonus and long-term incentive awards are subject to stretching performance targets linked to the annual business plan and longer-term strategy.</p>
Acceptability in the UK listed company environment	We are mindful that we are a UK listed company and so the key ongoing components of the executive remuneration structure under the Policy align with best practice and the UK Corporate Governance Code.

How our incentive plan framework supports our business strategy

Our principles and remuneration framework are geared to ensure our success in building long-term value for shareholders. We keep our framework under review to ensure it reflects the changing macroeconomic environment in which we operate and our strategic goals. The implementation of the Policy in 2023 and planned changes for 2024 as described in the statement of implementation of the Policy for FY2024 on page 107 are intended to ensure continued alignment of the remuneration structure with our strategy and goals as set out in our Strategy section on page 16.

Against this backdrop, to incentivise and reward the delivery of exceptional performance over the short and longer term, the Committee considers carefully the performance measures for the annual bonus and PSP awards based on our strategy, including the Group's key performance indicators ('KPIs'). Our KPIs are set out in detail on page 20 including a detailed description of each KPI.

Incentives under Policy	Performance measures	Why does this measure support our mission and strategy?
2024 annual bonus	GTV growth (45% weighting)	GTV is closely aligned to our growth strategy and focuses our Executive Team on our objectives of building the best value proposition in our markets, establishing long-term relationships with customers and merchants, and increasing market penetration. It is a widely used shareholder measure for understanding the change in total value spent by consumers on our marketplace.
	Adjusted EBITDA (45% weighting)	Adjusted EBITDA is an important profitability measure that we adopt in our business operations among other measures and key performance indicators. It is an indicator of the underlying trading performance of the Group and is used, among other measures, to evaluate operations from a profitability perspective and our progress towards our profitability targets.
	Service metric (10% weighting)	The use of a service measure supports our focus on improving customer service outcomes that have the biggest impact on customer retention – a key focus for the Group in driving profitable growth. We will continue to consider the selection of the most appropriate metrics for future years.
2024 PSP awards	Absolute TSR (30% weighting)	Absolute TSR measures the total return generated for shareholders through capital appreciation and dividends (if applicable). It reflects the market's assessment of the shareholder value created and expected to be created in the future, thus aligning our long-term interests with those of shareholders.
	Relative TSR (30% weighting)	Relative TSR measures the total return generated for shareholders through capital appreciation and dividends (if applicable) compared to average the total return generated by a comparator set of companies. As such, it reflects the effectiveness of our strategic decisions and operational execution relative to peers.
	Adjusted EBITDA (30% weighting)	Consistent and complementary to the measure in the annual bonus. Incorporating adjusted EBITDA into the PSP ensures long-term alignment with our multi-year profitability ambitions that will drive a step change in our profitability.
	ESG element (10% weighting)	ESG measures ensure the incentive drives achievement of our long-term sustainability goals reflected in executive remuneration. The inclusion of ESG measures is intended to act as a lever for the effective implementation of sustainable practices, demonstrating to shareholders our commitment to the wider sustainability agenda of the Company, and incentivising executives to proactively manage ESG commitments.

Directors' Remuneration Report continued

Remuneration at a glance continued

Other features of our incentive framework which support our strategy

Focus on performance-based pay

A high proportion of the Executive Team's remuneration is linked to variable, performance-based pay and in particular long-term incentives. This approach is cascaded further down the organisation to employees, where performance-related pay in the form of bonus and restricted stock (where applicable) as a percentage of total pay increases with seniority.

Long-term performance alignment

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

Shareholding requirements

Aligning reward with shareholder interests enables our most critical talent to act and think as owners. Executive Directors are required to have very significant shareholdings in the Company.

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

Approach to performance target setting

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

Summary of the Directors' Remuneration Policy

The current Directors' Remuneration Policy (the 'Policy') was approved at the AGM on 20 May 2022. The following pages presents a summary of the current Policy and how it was implemented in the year. The complete Policy is available in the 2021 Annual Report and can also be found on our corporate website, <https://corporate.deliveroo.co.uk>.

Summary of the Directors' Remuneration Policy

Elements of remuneration	Key operation features under current Policy	How the Policy was implemented in FY2023
Fixed pay To attract, retain and motivate Executive Directors. Fixed pay consists of salary, benefits and pension.	Salary Salaries are set on appointment and reviewed annually. Increases will generally be no higher than the average increase for UK employees. A higher increase may be proposed in the event of a role change or promotion, or in other exceptional circumstances.	No increases were awarded to Executive Directors in 2023. The CEO's salary remained at £600,000. The new CFO was appointed on 20 February 2023 on a salary of £500,000. The average salary increase (including promotional increases) for the wider workforce was c.6%.
	Benefits Benefits are set at a level appropriate to the individual's role and circumstances. Executive Directors receive benefits which include, but are not limited to, private health cover, UK and home country personal tax advice, filing services, free Deliveroo Plus subscription (which is available to all employees) and the occasional use of corporate private security from time to time, as necessary. Other market standard benefits, including (but not limited to) one-off relocation allowances or expatriate benefits, may be provided, as deemed appropriate by the Committee.	The CEO and CFO participated in the benefits provided in line with the Remuneration Policy.
	Pension Executive Directors are entitled to a contribution to the Group's defined contribution pension plan, a cash payment in lieu of pension (subject to normal statutory deductions), or a combination of pension contributions and cash in lieu of pension to a maximum of 5%, in line with the maximum available to the workforce. This applies to both current and future Executive Directors. If there are any changes to the contribution rates for the majority of the UK employee population, this will also apply to Executive Directors.	The CEO elected to receive monthly contributions of £833.33 for January–March 2023. From 1 April onwards, he elected to receive a combination of pension contributions and cash in lieu of pension to a total of 5%, adjusted for Employer NI contributions. The CFO elected to receive cash in lieu of pension to a total of 5%.

Elements of remuneration	Key operation features under current Policy	How the Policy was implemented in FY2023
<p>Short-term variable pay</p> <p>To reward and incentivise the delivery of challenging annual financial and operational targets linked to the delivery of the Board-approved budget.</p>	<p>Annual bonus</p> <p>The annual bonus is subject to stretching financial, strategic and operational performance measures with the majority of the bonus (at least 50%) being linked to financial measures.</p> <p>The maximum bonus opportunity is 180% of salary for Executive Directors. For threshold performance, 25% of the maximum opportunity will pay out. For on-target performance, 50% of the maximum opportunity will pay out. There is a straight-line payout between threshold and target and target and maximum.</p> <p>At the end of the performance period, which lasts for one financial year, the Committee assesses the extent to which the performance targets have been achieved and approves the final outcome. One-half of the bonus earned will be paid in cash and the remainder will be provided as a deferred award of shares that vest after three years subject to continued service.</p> <p>The Committee will have the discretion to adjust bonus outcomes if it believes there is reason to do so, which may result in a downward or upward movement in the amount of bonus earned.</p> <p>Malus and clawback provisions apply.</p>	<p>The CFO has a maximum opportunity of 180% of salary, pro-rated for her time served on the Board. The CEO does not participate in the annual bonus for the duration of the current Policy.</p> <p>The CFO's bonus was based on financial objectives – GTV and adjusted EBITDA weighted at 45% each (a total of 90% financial metrics weight) and a 10% stakeholder metric related to service outcomes.</p> <p>Details of the CFO's bonus outcome are set out in full on page 114.</p>
<p>Long-term variable pay</p> <p>Three-year performance assessed on financial and other relevant metrics, set and approved in line with long-term strategic plans.</p>	<p>Deliveroo Incentive Plan (Performance Share Plan)</p> <p>Long-term incentive awards take the form of annual grants of share awards subject to performance conditions ('PSP awards'), which may be made in the form of conditional awards or nil or nominal cost options.</p> <p>The normal annual maximum grant level of PSP awards for Executive Directors is 600% of salary. The maximum annual value of the PSP awards in exceptional circumstances will be 750% of salary and this will only apply in the case of recruitment of an Executive Director.</p> <p>Vesting of PSP awards is based on challenging performance targets relating to shareholder returns and financial, strategic and/or operational measures linked to the Group's business plan, at least 50% of which are linked to financial measures. The Committee will review and set measures, weightings and targets before each grant to ensure they remain appropriate.</p> <p>No more than 25% of the PSP award will vest for threshold performance. There is straight-line vesting between threshold and maximum and if the threshold level is not achieved, no vesting will occur.</p> <p>The Committee will have the discretion to adjust PSP outcomes if it believes there is reason to do so, which may result in a downward or upward movement in the amount of PSP award earned.</p> <p>Malus and clawback provisions apply.</p>	<p>A 2023 PSP award of 500% of salary was granted to the CFO on 29 March 2023. The CEO does not participate in the PSP for the duration of the current Policy.</p> <p>The 2023 PSP measures are based on independent absolute and relative TSR performance targets, each weighted at 45% (a total of 90% financial metrics weight), and an ESG component containing two measures – one targeting reduction in our Scopes 1 and 2 greenhouse gas emissions, and one focused on improving the representation of women at senior levels – with a combined 10% weighting.</p> <p>Details of the targets can be found on page 115 of this report.</p>
<p>Shareholding requirements</p> <p>Shareholding requirements ensure that Executive Directors are aligned with the shareholder experience and have a material stake in the long-term performance of the Company.</p>	<p>Minimum share ownership requirements</p> <p>Executive Directors are required to build a shareholding of 800% of salary in Company shares in the first five years from joining the Board, and to maintain it for the duration of their employment. Executive Directors are expected to retain all of the net of tax number of shares they receive through the PSP awards and the DSP awards until the shareholding requirement has been met.</p> <p>Executive Directors are expected to retain the lower of the shares held at cessation of employment and shares to the value of 800% of salary for a period of two years (excluding any shares purchased by Executive Directors using their own funds).</p> <p>In the case of newly appointed Executive Directors, the Committee retains its discretion to impose lower in-employment and/or post-cessation shareholding requirements.</p>	<p>The CEO and CFO are subject to 800% of salary in-employment shareholding requirements. The CFO, Scilla Grimble, has five years from her appointment, until 20 February 2028, to build up her shareholding. The CEO, Will Shu's shareholdings satisfy the requirement.</p> <p>The former CFO, Adam Miller, is subject to a two-year post-employment shareholding requirement that will expire on 17 February 2025.</p>

Directors' Remuneration Report continued

Summary of the Directors' Remuneration Policy continued

Alignment with Provision 40 of the UK Corporate Governance Code

The Policy addresses the factors listed in Provision 40 of the Corporate Governance Code as set out below:

Provision 40 (as stated in the Code)	How the Policy aligns
<p>Clarity</p> <p>Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.</p>	<p>The Policy is simple and designed to support long-term, sustainable performance. The Policy clearly sets out the performance conditions that will be used for the annual bonus and long-term incentive plans, as well as the maximum potential value of the elements of remuneration and the areas in which discretion can be applied throughout the Policy.</p> <p>The terms of the Policy are in line with UK corporate governance best practice. As a result, it is well understood by participants, employees and shareholders alike.</p> <p>The Committee proactively seeks engagement with shareholders, has processes and mechanisms in place to engage with employees on remuneration matters and is regularly updated on employee pay and benefits across the Group. For further detail please see page 124.</p>
<p>Simplicity</p> <p>Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.</p>	<p>Deliveroo's remuneration structure comprises fixed and variable remuneration through the use of market standard annual bonus and long-term incentive structures. The performance conditions for variable elements are reviewed regularly to ensure alignment with strategy and are clearly communicated to, and understood by, participants.</p>
<p>Risk</p> <p>Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that can arise from target-based incentive plans, are identified and mitigated.</p>	<p>The majority of the Executive Directors' total remuneration is weighted to the long term and provided in shares and a shareholding requirement is in place (both in employment and post-cessation). These features ensure clear shareholder alignment and discourage unnecessary risk taking. Whilst long-term incentive opportunity levels are highly competitive relative to UK companies of comparable size, significant rewards will be earned only if challenging long-term performance targets are met and Deliveroo maximises shareholder value.</p> <p>The Committee also retains discretion to override formulaic outcomes for incentive plans. Malus and clawback provisions mitigate behavioural risks by enabling payments to be reduced or reclaimed in specific circumstances. A description of discretions retained by the Committee in operating the incentive plans can be found in the notes to the current Policy available on our website.</p>
<p>Predictability</p> <p>The range of possible values of rewards to individual Executive Directors and any other limits or discretions should be identified and explained at the time of approving the Policy.</p>	<p>The Policy sets out the maximum potential value for each element of remuneration subject to the achievement of performance conditions. The potential total remuneration outcomes are easily quantifiable and are set out in the illustrations provided in the Policy. The Group's share plans are subject to dilution limits set by the Investment Association in respect of all share plans (10% in any rolling 10-year period) and executive share plans (5% in any rolling 10-year period).</p>
<p>Proportionality</p> <p>The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.</p>	<p>Remuneration is appropriately balanced between fixed and variable pay. The annual bonus and long-term incentive plan reward the successful implementation of the Group's strategy over the short and long term. The annual bonus aligns with the delivery of our annual budget commitments and, through deferral, ensures that a substantial amount of the bonus remains aligned with long-term creation of value for shareholders. Under the long-term incentives, stretching targets ensure payments are made only for strong corporate performance and the successful execution of our strategy. The Committee will have discretion to override formulaic outcomes to ensure that remuneration appropriately reflects overall performance.</p>
<p>Alignment to culture</p> <p>Incentive schemes should drive behaviours consistent with the Company's purpose, values and strategy.</p>	<p>The annual bonus and long-term incentive plans are measured against performance measures which underpin the Group's culture and strategy. The weighting towards long-term remuneration emphasises the Group's long-term sustainable performance, which is a vital part of Deliveroo's culture.</p> <p>Performance measures under the incentive plans will also evolve to ensure they appropriately reflect the Group's ESG strategy. The PSP incorporates a component relating to ESG.</p>

Malus and clawback

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

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

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

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

Service agreements and letters of appointment

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

Executive Directors

The Executive Directors have a service contract requiring 12 months' notice of termination from the Group and 6 months' notice from the Executive Director. The Committee may, in exceptional circumstances arising on recruitment, allow a longer period, which would in any event reduce to the normal (12 months from the Group and 6 months from the individual) notice period following the first year of employment.

Executive Director*	Date of appointment to role	Date of current contract	Notice from the Group	Notice from the individual
Will Shu	1 February 2013**	22 March 2021	12 months	6 months
Scilla Grimble	20 February 2023***	19 June 2022	12 months	6 months

* Executive Directors' service contracts do not contain an expiry date but are subject to a 12-month notice period from the Group as detailed in the table above.

** This is the date on which Will Shu was appointed as CEO. Will Shu was appointed to the Deliveroo plc Board on 19 March 2021.

***This is the date on which Scilla Grimble was appointed to the Deliveroo plc Board.

External appointments

Executive Directors are permitted to accept external, non-executive appointments with the prior approval of the Board where such appointments are not considered to have an adverse impact on their role within the Group. Will Shu does not have any external appointments. Scilla Grimble serves as a Non-Executive Director of Taylor Wimpey plc, where she is a member of the Audit Committee and the Nomination and Governance Committee.

Non-Executive Directors' ('NEDs') terms of appointment

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

Non-Executive Director	Date of appointment*	Date of current letter of appointment	Notice from the Group	Notice from the individual
Claudia Arney	19 March 2021	19 March 2021	6 months	6 months
Rick Medlock	19 March 2021	19 March 2021	3 months	3 months
Tom Stafford	19 March 2021	19 March 2021	3 months	1 month
Dame Karen Jones DBE	1 June 2021	1 June 2021	3 months	3 months
Dominique Reiniche	1 May 2021	1 May 2021	3 months	3 months
Peter Jackson	1 January 2022	1 January 2022	3 months	3 months
Shobie Ramakrishnan	1 January 2024	1 January 2024	3 months	3 months

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

Directors' Remuneration Report continued

Annual Report on Remuneration

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

The table below sets out the total single figure of remuneration and breakdown for the Executive Directors for FY2023 and FY2022, respectively.

Executive Director single total figure of remuneration

Director	Year	Salary £'000	Taxable benefits ¹ £'000	Pension ² £'000	Total fixed £'000	Annual bonus ³ £'000	PSP awards vested ⁴ £'000	Other ^{5,6} £'000	Total variable £'000	Total single figure £'000
Will Shu (CEO) ⁷	2023	600.0	51.9	22.8	674.7	—	—	—	—	674.7
	2022	600.0	15.5	10.0	625.5	—	—	—	—	625.5
Scilla Grimble (CFO) ⁸	2023	430.1	2.0	21.5	453.6	394.1	—	627.4	1,021.5	1,475.1
	2022	—	—	—	—	—	—	—	—	—

- The value of benefits is based on the cost to the Company. Benefits include private health insurance, life assurance and provision of tax filing assistance.
- Executive Directors are eligible to participate in the Company defined contribution scheme or to receive a monthly supplement in lieu of Company contributions. In FY2023, the CEO elected to receive monthly pension contributions of £833.33 for January–March 2023, matching his own contributions to the Company's pension scheme. From 1 April onwards, he elected to receive a combination of pension contributions and cash in lieu of pension to a total of 5% (adjusted for NI contributions). In FY2022 he received monthly pension contributions of £833.33 for the full year, matching his own pension contributions. On appointment, the CFO elected to receive cash in lieu of the 5% Company pension contribution she is entitled to.
- Scilla Grimble's annual bonus for FY2023 was pro-rated for her time on the Board.
- No PSP awards vested in the period ended 31 December 2023. The 2021 PSP award will vest on 15 May 2024. The current Executive Directors do not participate in the 2021 PSP award.
- The CFO received a buy-out award in respect of the 2021 LTIP she forfeited when leaving her previous employer. The buy-out award assumed a vesting of 30.8% of max and 129,932 shares were converted with no further performance conditions, using a share price of £0.9074, to the value of £117,900. A two-year holding period will apply after vesting on 31 March 2024, in line with the Policy.
- The CFO received a buy-out award in respect of the FY2022 bonus forfeited when she left her previous employer. The cash portion of the bonus was calculated by reference to Scilla's 2022 salary at Moneysupermarket.com, her maximum bonus opportunity of 135% of salary, and the performance achieved by the CEO (86.8% of maximum). The total FY2022 bonus outcome for the buy-out was £509,499, two-thirds of which were paid in cash and one-third deferred into shares per the original terms of the award set by the previous employer. The deferred shares will vest for three years.
- The CEO participated in pre-Admission legacy incentives. Vesting under these incentives is not required to be reported under the single total figure of remuneration for FY2022 or FY2023.
- Scilla Grimble joined Deliveroo and the Board on 20 February 2023. Her salary, benefits and pension disclosed in respect of 2023 represent emoluments for her time on the Board.

Annual bonus outcome for FY2023 (audited)

The CFO had a maximum bonus opportunity of 180% of salary. Her award was pro-rated to the date of her joining the Board being 20 February 2023. The CEO does not participate in the annual bonus plan for the duration of the current Policy.

The Committee undertook a robust review of the formulaic outcome for FY2023 and considered a range of reference points as part of its review, including the outcomes relative to the Board-approved budget and plan, Deliveroo's progress against its long-term strategic plans, the wider stakeholder experience during FY2023 and the inputs and efforts of the CFO during the year. It was determined that no discretion should be exercised to the formulaic outcome.

Bonus element	Threshold (25% payable)	Target (50% payable)	Maximum (100% payable)	Weighting	Actual	Outcome as a % of maximum
GTV growth ^{1*}	3.4%	9.4%	18.2%	45%	2.7%	0.0%
Adjusted EBITDA ^{2*}	£42.0m	£83.0m	£84.0m	45%	£85.4m	45.0%
Service measure: improvement in customer service outcomes ³	5.0%	10.0%	15.0%	10%	10.6%	5.6%
Total outcome as a percentage of maximum for CFO						50.6%
Total bonus formulaic outcome for CFO (£'000)						455.4
Total bonus payable to CFO after pro-ration ⁴ (£'000)						394.1

- Measured as YoY growth in constant currency.
- At reported FX rates.
- Measured as an average year-on-year reduction across three separate metrics: orders marked delivered not received ('OMDNR'), missing items, and cancellations and rejections.
- Pro-rated for time served on the Board in FY2023 since joining on 20 February 2023, i.e. 225 days out of 260 working days or 86.5%.

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

The GTV growth outcome of 2.7% was below threshold as ongoing macroeconomic headwinds continued to weigh on consumer behaviour and, as a consequence, we did not see the planned degree of growth acceleration during the year. As a result, this component of the bonus has not paid out. The final adjusted EBITDA outcome of £85.4 million was above the maximum of the bonus range (which was set asymmetrically in order to incentivise investments in longer-term growth). The adjusted EBITDA performance reflects strong progress on our profitability levers, in spite of the weaker GTV growth. This was driven by factors including growth in advertising revenues, efficiencies in our delivery network, more targeted marketing investments and overhead cost efficiencies. This component of the bonus will pay out at the maximum of 45%.

The average improvement of 10.6% in customer service outcomes was slightly above the target improvement of 10.0%. This reflects excellent progress in reducing the incidence of 'orders marked delivered but not received' ('OMDNR'), combined with a lesser improvement in missing items, and cancellations and rejections. Performance across these three metrics has been averaged to arrive at an overall above-target achievement of 10.6%, which translates to a payout of 5.6% on the overall bonus.

Fifty percent (50%) of the earned bonus for 2023 will be paid to the CFO in cash and 50% will be deferred into shares vesting after three years as prescribed by the Policy.

Scheme interests awarded in FY2023

Deferred bonus plan awards granted in FY2023

No time-vesting share awards in respect of the FY2022 Deliveroo bonus plan were made in 2023.

PSP award granted in FY2023 (audited)

In FY2023, a PSP conditional share award was granted to the CFO, Scilla Grimble. The CEO does not participate in the PSP award for the duration of the current Policy.

Director	Basis of award (% of salary)	Percentage payable at threshold (% of maximum)	Vesting period	End of Performance period ¹	Number of conditional shares awarded	Face value of award	Share price used to determine number of shares granted ²
Scilla Grimble (CFO) ¹	500%	25%	29 March 2023 – 28 March 2026	28 March 2026	2,861,394	£2,500,000	0.8737

1. See table below.

2. The share price represents a 30-day average share price to the date of grant.

The performance targets for the PSP award granted to the CFO on 29 March 2023 are set out below. TSR performance will be assessed using two independent measures of relative TSR and absolute TSR, each with a weighting of 45% of the maximum opportunity.

The 2023 PSP also incorporates an ESG component containing two measures with a combined 10% weighting, to ensure our commitments to sustainability are reflected in the overall pay structure:

- **Reduction in Scopes 1 and 2 GHG emissions target** – the 2022's market-based SECOR disclosure (see page 43 of the 2022 Annual Report and Accounts) will be used as baseline. Reduction in Scope 2 emissions will be considered on a market basis; and
- **Representation of women at senior levels of the organisation (Level 7+)** – the baseline is set as a headcount snapshot in January 2023, when 39% of senior roles across the Company were held by women (26% in tech roles, and 46% in non-tech roles).

A summary of the targets is set out below:

Measure	Threshold (25% of max)	Target (see below)	Maximum (100% of max)	Performance period
Relative TSR performance against the FTSE 100	50th percentile	Straight-line vesting between threshold and maximum	80th percentile	29 March 2023– 28 March 2026
Absolute TSR	25% p.a. growth from grant	30% p.a. growth from grant	40% p.a. growth from grant	29 March 2023– 28 March 2026
ESG component	Reduction in Scopes 1 and 2 greenhouse gas emissions	15% reduction compared to 2022 baseline	Straight-line vesting between threshold and maximum	25% reduction compared to 2022 baseline
	Representation of women at senior levels	44% women (underpin of 33% in tech roles)		48% women

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Scheme interests awarded in FY2023 continued

PSP award granted in FY2023 (audited) continued

Performance will be measured over a three-year period as set out in the table above. Payouts occur on a straight-line basis between each of the performance points and targets have been set which are challenging and support Deliveroo's ongoing business expectations.

The Committee retains its right to exercise downward discretion on the level of vesting if the overall corporate performance and the shareholder experience during the performance period does not warrant the formulaic level of vesting against the two shareholder return measures. The Committee will further review the awards on vesting to ensure that participants do not benefit from windfall gains.

Buy-out awards made to the CFO on joining (audited)

Buy-out awards were made to Scilla Grimble under the Deliveroo Incentive Plan ('DIP') as compensation for incentives forfeited on leaving her previous employer, Moneysupermarket.com plc. Details of the 2021 and 2022 LTIP buy-out awards were set out in the 2022 Annual Report as well as in an RNS announcement on 31 March 2023. The deferred portion of the 2022 annual bonus buy-out award was described in an RNS announcement made on 21 April 2023. The value of each buy-out award was designed to be no greater than the value being forfeited under the awards provided by Scilla's prior employer. The awards vest subject to her continued service with Deliveroo and to the satisfaction of the conditions set out in the below section. Details of the CFO's buy-out awards are as follows:

Original award replaced	Type of award made at Deliveroo	Date of grant	Vesting date	Number of shares awarded	Share price of award £	Face value of award £'000
2021 LTIP award	Restricted stock award with no performance conditions	29 March 2023	31 March 2024 (further 2-year holding period to be applied)	129,932	0.9074 ¹	117.9
2022 LTIP award ²	Performance share award	29 March 2023	12 April 2025 (further 2-year holding period to be applied)	797,635	0.9179 ³	732.1
2022 DSP award ²	Deferred share plan award	20 April 2023	20 April 2026	195,412	0.8691 ⁴	169.8

1. The share price represents the 30-dealing day trailing average share price to the date of the announcement of Scilla leaving her previous employer (20 June 2022).

2. The face value of awards are equivalent to the value of awards forfeited from Moneysupermarket.com – further detail on how the face value of awards have been calculated is set out below and on pages 121 and 122 of the 2022 Annual Report.

3. The share price represents the 30-dealing day trailing average share price from the date Scilla's forfeited the 2022 LTIP award (17 February 2023, when she stepped down from the Moneysupermarket.com Board).

4. The share price represents the 30-dealing day average share price immediately preceding the date on which Scilla would have been granted the deferred share award by Moneysupermarket.com (31 March 2023).

Summary of valuation approach for buyout awards:

- **2021 LTIP:** As around two-thirds of the performance period had elapsed on this award when Scilla joined as CFO, an estimated outcome of 30.8% of the maximum opportunity was used to determine the level of Deliveroo shares granted. This represents a fair assessment of the performance of the Moneysupermarket.com's award up to that point, and as such no further performance conditions apply to the award. A two-year holding period will still apply after vesting in line with the Policy.
- **2022 LTIP:** The number of shares was calculated by taking the face value of the forfeited award under Moneysupermarket.com's Long Term Incentive Plan and dividing this by the 30-dealing day trailing average Deliveroo share price (£0.9179). The performance conditions for the 2022 LTIP buyout will be measured over a three-year period matching the vesting period, and payout will occur on a straight-line basis between each of the performance points. The date of grant share price of £1.18 is taken as the starting share price.

Targets are as follows (in line with the Executive Team's 2022 PSP award):

TSR matrix (% of max payout of TSR element)		Deliveroo's TSR % rank vs FTSE 100 peer group			
		<50%	50% (threshold)	65% (target)	≥80% (maximum)
The Company's TSR calculated based on CAGR per annum	<15% p.a.	nil	nil	nil	nil
	15% p.a. (threshold)	nil	25%	45%	65%
	20% p.a. (target)	nil	45%	63.75%	82.5%
	≥30% p.a. (maximum)	nil	65%	82.5%	100%

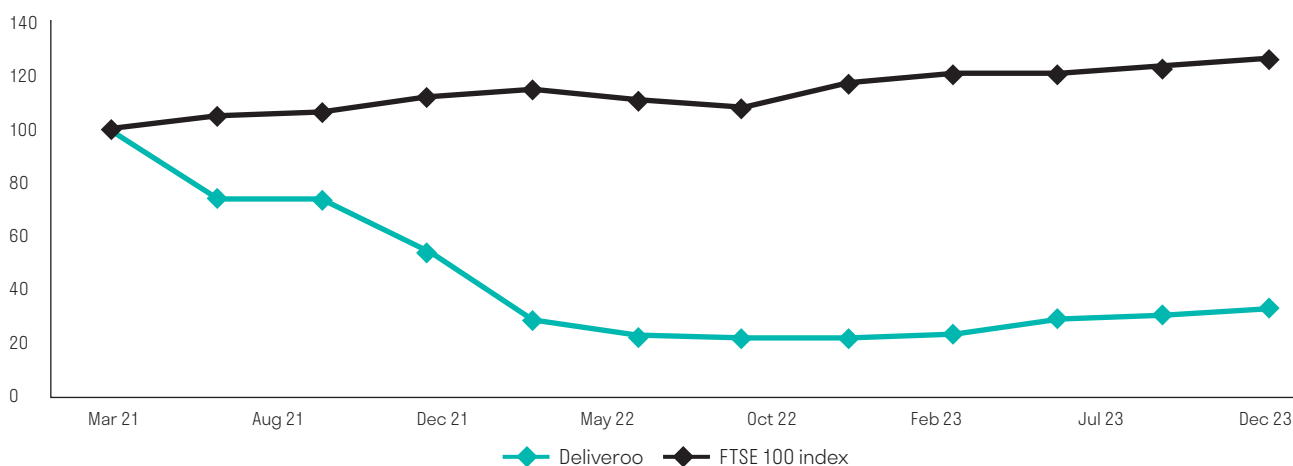
- **2022 DSP:** The number of shares was calculated by taking the face value of the award that would have been awarded under Moneysupermarket.com's Deferred Bonus Plan and dividing this by the 30-dealing day trailing average Deliveroo share price (£0.8691).

Pre-Admission RSU awards (audited)

Many members of our Senior Management hold equity incentives which were in place prior to Admission to ensure ongoing retention, incentivisation and alignment with shareholder interests. For the CEO, this includes pre-existing RSUs which are subject to time-based vesting only. These RSUs relate to pre-Admission incentives and are not part of the Group's ongoing remuneration arrangements. Full information about these awards and about the CEO's Special pre-Admission one-off RSU award can be found in the 2021 Directors' Remuneration report.

Performance graph against the FTSE 100

Deliveroo shares began conditional trading on the London Stock Exchange on 31 March 2021. The chart below shows the TSR performance of £100 invested in Deliveroo from 31 March 2021 (using the offer price of £3.90 per share) to 31 December 2023 against the FTSE 100. The FTSE 100 was chosen as the comparator index for the Group given the comparable market capitalisation at the time of Admission.



Chief Executive Officer's historical remuneration

The annual remuneration for the CEO from the date of incorporation on 25 February 2021 to 31 December 2023 is shown in the table below. In future reports, the table will build up towards 10 years' worth of historical data. Although the pre-Admission one-off RSU award to the CEO was included in the FY2021 single total figure of remuneration, given the one-off nature of this award and to enable a more meaningful comparison, we have presented total remuneration on both a reported basis and excluding the one-off RSU award.

Year ended 31 December	FY2021	FY2022	FY2023
CEO	Will Shu	Will Shu	Will Shu
Total remuneration (£'000) (reported)	106,181.5	625.5	674.7
Total remuneration (£'000) (excluding one-off RSU award)	542.2	625.5	674.7
Annual bonus (% of maximum) ¹	—	—	—
Vesting of PSP awards (% of maximum) ²	—	—	—

1. The CEO did not participate in the annual bonus for FY2021, FY2022 or FY2023, and will not participate for the duration of the current Policy.

2. Not applicable as the CEO did not participate in the PSP awards for FY2021, FY2022 or FY2023, and will not participate for the duration of the current Policy.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Single total figure of remuneration for each Non-Executive Director (audited)

The tables below set out the total remuneration and breakdown for the Non-Executive Directors for FY2022 and FY2023, respectively.

Non-Executive Directors' remuneration

	Year	Fees £'000	Taxable benefits ¹ £'000	Total remuneration £'000
Claudia Arney	2023	425.0	—	425.0
	2022	425.0	—	425.0
Dominique Reiniche	2023	110.0	—	110.0
	2022	110.0	—	110.0
Dame Karen Jones DBE	2023	160.0	—	160.0
	2022	160.0	—	160.0
Peter Jackson	2023	90.0	—	90.0
	2022	90.0	—	90.0
Rick Medlock	2023	125.0	—	125.0
	2022	125.0	—	125.0
Lord Simon Wolfson ²	2023	N/A	N/A	N/A
	2022	54.9	—	54.9
Tom Stafford ³	2023	—	—	—
	2022	—	—	—

1. There were no taxable benefits paid to Non-Executive Directors during the year.

2. Lord Simon Wolfson stepped down from the Board effective close of business on 9 August 2022.

3. Tom Stafford waived all fees and benefits for FY2022 and FY2023.

Statement of Directors' shareholdings and share interests (audited)

The table below summarises the current shareholdings of Directors and the shareholding requirements under which Executive Directors are expected to build and maintain a minimum shareholding of 800% of salary in the Company. The CEO has met the minimum requirement. The CFO, Scilla Grimble, has five years from her appointment on 20 February 2023 to satisfy the requirement. In addition, Executive Directors are required to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time) for a period of two years.

Director	Shareholding requirement as % of salary	Shares actually owned ^{1,5}	Unvested shares subject to continued service ²	Unvested shares subject to performance ³	Value of shares held subject to shareholding requirement as % of salary ⁴	Estimated value of shares held subject to shareholding requirement as at 31 Dec 2023 £'000	Estimated change at +/- 50% share price change £'000
Executive Directors⁵							
Will Shu (CEO)	800%	102,508,168	20,403,550	N/A	24,100%	144,599	72,299
Scilla Grimble (CFO) ⁶	800%	—	325,344	3,659,029	44%	220	110
Non-Executive Directors⁵							
Claudia Arney		618,800	N/A	N/A	N/A	N/A	N/A
Dominique Reiniche		51,282	N/A	N/A	N/A	N/A	N/A
Dame Karen Jones DBE	N/A	51,282	N/A	N/A	N/A	N/A	N/A
Peter Jackson		8,000	N/A	N/A	N/A	N/A	N/A
Rick Medlock		235,800	N/A	N/A	N/A	N/A	N/A
Tom Stafford		0	N/A	N/A	N/A	N/A	N/A

1. Represents actual shares owned as at 31 December 2023. Will Shu currently owns Class B shares only, which contribute towards his current shareholding. He is also a founder shareholder and as a result has a relatively high shareholding. All other Directors own Class A shares only.
2. Represents unvested RSU awards made pre-IP0 and annual bonus deferred share awards (if applicable), all of which are calculated on a net of tax basis.
3. Represents the PSP awards which are subject to ongoing performance conditions (if applicable).
4. Shareholding requirement is calculated on the basis of: a) vested shares; b) purchased shares; and, if applicable, c) unvested deferred bonus shares; d) PSP shares in the two-year holding period; and e) unvested pre-IP0 grants which are subject to time vesting (where c), d) and e) are calculated on net of tax basis). It is calculated with reference to the closing share price of £1.276 as at 31 December 2023 and the year-end salaries of the Executive Directors. Values are not calculated for Non-Executive Directors as they are not subject to shareholding requirements.
5. No Directors or connected persons (i.e. spouse) currently have any vested shares. In connection with their appointments as Directors of the Company, the Chair and certain Non-Executive Directors were offered the opportunity to acquire Ordinary Shares in Roofoods Ltd ("Roofoods Shares") and receive a matching award of Roofoods Shares. The Chair and Non-Executive Directors each took up this opportunity and the matching awards were granted with effect from 4 February 2021. Under the terms of the awards, the Chair and each of the Non-Executive Directors subscribed for Roofoods Shares at their nominal value on terms that the shares may be forfeited (in whole or in part) if they cease to be a Director of the Company (or Roofoods Ltd) within three years of 4 February 2021. The Chair and Non-Executive Directors may not dispose of the shares for so long as they are subject to forfeiture.
6. Scilla Grimble joined the Board on 20 February 2023 and has five years to build her required shareholding.
7. As at 11 March 2024, no further changes have occurred to the interests stated in the above table.

Directors' Remuneration Report continued

Annual Report on Remuneration continued

Payments to past Directors/payments for loss of office (audited)

Adam Miller's 12-month notice period commenced on 20 June 2022 on the announcement of his departure. Adam stepped down as Chief Financial Officer on 17 September 2022 and was placed on garden leave until 17 February 2023. The remainder of his notice period ended on 20 June 2023. Details of Adam's remuneration arrangements relating to his time on the Board were set out in the 2022 Directors' Remuneration Report. Other than the treatment set out in the 2022 Directors' Remuneration Report, no further payments for loss of office were made to Adam. The 2021 PSP award attributable to Adam will vest on 15 May 2024 and will be disclosed next year. The below outlines payments made in FY2023.

Fixed remuneration

Adam was paid salary and benefits with a value of £67,404 from 1 January 2023 to 17 February 2023, when his garden leave ceased. Payments in lieu of basic salary and benefits to a total of £168,590 were paid in monthly instalments over the remainder of Adam's 12-month notice period which ended on 20 June 2023.

Annual bonus

Adam did not participate in the 2023 bonus arrangements.

Adam was granted 'good leaver' status in respect of his entitlement to a bonus for his time on the Board in FY2022. His pro-rated bonus of £287,384 was paid fully in cash in 2023 given that Adam is a US tax citizen and is subject to the provision of Section 409A of the US Internal Revenue Code. Details of the bonus outcome are outlined in the 2022 Directors' Remuneration Report.

During the year Adam's deferred bonus of £360,000 from FY2021 was settled fully in cash in 2023 given he is a US tax citizen and is subject to the provision of Section 409A of the US Internal Revenue Code, which creates possible tax compliance complexities if the deferral is enforced.

Contribution to legal and tax costs and Directors and Officers insurance

Deliveroo continued to contribute up to £15,000 (plus VAT) towards the filing of his UK and US tax returns for the years in which Adam was employed by Deliveroo (which included a period of 2023). He was also covered by the Company's Directors and Officers insurance for the full duration of his employment.

Statement of implementation of the Policy for FY2024

Element	Summary and implementation for FY2024																											
Salary	<p>A 3% increase to the salaries for Executive Directors has been awarded effective 1 January 2024, below the average increase awarded to the wider employee population of c.4%. Salaries are:</p> <ul style="list-style-type: none"> • CEO: £618,000 • CFO: £515,000 																											
Pension	<p>The CEO and CFO are entitled to receive a pension contribution of up to 5% of salary in line with employees in the UK as cash in lieu.</p>																											
Benefits	<p>Normal benefit provisions apply and include private health cover, life assurance, UK and home country personal tax advice and tax filing services.</p>																											
Annual bonus	<p>Maximum annual bonus for Executive Directors is 180% of salary. The CEO does not participate in the annual bonus for the duration of the current Policy. Fifty percent (50%) of total bonus is paid in cash and the remaining 50% is paid in the form of DSP awards deferred for three years.</p> <p>Pay out ranges are (as a percentage of maximum opportunity):</p> <ul style="list-style-type: none"> • Threshold performance: 25% • On-target performance: 50% • Maximum performance: 100% <p>There is straight-line vesting between these points.</p> <p>The performance measures and their weighting as a percentage of maximum opportunity will be:</p> <ul style="list-style-type: none"> • Growth in GTV: 45% • Adjusted EBITDA: 45% • Service measure – improvement in customer service outcomes: 10% <p>Actual performance targets are not disclosed prospectively as they are considered to be commercially sensitive. Full disclosure will be published in the FY2024 Directors' Remuneration Report. Malus and clawback provisions apply.</p>																											
PSP award	<p>For 2024, it is intended that an award of 500% of salary will be made to the CFO subject to performance conditions. The CEO does not participate in the PSP awards for the duration of the current Policy.</p> <p>PSP awards vest over three years from the date of grant and are subject to the achievement of performance measures. A further two-year holding period applies to vested shares.</p> <p>Vesting of the PSP award will be based on a relative TSR measure with a 30% weighting, an absolute TSR measure with a 30% weighting, an absolute adjusted EBITDA measure with a 30% weighting and two ESG measures with a combined 10% weighting. Targets are set out below.</p> <table border="1"> <thead> <tr> <th>Measure</th> <th>Threshold (25% of max.)</th> <th>Target (see below)</th> <th>Maximum (100% of max.)</th> </tr> </thead> <tbody> <tr> <td>Relative TSR performance against the FTSE 100</td> <td>50th percentile</td> <td>Straight-line vesting</td> <td>80th percentile</td> </tr> <tr> <td>Absolute TSR</td> <td>15% growth p.a</td> <td>20% growth p.a</td> <td>25% growth p.a</td> </tr> <tr> <td>Absolute adjusted EBITDA</td> <td colspan="3">To be disclosed at vesting</td> </tr> <tr> <td>ESG component</td> <td>Reduction in Scopes 1 and 2 greenhouse gas emissions</td> <td>20%</td> <td>Straight-line vesting 30%</td> </tr> <tr> <td></td> <td>Representation of women at Level 4+</td> <td>41% (with an underpin in 27% in tech)</td> <td>Straight-line vesting 42%</td> </tr> </tbody> </table>				Measure	Threshold (25% of max.)	Target (see below)	Maximum (100% of max.)	Relative TSR performance against the FTSE 100	50th percentile	Straight-line vesting	80th percentile	Absolute TSR	15% growth p.a	20% growth p.a	25% growth p.a	Absolute adjusted EBITDA	To be disclosed at vesting			ESG component	Reduction in Scopes 1 and 2 greenhouse gas emissions	20%	Straight-line vesting 30%		Representation of women at Level 4+	41% (with an underpin in 27% in tech)	Straight-line vesting 42%
Measure	Threshold (25% of max.)	Target (see below)	Maximum (100% of max.)																									
Relative TSR performance against the FTSE 100	50th percentile	Straight-line vesting	80th percentile																									
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Directors' Remuneration Report continued

Annual Report on Remuneration continued

Statement of implementation of the Policy for FY2024 continued

Element	Summary and implementation for FY2024
PSP award continued	<p>Details of the adjusted EBITDA measure range have not been disclosed as the Board considers these to be commercially sensitive, and, therefore, their publication would put the Company at a disadvantage. The range will be disclosed retrospectively, alongside the achievement against it, on vesting of the PSP awards. The threshold level of performance is significantly in excess of the adjusted EBITDA performance for FY2023 and the range takes into account analysts' forecasts and our three-year plan for profitability level communicated to investors at the Capital Markets Event in November 2023.</p> <p>For the reduction in Scopes 1 and 2 GHG emissions target, the Committee will be using 2022's market-based SECR disclosure (see page 42 of the 2022 Annual Report) as the baseline against which performance will be measured in 2026. Reduction in Scope 2 emissions will be considered on a market basis for the purpose of this target.</p> <p>Having widened the base for our representation of women targets from senior-only to mid and senior levels of the organisation, defined as Level 4 and above, the targets have been re-calibrated since last year to account for a bigger population. Although the revised targets might look lower compared to those used for the 2023 PSP Level 7+ target, it is not a like-for-like comparison, as the population captured is larger and the representation point of women in Tech for Level 4+ is lower than compared to Level 7+. In formulating our target, we used a snapshot of data from the January 2024 headcount as the baseline – with 39% of Level 4+ roles across the Company held by women (25% in Tech Level 4+ roles and 53% in non-Tech Level 4+ roles).</p> <p>Payout for levels of performance are as follows (as a percentage of maximum opportunity):</p> <ul style="list-style-type: none"> • Threshold performance: 25% • Target performance: 50% • Maximum performance: 100% <p>For relative TSR and the two ESG measures, payout is on a straight-line basis from threshold to maximum. For absolute TSR and the absolute adjusted EBITDA measure, payout is on a straight-line basis between threshold and target, and target and maximum.</p> <p>Malus and clawback provisions apply.</p>
Shareholding requirement	<p>During employment, Executive Directors are expected to build and maintain a minimum shareholding of 800% of salary. Executive Directors are expected to retain the net of tax number of shares they receive through PSP awards until the shareholding requirement has been met.</p> <p>Post-employment, Executive Directors are required to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time of leaving employment) for a period of two years.</p>
NED fees	<p>A 3% increase to the base fee for Non-Executive Directors and for the Chair fee has been awarded effective 1 January 2024. The average increase awarded to the wider employee population was c.4%.</p> <p>Non-Executive Directors are paid a base fee and additional fees for acting as Senior Independent Director and Chair of Board Committees (or to reflect other additional responsibilities and/or additional/unforeseen time commitments). The Chair of the Board receives an all-inclusive fee.</p> <ul style="list-style-type: none"> • Chair fee: £438,000 • Non-Executive Director base fee: £93,000 • Senior Independent Director fee: £35,000 • Committee Chair fee: £35,000 • Employee Engagement Non-Executive Director fee: £20,000

Fairness, diversity and wider employee considerations

Overview of the Committee's process

Given the Company's standard listing, there is no requirement to comply with the requirements of the UK Corporate Governance Code. However, the Committee feels it is appropriate to do so given the Company's commitment to high standards of corporate governance. In line with the Code, in particular Provision 41, the Committee seeks to understand why remuneration is appropriate using internal and external measures including pay ratios and pay gaps. The Committee is further committed to ensuring the reward framework is applied appropriately across the organisation with a particular focus on Executive Directors and Executive Committee members. By maintaining oversight of employee pay, policies and incentives, the Committee ensures that the approach to Executive Director remuneration is aligned with that applied to the wider organisation.

During 2023 the Committee refreshed the total reward approach to better support our business strategy and reflect market conditions. As a result, we have implemented a more targeted approach to employee equity ownership that is grounded in talent strategy principles, and also takes into account our objectives, costs and the impact on overall dilution. In refreshing our total reward approach, we also considered our evolving talent strategy and Employee Value Proposition ('EVP'). For more information about how we have enhanced our employee experience in the past year, please see the People section on page 42. The Company remains committed to providing competitive pay to all of our employees to ensure that we attract and retain talent capable of delivering Deliveroo's ambitious strategy. The Committee will continue to monitor and support the evolution of our reward approach and its link to the EVP.

Cascade of pay and incentives for employees

The Committee takes steps to ensure that consistent principles are applied to the pay and reward framework for employees across the organisation. The table below summarises Deliveroo's key remuneration elements.

Remuneration element	Details
Salary	Salaries are set to reflect the market value of the role and to aid recruitment and retention. The Committee is kept informed on the peer groups used for benchmarking salary bands as well as target positioning for salaries across different functions.
Benefits	The Group provides benefits to all employees and these align with local market norms and regulatory requirements.
Pension	Pension contributions in the UK are up to 5% of salary for all employees. Outside the UK, we comply with local regulatory requirements.
Annual bonus	The majority of our employees share in the success of the Group by participating in either the annual bonus scheme or a commercial bonus scheme. The annual Company bonus takes into account both individual performance as well as Company performance, and the commercial bonus is tied to individual and team KPIs that directly contribute to Company success.
RSP awards	Employees above a certain seniority level receive equity awards on appointment and then additional performance-based awards as part of the annual performance cycle. Starting last year, we have been revising our approach from one aligned to the technology sector, where it is common practice for equity ownership to be widespread among employees of all levels, to one that is more closely aligned to UK listed company market practice, whereby equity is a remuneration tool reserved for more senior employees and certain roles deemed critical, where greatest impact is made.
PSP awards	PSP awards are provided to members of our Executive Team and reinforce the delivery of long-term creation of value for our shareholders and wider stakeholders. The retention of shares by senior executives post-vesting ensures further long-term alignment. Measures and targets are consistent between participants.
Shareholding requirement	Supports the alignment of executives' interests with shareholders. Executive Directors have an 800% of salary shareholding requirement and a lower guideline applies for other Executive Team members.

Directors' Remuneration Report continued

Fairness, diversity and wider employee considerations continued

Wider employee engagement

As set out in our Corporate Governance report on page 79, the Board is committed to a constructive dialogue with our employees to enable us to better reflect their interests in future Company and strategic decisions and to help ensure Deliveroo is a great place to work. The Committee takes into account general employee remuneration and related policies, and the alignment of incentives and rewards with our strategy and values when setting and operating the Policy for Executive Directors' remuneration. The performance measures set for short and long-term incentives underpin the Group's performance-driven culture and strategy. We publish the Core Principles of Remuneration and the Policy, as well as the cascade of pay and incentives for employees on our Intranet (our internal intranet site), so that employees can access this information and raise questions should they wish. The Committee also receives regular updates from the Chief People Officer on any changes to the wider Group Remuneration Policy. Dominique Reiniche, our Designated Employee Non-Executive Director, updates the Board on employee engagement matters. More information on the approach to employee engagement is set out in the Stakeholder statement on page 25 and the People section on page 42.

Shareholder engagement

The Chair of the Remuneration Committee wrote to shareholders to elaborate on the intended implementation of the Policy for FY2023, specifically highlighting where changes to incentive measures were planned. Shareholders were further invited to provide feedback and ask any questions they may have directly to the Chair of the Committee or as part of the broader governance engagement exercise conducted by our Chair, Claudia Arney, ahead of the 2023 AGM. The feedback we received has been overwhelmingly positive, as evidenced by the reception of the 2022 Directors' Remuneration Report at the AGM and the high percentage of supporting votes it received.

Some shareholders expressed interest in the changes implemented to incentives in 2023, namely why the customer service metric had replaced the employee engagement metric in the bonus and why we had decided on independent TSR measures for the 2023 PSP awards. We explained that the changed measure in the bonus was to reflect that customer service as a key strategic focus, while the split of the TSR measures was a move to make our long-term incentive awards simpler to operate, fairer and more balanced. We have assured shareholders that targets are strongly aligned with our strategy and continue to be set so that they are sufficiently stretching to justify the quantum of the awards.

Diversity and equal opportunities

We are dedicated to furthering a Company culture that fosters inclusivity, and where gender equality and fairness are at the heart of our practices and policies. The Committee acknowledges the need to continue improving Deliveroo's Gender Pay Gap and to achieve a better balance of the Company. Deliveroo's 2022/23 Gender Pay Gap ('GPG') is as follows for employees of Roofoods Ltd only (per relevant UK Government regulations) and for all UK employees:

Roofoods Ltd	All UK employees
• Mean GPG: 17.2%	• Mean GPG: 13.9%
• Median GPG: 24.3%	• Median GPG: 21.2%
• Mean bonus gap: 29.9%	• Mean Bonus Gap: 29.6%
• Median bonus gap: 20.6%	• Median Bonus Gap: 20.7%

Looking at the "all UK employees" for consistency with how we reported last year, our gender pay gap has seen a slight improvement in the mean and median. One of the most notable improvements has been in the mean bonus gap, which has seen a substantial reduction from 82.9% in 2021/22 to 29.6% in 2022/23. The drop is largely attributed to the fact that the effect of the IPO equity awards vested and exercised in the 12 months prior to 5 April 2022 is no longer impacting the results.

These outcomes are encouraging improvements; we see the gender pay gap numbers as a useful tool in pinpointing some of the issues within our wider goal to enhance the experiences of women at Deliveroo and position ourselves as a more appealing employer for a wide range of talent. Ultimately, our objective is to promote sustainable change through a multi-year action plan, spearheaded by the Executive Team. To learn more about this, please refer to the People section on page 42. As a technology company, we are cognisant of the broader systemic issue of female representation in the industry and aspire to be part of the solution. As a signatory to the Tech Talent Charter, we are committed to driving greater inclusion and diversity in technology roles.

In the last year, the diversity, equity, and inclusion team ('DE&I') continued its focus on how to enable an inviting and balanced culture for Deliveroo's underrepresented talent, empowered by data-informed solutions as well as improvements to the design and impact of our employee experience. Some of the highlights are included below:

- Progressed the Gender Equity Impact Plan we established in December 2021, which resulted in a notable increase in the representation of women in senior leadership, with tech roles reaching 29% and non-tech roles reaching 47%, surpassing our 2022 figures by 3% and 1%, respectively. This progress aligns with our ambitious 2025 goals of achieving 33% representation in tech and 50% in non-tech roles.
- Facilitated executive DE&I accountability workshops mapped to our key community impact areas of gender equity, racial equity, and LGBTQ+ inclusion, furthering their involvement in building a more inclusive Company.
- Evolved the remit of our work's focus to include ethnicity, sexual orientation and gender diversity, and disability, developing multi-year plans to deliver positive impact for some of our most marginalised employees.
- Through strategic consultation, embedded equity into new core processes linked to company business outcomes like our Generative AI and Code of Conduct policies.
- Launched science-backed global inclusion learning journeys with a live leadership development component.

- Expanded the voluntary global Self-ID programme to include new aspects of identity giving us access to a more holistic picture of our employee makeup in dimensions like race, ethnicity, gender identity and sexual orientation.
- Expanded the number and efficacy of our employee-led resource groups, which saw global employee membership increase during the year and our LGBTQ+ group, Deloveroo, awarded 'Highly Commended' in the Outstanding LGBTQIA Network of the Year at the European Diversity Awards.
- Celebrated our most ambitious Pride month to date, funding thousands of free meals in restaurants across the United Kingdom for LGBTQ+ people experiencing homelessness and raising over £50,000 to help end LGBTQ+ bullying in schools.
- Deepened our investment in Black talent within Tech through our second-year sponsorship of Black Tech Fest, the largest gathering of Black tech talent in Europe, and continuing our mentorship programme for Black youth together with BelEve.

Change in the Directors' remuneration compared with employees'

The table below sets out how the change in reported remuneration for each Director between FY2022 and FY2023 compares to the change in average pay for employees of Rooffoods Ltd, where the majority of our UK colleagues are employed.

	FY2023			FY2022 ¹		
	Salary ¹ (% change)	Benefits ² (% change)	Bonus ³ (% change)	Salary ¹ (% change)	Benefits ² (% change)	Bonus ³ (% change)
Executive Directors	nil	234.8	N/A	nil	49.6	(60.1)
Will Shu	nil	234.8	N/A	nil	2.6	N/A
Scilla Grimble ⁴	N/A	N/A	N/A	N/A	N/A	N/A
Adam Miller ⁵	N/A	N/A	N/A	nil	122.7	(60.1)
Non-Executive Directors	nil	nil	N/A	14.3	nil	N/A
Claudia Arney	nil	nil	N/A	nil	nil	N/A
Dominique Reiniche ⁶	nil	nil	N/A	nil	nil	N/A
Dame Karen Jones DBE ⁷	nil	nil	N/A	28.0	nil	N/A
Peter Jackson ⁸	nil	nil	N/A	N/A	N/A	N/A
Rick Medlock	nil	nil	N/A	nil	nil	N/A
Lord Simon Wolfson ⁹	N/A	N/A	N/A	nil	nil	N/A
Tom Stafford ¹⁰	N/A	N/A	N/A	N/A	N/A	N/A
Average pay for all employees¹¹	3.1	8.0	6.3	6.7	17.8	10.5

- The percentage change presented is based on annualised Executive and Non-Executive Director emoluments in 2021 and 2022, and therefore includes a notional amount for the period of 2021 before incorporation on 25 February 2021. The table reports on full-time equivalent figures for Executive and Non-Executive Directors.
- The benefits increase for the Executive Directors in FY23 is reflective of higher fees paid by Will Shu in respect of tax advice in FY2023, including P11d costs for 22/23 tax year that have been covered by the Company. The benefits increase for the Executive Directors in FY22 was reflective of higher fees paid in respect of tax advice received by Will Shu and Adam Miller in 2022. The benefits offered to Executive Directors have not changed in FY2023 versus FY2022. There were no taxable benefits paid to Non-Executive Directors during the year.
- The year-on-year bonus decrease in FY2022 is reflective of bonus outcome in FY2021 versus FY2022, respectively, and of the pro-ration applied in respect of Adam Miller's time on the Board. Will Shu does not participate in the annual bonus for the duration of the current Policy. Non-Executive Directors do not participate in the annual bonus.
- Scilla Grimble joined the Board on 20 February 2023. Since no period year data is available for salary, benefits or bonus, the year-on-year change in remuneration will be included in next year's report.
- Adam Miller stepped down from the Board on 17 September 2022. His salary and benefits for FY2022 have been taken on an FTE basis for the purpose of this comparison. The bonus paid to Adam Miller in respect of FY2021 and FY2022 was reported in full and is an accurate year-on-year representation of the percentage change in his bonus pay.
- Dominique Reiniche joined the Board on 1 May 2021. Her pay for 2021 has been taken on an FTE basis for the purpose of the FY2022 comparison.
- Dame Karen Jones DBE joined the Board on 1 June 2021. Her pay for 2021 has been taken on an FTE basis for the purpose of the FY2022 comparison. The increase in her fees is in respect of her Senior Independent Director ('SID') role from 1 January 2022.
- Peter Jackson joined the Board on 1 January 2022.
- Lord Simon Wolfson stepped down from the Board effective close of business on 9 August 2022. His pay for 2022 has been taken on an FTE basis for the purpose of the FY2022 comparison.
- Tom Stafford waived all fees and benefits for FY2022 and FY2023.
- Percentage change by element is calculated based on pay received for the full FY2021, FY2022 and FY2023, respectively. All benefits costs are included in the benefits percentage change figure. The percentage increase in bonus paid to the population captured reflects Company bonus as well as other one-off bonuses paid, e.g. sign-on and spot bonuses.

Directors' Remuneration Report continued

Fairness, diversity and wider employee considerations continued

Change in the Directors' remuneration compared with employees' continued

The relevant regulations prescribe that the above comparison should include all employees of the Parent Company. However, since there are no individuals employed by Deliveroo plc, a representative comparison has instead been formulated using all UK-based employees of Roofoods Ltd as the basis for this calculation. The average change for all employees has been calculated on a full-time equivalent basis, by reference to pay received for the full FY2022 and FY2023 (excluding any restricted shares vesting). The salary increase reflects changes made through the standard annual salary review as well as additional changes made throughout FY2022 and FY2023, i.e. promotions, role changes and changes in headcount. The change to the level of taxable benefits has been driven by higher average take-up of benefits in FY2023 compared to FY2022. The increase in the percentage change to the average bonus paid to all employees is driven by the knock-on effect of the increase in average salary and a more targeted use of sign-on bonuses compared to FY2022.

CEO pay ratio

The table below sets out the Company's CEO pay ratio disclosure. The data shows how the CEO's single figure of remuneration (as taken from the single figure remuneration table) compares with the single figure of remuneration for full-time equivalent UK employees, ranked at the 25th, 50th and 75th percentiles of total pay.

We have chosen Option A under the Regulations for the calculation as it takes into consideration the full-time equivalent basis of all UK employees and provides a representative result of employee pay conditions across the Company. This option was selected as it was considered to be the most efficient and robust approach in respect of gathering the required data and in particular was considered to be the most accurate way of identifying the best equivalents of the 25th, 50th and 75th percentiles.

The FY2023 data for employees was calculated by reference to full-time equivalent salary, pension, benefits and equity plan data and the annual bonus amounts for employees have been taken on an estimated basis. Total pay and benefits for all have been calculated as at financial year-end in accordance with the single figure methodology and are based on full-time equivalent salaries, pension and benefits. We have not omitted any pay elements from the calculation. The data for the CEO is the single figure of remuneration for FY2022 as taken from the single figure remuneration table.

In last year's Annual Report we set out the CEO pay ratio on the basis of reported FY2022 single figure. While the salary, pension, benefits and equity plan data for employees were taken on a full-time equivalent basis, the annual bonus amounts for employees were taken on an estimated basis. The following table presents a restated version of the FY2022 pay ratio using actual FY2022 employee bonus outcomes, with all elements of pay included on the same basis as in the single figure table for the CEO.

Year	Methodology ¹	25th percentile ratio	50th percentile ratio	75th percentile ratio
FY2023 (reported total single figure)	Option A	17:1	9:1	6:1
FY2022 (reported total single figure)	Option A	16:1	8:1	5:1
FY2021 ² (excluding CEO's one-off RSU award)	Option A	15:1	7:1	4:1
FY2021 ² (reported total single figure)	Option A	3,031:1	1,327:1	778:1

1. Total pay for employees includes equity received in the form of restricted share awards as this is part of the ongoing remuneration structure for employees.

2. The median CEO pay ratio outcomes for FY2021 were largely driven by the one-off RSU award granted to our CEO in FY2021, which was inherently different to the structure of restricted shares for our employees. We have therefore set out the CEO pay ratio on the basis of reported FY2021 single figure as well as reported FY2021 single figure excluding the one-off IPO RSU award to the CEO.

The table below sets out the salary and total pay and benefit details for the CEO and the employees at the 25th, 50th and 75th percentiles for FY2023.

Pay data	FY2023	
	Salary £'000	Total pay ¹ and benefits £'000
CEO (reported)	600.0	674.7
UK employee 25th percentile	32.4	39.7
UK employee 50th percentile	65.0	74.9
UK employee 75th percentile	96.6	114.0

1. Total pay for employees includes equity received in the form of restricted share awards as this is part of the ongoing remuneration structure for employees.

The Committee notes the marked decrease in the median CEO pay ratio since the ratio reported for FY2021 when his one-off incentive was included in the single figure table. Moreover, the CEO does not participate in the annual bonus and PSP awards for the duration of the current Policy. Therefore, the ratio of 9:1 reflecting median employee total pay and benefits compared to total single figure number for the CEO is an accurate representation of total pay received in FY2023. The increase since the FY2022 restated ratio of 8:1 reflects the higher level of benefits (incl. pension) received by the CEO in FY2023 as well as the change in our remuneration philosophy for the wider workforce that became effective in FY2023, namely the more targeted use of equity grants. The Committee reviews information about employee pay, reward and progression policies of the Group and is comfortable that the median pay ratio is consistent with these policies and the need to ensure the Group can attract the best talent to achieve its strategic objectives.

Relative importance of spend on pay

The table below shows the expenditure of the Company on staff costs against dividends paid to shareholders in 2023 and 2022.

Relative importance of spend on pay	FY2022 £m	FY2023 £m	% change
Employee costs ¹	382.0	370.2	(3.1)%
Dividends	—	—	—
Share buyback	66.0	312.8	373.9%

1. Employee costs as taken from note 27 to the financial statements.

Other disclosures

Fees paid to advisers in the year

PwC advised the Committee on all aspects of remuneration during the year after being formally appointed by the Remuneration Committee as adviser in 2021. PwC is a member of the Remuneration Consultants Group and the voluntary code of conduct of that body is designed to ensure objective and independent advice is given to remuneration committees. Other PwC teams provide certain non-audit services to the Company in areas of tax and consulting. The Committee is satisfied that no conflicts of interest exist in the provision of these services and that the advice provided is independent and objective. Fees of £143,350 were paid to PwC during the financial year in respect of remuneration advice received. Fees were determined via a combination of fixed fees and time and expenses.

The Committee receives support from Tony Murphy (Interim Chief People Officer) and Catherine Sukmonowski (Group Company Secretary).

Statement of shareholding voting

The current Policy was approved by shareholders at the Annual General Meeting ('AGM') on 20 May 2022 with 96.24% votes FOR.

At the AGM on 24 May 2023, shareholders were asked to vote on the 2022 Directors' Remuneration Report and the resolution received a significant vote in favour. The Committee is grateful for the support of our shareholders. A breakdown of the votes received on the Directors' Remuneration Report and Policy is set out in the table below.

Resolution	Year	Votes FOR	FOR (% of shares voted)	Votes AGAINST	AGAINST (% of shares voted)	Votes withheld
To approve the Directors' Remuneration Report	2023 AGM	3,091,343,954	99.91	2,686,732	0.09	76,082
To approve the Directors' Remuneration Policy	2022 AGM	2,658,210,587	96.24	103,818,401	3.76	26,103,084

This Directors' Report on Remuneration has been prepared in accordance with Schedule 8 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended), the revised provisions of the Code and the Listing Rules. This report was reviewed and approved by the Remuneration Committee.

Dame Karen Jones DBE

Directors' Report

The Directors of Deliveroo plc (the 'Company') present their Annual Report together with the audited consolidated financial statements for the year ended 31 December 2023. The Directors' Report, prepared in accordance with the requirements of the Companies Act 2006 and the UK Listing Authority's Listing Rules, and Disclosure and Transparency Rules, comprises the Governance Report (pages 77 to 127), the Directors' Report (pages 128 to 132) and the Shareholder Information section at the back of this report. Other information that is relevant to the Directors' Report, and which is incorporated by reference into the Directors' Report, is set out in the table on page 133.

Strategic Report

Deliveroo plc is required by the Companies Act 2006 to prepare a Strategic Report that includes a fair review of the Company's business, the development and performance of the Company's business during the period, the position of the Company at the end of the year ended 31 December 2023, and a description of the principal risks and uncertainties faced by the Company. The Strategic Report on pages 1 to 76 is incorporated by reference and shall be deemed to form part of this Directors' Report.

Results and dividend

Loss for the year from continuing operations amounted to £(18.5) million (2022: £(242.5) million). Loss for the year attributable to the owners of the Company amounted to £(31.8) million (2022: £(294.1) million). A review of the Group's consolidated results is set out from page 143.

No dividend has been declared or paid in the current or comparative periods. Given the early stage of maturity of the online food category, Deliveroo remains focused on investing to maximise long-term free cash flow per share, believing that this is the best way to drive long-term shareholder value. The dividend policy will be reviewed on an ongoing basis, but the Company does not expect to declare or pay any dividends for the foreseeable future. Consequently, the Directors do not recommend the payment of a dividend for FY2023.

The Board

Board of Directors and their interests

Details of the Directors who held office at the end of the year and their biographical details are set out on pages 80 to 82 and also on our website at <https://corporate.deliveroo.co.uk>. Changes to the Board during the year and up to the date of this report are set out on page 91. The Directors' interests in the Ordinary Shares and options of the Company are disclosed within the Directors' Remuneration Report on page 119.

Powers of Directors

The business of the Company is managed by the Directors who may exercise all the powers of the Company, subject to the Company's articles of association (the 'Articles'), any relevant legislation and any directions given by the Company by passing a special resolution at a general meeting. In particular, the Directors may exercise all the powers of the Company to borrow money, issue shares, appoint and remove directors and recommend and declare dividends.

Appointment and retirement of Directors

The Board may from time to time appoint one or more Directors. Any such Director shall hold office only until the next Annual General Meeting ('AGM') and shall then be subject to reappointment by the Company's shareholders. It is the current intention that at the Company's forthcoming AGM all continuing Executive and Non-Executive Directors will retire and offer themselves for appointment or reappointment in compliance with the 2018 UK Corporate Governance Code.

Directors' conflicts of interest

Directors have a statutory duty to avoid situations in which they have, or may have, interests that conflict with those of Deliveroo, unless that conflict is first authorised by the Board. The Company has in place procedures for managing conflicts of interest. The Company's Articles also contain provisions to allow the Board to authorise potential conflicts of interest so that a Director is not in breach of his or her duty under company law. Should a Director become aware that he or she has an interest, directly or indirectly, in an existing or proposed transaction with Deliveroo, he or she should notify the Board in line with the Company's Articles. Directors have a continuing duty to update any changes to their conflicts of interest.

Directors' insurance and indemnities

The Company maintained Directors' and Officers' liability insurance cover throughout the period, providing appropriate cover for legal action brought against the Directors. The Directors are also able to obtain independent professional advice at the Company's expense, as necessary, in their capacity as Directors. The Company has entered into deeds of indemnity with each Director, which provide that the Company shall indemnify the Directors to the fullest extent permitted by law, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities as Directors of the Company or any of its subsidiaries.

Employees

Diversity and equal opportunities

Deliveroo's objective is to have a diverse workforce and inclusive culture and our long-term aim is that the composition of our workforce should reflect that of the communities within which we operate. We fundamentally believe it's right to give all people, regardless of their background, gender, ethnicity, sexual orientation or disability status, the opportunity to contribute and succeed at Deliveroo. We believe that individuals should be treated on their merits and that any employment-related decisions should be based on objective job-related criteria such as aptitude, performance and skills. Read more about our approach to diversity, equity and inclusion in our People section on page 44.

Employment policies and employment of disabled persons

The Company has in place a number of policies covering important issues including diversity, equity and inclusion, equal opportunities and wellbeing. We are committed to creating an environment where our people can be proud to work and which offers them opportunities to excel. To do this, we are an equal opportunity employer. Subject to local laws, all qualified job applicants will receive consideration for employment without regard to their race, religion or belief, sex, gender reassignment, sexual orientation, marriage and civil partnership, pregnancy and maternity, disability or age. We take all reasonable steps to ensure equality of opportunity in recruitment, as well as in training and development opportunities and conditions and terms of work and pay. Persons with disabilities are given full and fair consideration for available roles and we are committed to providing reasonable adjustments for individuals with disabilities throughout our job application process and their career with the Company. We place a responsibility on our employees to comply with these policies.

Employee communication and engagement

Management regularly communicates and engages with employees and provides them with information on matters relevant to them as employees. This supports employees' collective understanding of the financial and economic factors that affect the performance of the Company as well as other matters which may impact employees (such as diversity, equity and inclusion initiatives) and provides the Company with an insight into employee views which can then be taken into account. Details on how the Board and management have communicated and engaged with employees while taking into account their interests in decision making during the year can be found in the Section 172 (1) statement on page 29, Stakeholder Statement on page 25 and in the People section on page 42.

The Company recognises the importance of employee share ownership and incentivises employee involvement in the Company's performance through the award of share options to certain employees. Further details of the Company's share schemes are set out in the Directors' Remuneration Report on page 102.

Shares

Share capital

Details of the issued share capital, together with details of movements in the issued share capital of the Company during the year, are shown in note 24. This is incorporated by reference and deemed to be part of this report.

As at 31 December 2023, the Company had two classes of Ordinary Shares namely, Class A and B Ordinary Shares. The Class A Ordinary Shares are listed on the standard listing segment of the FCA's Official List and traded on the Main Market for listed securities of the London Stock Exchange. The Class B Ordinary Shares are not admitted to listing and trading and are held by the Company's CEO and Founder, Will Shu.

During the year, the Company announced on 31 October 2023, the completion of its £250m Tender Offer to return value to shareholders, which resulted in the purchase of 192,307,407 A Ordinary Shares, which were cancelled on 31 October 2023.

The Company also undertook a £50m share buy back programme purchasing a total of 44,674,639 Class A Ordinary Shares, which were cancelled on 29 December 2023.

Lastly, during 2022 and 2023 the Company's Employee Benefit Trust ('EBT') purchased £75m of A Ordinary Shares (83,320,440) for use in the Company's employee share schemes.

As at 31 December 2023, the Company's issued share capital consisted of 1,521,831,251 Class A Ordinary Shares of £0.005, and 102,508,168 Class B Ordinary Shares of £0.005. The Company does not hold any Class A or Class B Ordinary Shares in treasury.

Rights attaching to shares

Save as provided in the Company's Articles, in particular Articles 49 and 71, Class B Ordinary Shares rank *pari passu* with Class A Ordinary Shares in all respects. The rights and obligations attaching to the Company's Class A and Class B Ordinary Shares are set out in the Company's Articles and are summarised on the tables below and adjacent.

Specific rights attaching to Class B Ordinary Shares

General	
Holders of Class A and B Ordinary Shares have the rights accorded to them under UK company law, including the rights to receive the Company's Annual Report and Accounts, attend and speak at General Meetings, appoint proxies and exercise voting rights.	For as long as any Class B Ordinary Shares are in issue, no consolidation and/or sub-division of Class A Ordinary Shares shall be effected without simultaneous consolidation and/or sub-division of the Class B Ordinary Shares (and vice versa).
	No admission to listing or admission to trading shall be sought for Class B Ordinary Shares while they remain Class B Ordinary Shares.
Income	
Subject to the provisions of the Companies Act, the Company may declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.	On a distribution of profits, whether by cash dividend or otherwise (Article 49), Class B Ordinary Shares shall rank <i>pari passu</i> with the rights to distributions of profits attached to Class A Ordinary Shares.

Directors' Report continued

Shares continued

Rights attaching to shares continued

	Specific rights attaching to Class B Ordinary Shares
<p>Capital</p> <p>On a return of capital, whether on a winding-up or otherwise, distributions will be divided among members in specie as detailed in Article 50.</p>	<p>Class B Ordinary Shares shall rank pari passu with the rights to the assets of the Company attached to Class A Ordinary Shares as stated in Article 50.</p>
<p>Convening General Meetings and voting</p> <p>Class A Ordinary shareholders at a General Meeting are entitled to one vote when voting on a resolution on a show of hands or by poll.</p>	<p>For so long as Class B Ordinary Shares remain in issue and are held by the Founder or any Permitted Transferee, the Founder (or, if the Founder is no longer a B Ordinary Shareholder, the B Ordinary Shareholder that holds the largest number of B Ordinary Shares then in issue) shall be entitled to requisition a General Meeting of the Company.</p> <p>On a vote on a resolution on a show of hands, a Class B Ordinary Shareholder shall have one vote. When voting on a poll, if the Class B Ordinary Shares are held by the Founder or any Permitted Transferee, the Founder or Permitted Transferee is entitled to 20 votes for every B Ordinary Share of which they are a holder; otherwise, a Class B Shareholder other than the Founder or Permitted Transferee is entitled to one vote for every B Ordinary Share held on a poll vote.</p>
<p>Variation of rights</p> <p>Subject to the Companies Act 2006, rights attached to any class of shares may be varied with the consent in writing of the holders of three-quarters in nominal value of the issued shares of the class or with the sanction of a special resolution passed at a separate General Meeting of such class.</p>	<p>The rights attached to Class B Ordinary Shares may also be varied or abrogated in accordance with Article 13 or with the prior written consent of the Founder.</p> <p>Class B Ordinary Shares shall not be, and shall not be deemed to be, varied or abrogated in any respect by the purchase by the Company or cancellation of any Class A Ordinary Shares. Class B Ordinary Shares shall be deemed varied in the event of the creation, allotment or issue of another class of Shares and as detailed in Articles 53 (a) and 53 (b).</p>
<p>Restrictions on transfer or conversion of Ordinary Shares</p> <p>The Articles do not contain any restrictions on the transfer of Class A or Class B Ordinary Shares in the Company other than the usual restrictions applicable where any amount is unpaid on a share.</p> <p>All issued share capital of the Company at the date of this Annual Report is fully paid.</p> <p>Certain restrictions are also imposed by laws and regulations (such as insider dealing and marketing requirements relating to closed periods) and requirements of the Market Abuse Regulation whereby Directors and certain employees of the Company require prior approval to deal in the Company's securities.</p>	<p>A Class B Ordinary Shareholder that is the Founder or a Permitted Transferee is entitled, by giving notice, to require the Company to convert some or all of the Class B Ordinary Shares held into Class A Ordinary Shares, on a one-for-one basis.</p> <p>Upon a transfer of Class B Ordinary Shares to a person who is not the Founder or a Permitted Transferee, such Class B Ordinary Shares shall convert into Class A Ordinary Shares, on a one-for-one basis.</p> <p>If a person other than the Founder or a Permitted Transferee has any interest in any Class B Ordinary Shares the Board shall serve a notice on the holder or holders of such Affected Shares and the Affected Shares will convert into Class A Ordinary Shares, on a one-for-one basis automatically.</p> <p>All issued and outstanding Class B Ordinary Shares shall convert into Class A Ordinary Shares, on a one-for-one basis, automatically at 11.59pm on the date falling on the third anniversary of the date on which the Class A Ordinary Shares were admitted for trading on the London Stock Exchange, or in any event as detailed in Article 60(b).</p> <p>Conversion of any Class B Ordinary Shares pursuant to Articles 54 to 60 (inclusive) shall be effected by re-designation of the relevant Class B Ordinary Shares as Class A Ordinary Shares.</p> <p>After the conversion of all issued and outstanding Class B Ordinary Shares into Class A Ordinary Shares, no further Class B Ordinary Shares will be allotted or issued by the Company.</p>

Issues of shares pursuant to employee share schemes

The allotment of Class A Ordinary Shares pursuant to an employee share scheme may occur without any equivalent allotment of Class B Ordinary Shares (and such an allotment shall not be or be deemed to be a variation or abrogation of the rights attached to the Class B Ordinary Shares).

Conversion of Class B Ordinary Shares

Pursuant to the Company's Articles and as set out in the IPO prospectus, all issued and outstanding Class B Ordinary Shares will automatically convert to Class A Ordinary Shares on a one-for-one basis at 11.59pm (London time) on the third anniversary of the date of Admission (7 April 2024). It is expected that the issued share capital and nominal value of the shares shall remain the same on conversion, comprising one class of ordinary shares of £0.005 each.

Substantial interests

The Company has received notifications of major interests in its issued Class A Ordinary Share capital in accordance with Rule 5 of the Disclosure Guidance and Transparency Rules ("DTR"). As only the Class A Ordinary Shares are admitted to listing and trading, these notifications are based on the total number of voting rights attributable to the Class A Ordinary Shares only (and not the aggregate of voting rights attributable to both the Class A and Class B Ordinary Shares).

The table below shows the holdings in the Company's issued share capital which had been notified to the Company pursuant to Chapter 5 of the DTR:

Shareholder	31 December 2023		13 March 2024	
	% of total voting rights*	Shares held	% of total voting rights*	Shares held
Amazon.com NV Investment Holdings LLC	14.11%	215,286,288	14.11%	215,286,288
DST Global V, L.P.	8.04%	122,695,970	8.04%	122,695,970
Delivery Hero SE	6.74%	102,812,969	0%	0
FMR LLC	6.04%	106,087,005	4.86%	73,957,194
Fidelity International Limited	4.97%	75,822,927	5.79%	88,136,711
T. Rowe Price International Ltd	4.81%	84,453,547	4.81%	84,453,547
Ocorian Limited as trustee of the Rooffoods Ltd Employee Benefit Trust	3.98%	60,792,610	3.98%	60,792,610
Index Ventures VII (Jersey), L.P.	3.93%	68,936,397	3.93%	68,936,397
Morgan Stanley	0%	0	6.03%	91,837,652
Sachem Head Capital Management LP	0%	0	5.23%	79,760,000

* Percentages are shown as a percentage of the Company's total voting rights as at the date the Company was notified of the change in holding.

The Company

Articles of Association

The Company's Articles set out the internal regulation of the Company and cover such matters as the rights of shareholders, the appointment or removal of Directors and the conduct of the Board and general meetings. Copies are available from the Company Secretary. The Company's Articles may only be amended by a special resolution at a General Meeting of the shareholders.

Branches

The Group, through various subsidiaries, has established branches in Spain and the UAE.

Financial instruments

Details of the Group's use of financial instruments, together with information on our financial risk management objectives and policies, hedging policies and exposure to financial risks, can be found in note 30 of the consolidated financial statements.

Going concern

The Company's Going Concern statement for the Group and the Company is set out on page 148 of the financial statements and are incorporated by reference and shall be deemed to be part of this report.

In assessing going concern and viability, the Directors have considered the impact of climate change risks. Whilst no material risks have been identified in the short to medium-

term that are expected to have an impact on the Group's cash flow forecasts (including those used for impairment assessment), the Directors will continue to monitor the risks, with particular reference to those that might impact the going concern assumption or viability assessment.

Independent auditor and disclosure of information to the auditor

Each person who is a Director at the date of approval of this report and the financial statements confirms that:

- (i) such Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information; and
- (ii) so far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP has expressed its willingness to continue in office as auditor and a resolution to reappoint it will be proposed at the forthcoming Annual General Meeting.

Post-balance sheet events

Information on events after the reporting period is provided in note 33 to the Financial Statements.

Directors' Report continued

The Company continued

Political donations and expenditure

The Company's policy is that it does not make political donations to political parties or candidates and the Company does not intend to change its current policy for 2024.

However, the Companies Act 2006 ('Act') defines political donations very broadly and, as a result, covers activities (such as sponsorship, subscriptions, payment of expenses and other support) that form part of normal relationships which are accepted as a way of engaging with stakeholders and opinion formers to ensure that companies' issues and concerns are considered and addressed. Activities of this nature are not designed to support any political party or to influence public support for a particular party and would not be thought of as political donations in the ordinary sense of those words. In keeping with the Company's approach in prior years and reflecting the practice of many other companies, shareholder approval will be sought at our 2024 AGM, as a precautionary measure, for donations and/or expenditure that may be construed as political by the wide definition of such terms under the Act.

In the financial year ended 31 December 2023, the Company incurred an expenditure of £5,000 plus VAT to sponsor a Labour Party business reception at a conference.

Related party transactions

Company processes are in place to ensure that all related party transactions involving Directors, or their closely associated persons, are conducted on an arm's length basis and are properly recorded and disclosed where appropriate.

Research and development

Expenditure on the research phase of projects to develop new customised software for our app is recognised as an expense as incurred. Costs that are directly attributable to a project's development phase are recognised as intangible assets. During the year, development costs of £36.1 million have been capitalised (2022: £50.3 million).

Significant contracts and change of control

The following significant agreements, which were in force at 31 December 2023, take effect, alter or terminate on a change of control of the Company:

- **Revolving credit facility:** the revolving credit facility previously entered into by Roofoods Ltd and certain other Group members expires on 7 April 2024. It is being replaced with a new revolving credit facility agreement ('RCF') for £140 million for general working capital purposes of the Group, which is in the advanced stages of negotiation and will be effective from date of signing (on or before 7 April 2024). The key terms of the new RCF include: (i) Roofoods Ltd as borrower; (ii) an initial term of 36 months which can be extended by up to 24 months; (iii) provision of information covenants and financial covenants; and (iv) the provision of guarantees by certain Group companies in respect of certain obligations under the RCF. To date, no drawdowns have been made pursuant to the RCF.

The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a change of control on takeover or merger.

There are provisions in the Company's share plans which could result in options or awards vesting or becoming exercisable on a change of control.

Subsidiaries and principal activities

The Company is the holding company of the Deliveroo Group of companies, the principal activities of which are described in this Annual Report. The Group's subsidiaries and their locations are set out on pages 181 and 182 of the financial statements.

Tax strategy

The Group is committed to complying with its statutory obligations in relation to the payment of tax including full disclosure of all relevant facts to the appropriate tax authorities. In managing its tax affairs, the Group recognises its responsibilities as a taxpayer and the need to protect the corporate reputation inherent in the brand. Further information on the Group's tax strategy is available on the Company's website.

The Board has ultimate responsibility for the Group's tax strategy although the day-to-day management rests with the Executive Team. The CFO has ultimate responsibility for tax matters. The VP Finance is the named Senior Accounting Officer of the Group. The CFO, the VP Tax and Treasury and other Senior Management personnel advise the Board on the tax affairs and risks to the Group.

Environmental disclosures

TCFD

The Company's compliance with the TCFD recommendations and recommended disclosures pursuant to UK Listing Rule 9.8.6R can be found on pages 67 to 74 of the Strategic Report.

Greenhouse gas emissions and energy consumption

Details of the Company's greenhouse gas emissions, energy consumption, energy efficiency action and Group disclosures required by the Streamlined Energy and Carbon Reporting ('SECR') regime can be found on pages 39 and 40 of the Strategic Report.

The Strategic Report (from pages 1 to 76) and the Directors' Report (as described on pages 77 to 133) have been approved by the Board on 13 March 2024.

By order of the Board:

Catherine Sukmonowski

Company Secretary
13 March 2024

Registered office address: The River Building, Level 1, Cannon Bridge House, 1 Cousin Lane, London, United Kingdom EC4R 3TE

Registered in England and Wales. Registered number 13227665

Required disclosures under LR 9.8.4

The information to be included in the 2023 Annual Report and Accounts under LR 9.8.4, where applicable, can be located as set out below:

Interest capitalised by the Group	N/A
Unaudited financial information	N/A
Long-term incentive schemes	→ See p109
Directors' waivers of emoluments	→ See p125
Directors' waivers of future emoluments	N/A
Allotment for cash on equity shares (issuer)	N/A
Allotment for cash on equity shares (major subsidiaries)	N/A
Listed company is a subsidiary of another company	N/A
Contracts of significance involving a Director	N/A
Contracts of significance involving a controlling shareholder	N/A
Waivers of dividends	N/A
Waivers of future dividends	N/A
Agreement with a controlling shareholder	N/A

Other information that is relevant to this report, and which is incorporated by reference is also listed below:

Board of Directors during 2023 financial year	→ See p80
Directors' service contracts and letters of appointment	→ See p113
Directors' share interests	→ See p119
Events arising after the reporting period	→ See p131
Future developments of the business of the Group	→ See p16
Greenhouse gas emissions, energy consumption and energy efficiency	→ See p40
Non-Financial Information statement	→ See p76
Section 172 (1) statement	→ See p29
Stakeholder engagement	→ See p25
TCFD disclosures	→ See p67

Directors' Responsibilities statement

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the Group and the Company financial statements in accordance with UK-adopted international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ('IFRS'). The financial statements also comply with International Financial Reporting Standards as issued by the IASB. The Directors have also chosen to prepare the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of their profit or loss for that period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- provide additional disclosures when compliance with the specific requirements of the financial reporting framework is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable, relevant, reliable and prudent;
- for the Group financial statements, state whether international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRS have been followed, subject to any material departures disclosed and explained in the financial statements;
- for the Parent Company financial statements, state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Parent Company financial statements;
- assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and

enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance statement that comply with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Each of the Directors, whose names and functions are listed on pages 80 to 82, confirm that, to the best of their knowledge:

- the consolidated financial statements, prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRS, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face; and
- they consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

These statements were approved by the Board on 13 March 2024 and signed on its behalf by:

Will Shu
Chief Executive Officer
13 March 2024

Scilla Grimble
Chief Financial Officer
13 March 2024

Independent Auditor's Report

To the members of Deliveroo plc

Report on the audit of the financial statements

1 Opinion

In our opinion:

- the financial statements of Deliveroo plc (the 'parent company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2023 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards and International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB);
- the parent company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement and statement of comprehensive loss;
- the consolidated statement of financial position;
- the consolidated statement of changes in equity;
- the consolidated statement of cash flows;
- the parent company balance sheet;
- the parent company statement of changes in equity; and
- the notes 1 to 33 to the consolidated financial statements and notes 1 to 13 to the parent company financial statements.

3 Summary of our audit approach

Key audit matters	The key audit matter that we identified in the current year was: <ul style="list-style-type: none"> Rider classification: Uncertain legal and tax positions
Materiality	The materiality that we used for the Group financial statements was £16.2 million which was determined on the basis of 0.8% of revenue from continuing operations.
Scoping	The scope of our Group audit includes full scope audits for significant components in the UK and France. In addition, consistent with the prior year, audits of specified balances were performed at all other trading entities, where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those components.
Significant changes in our approach	We no longer consider there to be a key audit matter relating to the valuation of investment in subsidiaries in the parent company.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law, United Kingdom adopted international accounting standards and IFRSs as issued by the IASB. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

2 Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the group and parent company for the year are disclosed in note 29 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the parent company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent Auditor's Report continued

Report on the audit of the financial statements continued

4 Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and parent company's ability to continue to adopt the going concern basis of accounting included:

- understanding the detailed steps of the forecasting process, including relevant controls around the preparation of the going concern forecast and the strategic plan, through enquiries with management and inspection of underlying models;
- assessing the arithmetic accuracy of the models used to prepare the Group's base case forecast and related scenarios;
- assessing the adequacy of the funds held by the Group;
- reviewing the Group's facility agreements to understand principal terms and the related financial covenants;
- challenging the directors on the appropriateness of forecast assumptions by:
 - assessing key assumptions underpinning the Group's forecast with reference to external data where possible;
 - comparing and assessing the historical accuracy of forecasts against previous performance;
 - assessing management's sensitivity scenario analysis and linkage to the Group's principal risks disclosed on page 62 to 66 of Annual report.
- assessing the appropriateness of the disclosures concerning going concern.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5 Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5 Key audit matters continued

5.1 Rider classification: Uncertain legal and tax positions

<p>Key audit matter description</p>	<p>The Group is subject to various legal and regulatory investigations and challenges across the territories it operates in. Judgement is applied in assessing each matter on a case by case basis, with reference to the criteria set out in IAS 37 “Provisions, contingent liabilities and contingent assets”. During the period, developments in a number of cases have led the directors to reassess the most likely outcome of these cases, and consequently to update the amounts provided for. This has resulted in the reduction of some provisions, partially offset by the recognition of additional amounts related to other updated or new matters elsewhere.</p> <p>Riders for the Group are considered to be self-employed, other than in countries where they are engaged by an agency. As regulators and legislatures consider the on-demand economy, companies operating in the gig economy will be subject to regulatory scrutiny and possible investigations. The directors’ view, taking into account consultation with independent employment law experts in each territory where there is challenge, is that the underlying facts and circumstances support the positions taken in the respective territories. However, this is an area of significant judgement and open to challenge whilst the law and the political landscape is evolving. The legal status of the Group’s riders potentially has implications for taxation, VAT, and pension payments.</p> <p>Given the uncertainty and potential challenge in the respective territories, we identified the accounting for legal and tax provisions in respect of rider classification as key audit matter.</p> <p>For jurisdictions where provisions and contingent liabilities require greatest judgement, we identified that there was a potential for management bias.</p> <p>The Group recognised legal provisions of £113.9 million (2022: £129.3 million) (see note 22) and disclosed contingent liabilities of £9.3 million (2022: £24.6 million), with additional contingent liabilities in relation to a regulatory challenge for which the Group has assessed a range from £125 million to £160 million representing the directors’ best estimate in the event of a potential adverse outcome (see note 32).</p> <p>See note 3 of the consolidated financial statements for further detail on the accounting policies for the recognition of provisions and contingent liabilities and see page 97 of the Audit and Risk committee report.</p>
<p>How the scope of our audit responded to the key audit matter</p>	<p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <ul style="list-style-type: none"> • obtained an understanding of the relevant controls over the Group’s assessment of legal compliance and determination of provisions and contingent liabilities in respect of these matters; • made enquiries of individuals across the Group who have responsibility for understanding and evaluating the political landscape and risk within each country; • conducted inquiries with the Group’s legal counsel and their external legal advisers to assess the current position of all existing legal and tax investigations and claims and any potential new matters which may exist; • challenged the directors’ judgements and assumptions in relation to the recognition of a provision or contingent liability for each legal or tax matter identified. Our work incorporated our own employment tax and legal specialists in designing our audit approach and we evaluated the entity’s judgements against our expectation of the quantum and likelihood of liabilities, including consideration of any contradictory evidence; • performed a review of the historical legal provisions, to assess whether positions are consistently applied from the prior year and evaluated any potential changes in position; • searched and monitored online information sources for events of potential audit interest through the use of analytics tools; and • assessed the adequacy of the disclosures made in relation to rider classification in the Group’s financial statements.
<p>Key observations</p>	<p>Based on our audit procedures we were satisfied with the judgements taken by the entity and that the resulting provisions and contingent liabilities are reasonable, including the related disclosures.</p>

Independent Auditor's Report continued

Report on the audit of the financial statements continued

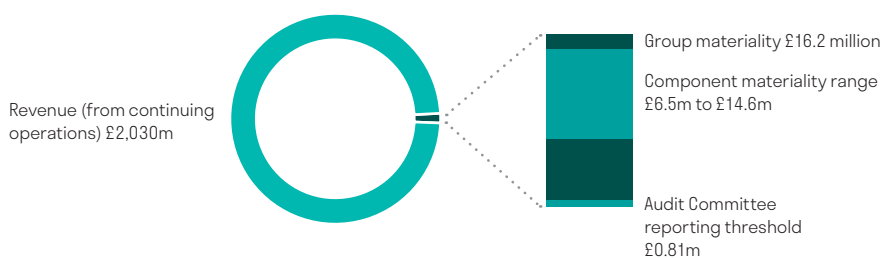
6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent company financial statements
Materiality	£16.2 million (2022: £15.8 million)	£14.6 million (2022: £14.2 million)
Basis for determining materiality	We determined materiality based on 0.8% (2022: 0.8%) of revenue from continuing operations.	Parent company materiality is determined based on 1.0% (2022: 1.0%) of net assets and capped at 90% (2022: 90%) of group materiality.
Rationale for the benchmark applied	We determined materiality based on revenue from continuing operations given the importance of this as a measure of overall performance of the Group.	The parent company's principal activity is to hold investments in other Group companies. As a result, we considered net assets to be the most relevant benchmark on which to base materiality.



6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent company financial statements
Performance materiality	65% (2022: 65%) of group materiality	65% (2022: 65%) of parent company materiality
Basis and rationale for determining performance materiality	We determined performance materiality with reference to factors such as the quality of the control environment and the historical error rate.	

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £810,000 (2022: £790,000), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7 An overview of the scope of our audit

7.1 Identification and scoping of components

Our Group audit was scoped by obtaining an understanding of the Group and its environment, and assessing the risks of material misstatement at the Group level.

The scope of our Group audit includes full scope audits for significant components in the UK and France. In addition, consistent with the prior year, audits of specified balances were performed at all other trading entities, where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those components.

The results for these entities accounted for 99% of the Group's revenue (2022: 99%), 99% of cost of sales (2022: 96%), and 92% of the Group's total assets (2022: 94%).

7 An overview of the scope of our audit continued

7.1 Identification and scoping of components continued

For the entities not subject to full scope audits or audit of specified balances, we tested the consolidation process and conducted analytical procedures to confirm our conclusion that there were no material misstatements in the aggregated financial information. All entities are currently managed in the UK and all audit work relevant to the Group audit was conducted by the Group audit team.

7.2 Our consideration of the control environment

In order to evaluate business cycle controls, we performed walkthrough procedures over key cycles, including, financial reporting, uncertain legal and tax positions, order to cash, and purchase to pay, to understand whether controls were effectively designed to address the related risk. We then assessed the design and implementation of the key controls identified within the above processes across the audit period. We also performed operating effectiveness testing over the key controls within the order to cash process to determine whether the controls had operated effectively in the financial year.

We involved IT specialists to test the general IT controls (“GITCs”) over key financial reporting systems, relevant automated controls within those systems, and key controls over interfaces between the systems. In relation to GITCs, we performed an independent risk assessment of the systems used to support business processes and reporting to determine those which are of greatest relevance to the Group’s financial reporting. We performed testing of GITCs across our in-scope applications, and their supporting infrastructure (database and operating system) covering controls surrounding access security and change management, as well as testing over relevant interfaces and automated controls. We reported findings from our controls work to the Audit and Risk Committee.

7.3. Our consideration of climate-related risks

As noted on page 60 the Group has assessed the risk and opportunities relevant to climate change and whilst the Group has not identified a separate principal risk in relation to the potential risk of climate change, it is incorporated into several existing principal risks.

We obtained an understanding of the entity’s process for considering the impact of climate-related risks at both a Group and operating company level. We evaluated these risks to assess whether they were complete and consistent with our understanding of the entity and our wider risk assessment procedures.

Our procedures to address the identified risks included considering their impact on the financial statements overall, including the application of individual accounting standards. We further reconciled the disclosures made to underlying supporting evidence. We assessed the TCFD recommended disclosures within the Annual Report and considered whether they are materially consistent with the financial statements and our knowledge obtained in the audit.

8 Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9 Responsibilities of directors

As explained more fully in the directors’ responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group’s and the parent company’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

10 Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Independent Auditor's Report continued

Report on the audit of the financial statements continued

11 Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management, the Directors, internal audit and external legal counsel; and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team and relevant internal specialists, including legal, tax, valuations, IT and forensic specialists, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: uncertain legal and tax positions related to rider classification. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the Listing Rules, local employment and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty.

11.2 Audit response to risks identified

As a result of performing the above, we identified the following key audit matter related to the potential risks of fraud or non-compliance with laws or regulations: uncertain legal and tax positions related to rider classification. The key audit matters section of our report explains the matter in more detail and also describes the specific procedures we performed in response to that key audit matter.

In addition to the above, our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the directors, the Audit and Risk Committee and in-house and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, internal audit reports, and reviewing correspondence with relevant regulatory authorities;
- reviewing the disclosures in the Audit and Risk Committee Report; and
- in addressing the risk of fraud through management override of controls testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12 Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13 Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 97, 131, 136, 148 and 178;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 75;

- the directors' statement on fair, balanced and understandable set out on page 101;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 96;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 99; and
- the section describing the work of the Audit and Risk Committee set out on page 94.

14 Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Independent Auditor's Report continued

Report on other legal and regulatory requirements continued

15 Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board of Directors on 7th of December 2018 to audit the financial statements for the year ending 31 December 2018 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 6 years, covering the years ending 31 December 2018 to 31 December 2023.

15.2 Consistency of the audit report with the additional report to the Audit and Risk Committee

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISAs (UK).

16 Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Mark Lee-Amies FCA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
13 March 2024

Consolidated income statement and statement of comprehensive loss

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Continuing operations			
Revenue	6	2,030.0	1,974.7
Cost of sales		(1,303.6)	(1,331.5)
Gross profit		726.4	643.2
Administrative expenses		(770.0)	(884.0)
Other operating income		5.9	7.8
Other operating expenses		(6.0)	(12.6)
Operating loss		(43.7)	(245.6)
Finance income	8	35.3	17.8
Finance costs	9	(2.5)	(2.8)
Loss before tax		(10.9)	(230.6)
Income tax charge	10	(7.6)	(11.9)
Loss for the year from continuing operations		(18.5)	(242.5)
Discontinued operations			
Loss for the year from discontinued operations	11	(13.3)	(51.6)
Loss for the year attributable to owners of the Company	7	(31.8)	(294.1)
	Note	2023 £	2022 £
Loss per share			
From continuing operations			
– Basic	13	(0.01)	(0.13)
– Diluted	13	(0.01)	(0.13)
From continuing and discontinued operations			
– Basic	13	(0.02)	(0.16)
– Diluted	13	(0.02)	(0.16)
		2023 £m	2022 £m
Loss for the year	7	(31.8)	(294.1)
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation		(6.8)	5.2
Total comprehensive expense for the year		(38.6)	(288.9)

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 147 to 176.

Consolidated statement of financial position

As at 31 December 2023

(Registration number: 13227665)

	Note	2023 £m	2022 £m
Non-current assets			
Property, plant and equipment	14	39.0	49.3
Right of use assets	15	55.2	73.5
Intangible assets	16	67.8	72.9
Deferred tax assets	17	1.8	4.1
Investments in financial assets	18	2.9	2.9
Trade and other receivables	19	14.1	22.6
Total non-current assets		180.8	225.3
Current assets			
Inventory	20	14.8	19.4
Trade and other receivables	19	147.6	109.6
Other treasury deposits		75.7	50.5
Cash and cash equivalents	21	603.1	949.1
Total current assets		841.2	1,128.6
Total assets		1,022.0	1,353.9
Non-current liabilities			
Lease liabilities	15	(43.6)	(61.5)
Provisions	22	(69.1)	(143.2)
Total non-current liabilities		(112.7)	(204.7)
Current liabilities			
Trade and other payables	23	(326.4)	(332.8)
Lease liabilities	15	(16.0)	(12.3)
Provisions	22	(58.1)	—
Total current liabilities		(400.5)	(345.1)
Total liabilities		(513.2)	(549.8)
Net assets		508.8	804.1
Equity			
Share capital	24	8.1	9.3
Own shares	25	(51.5)	(66.0)
Other reserves	26	1.2	—
Merger reserve		1,288.5	1,288.5
Share option reserve		183.2	183.2
Accumulated losses		(907.5)	(604.5)
Foreign currency translation reserve		(13.2)	(6.4)
Total equity		508.8	804.1

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 147 to 176.

The financial statements on pages 143 to 146 were approved and authorised for issue on behalf of the Board of Directors on 13 March 2024 and were signed on its behalf by:

Scilla Grimble

Director

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Note	Share capital (note 24) £m	Share premium £m	Own shares (note 25) £m	Other reserves (note 26) £m	Merger reserve £m	Share option reserve £m	Accumulated losses £m	Foreign currency translation reserve £m	Total £m
At 1 January 2022		9.3	1,013.0	—	—	1,288.5	183.2	(1,408.7)	(11.6)	1,073.7
Loss for the year		—	—	—	—	—	—	(294.1)	—	(294.1)
Other comprehensive income		—	—	—	—	—	—	—	5.2	5.2
Total comprehensive (expense)/income		—	—	—	—	—	—	(294.1)	5.2	(288.9)
Own shares acquired during the year		—	—	(66.0)	—	—	—	—	—	(66.0)
Reduction of share premium		—	(1,013.0)	—	—	—	—	1,013.0	—	—
Share-based payment awards	27	—	—	—	—	—	—	85.3	—	85.3
At 31 December 2022		9.3	—	(66.0)	—	1,288.5	183.2	(604.5)	(6.4)	804.1
Loss for the year		—	—	—	—	—	—	(31.8)	—	(31.8)
Other comprehensive expense		—	—	—	—	—	—	—	(6.8)	(6.8)
Total comprehensive expense		—	—	—	—	—	—	(31.8)	(6.8)	(38.6)
Shares bought back and cancelled	24	(1.2)	—	50.8	1.2	—	—	(303.8)	—	(253.0)
Own shares acquired during the year	24	—	—	(59.8)	—	—	—	—	—	(59.8)
Own shares utilised for share schemes		—	—	23.5	—	—	—	(23.5)	—	—
Share-based payment awards	27	—	—	—	—	—	—	56.1	—	56.1
At 31 December 2023		8.1	—	(51.5)	1.2	1,288.5	183.2	(907.5)	(13.2)	508.8

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 147 to 176.

Consolidated statement of cash flows

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Cash flows from operating activities			
Net cash from/(used in) operating activities	28	23.2	(144.2)
Cash flows from investing activities			
Purchase of property plant and equipment	14	(7.6)	(30.1)
Acquisition of intangible assets	16	(36.1)	(50.3)
Purchase of other treasury deposits		(75.7)	(50.5)
Proceeds from disposal of other treasury deposits		50.5	—
Interest received		31.7	11.0
Net cash used in investing activities		(37.2)	(119.9)
Cash flows from financing activities			
Payments of lease liabilities	15	(15.4)	(15.7)
Interest on lease liabilities	9	(2.5)	(2.8)
Purchase of own shares		(59.8)	(66.0)
Purchase of shares through tender offer		(253.0)	—
Net cash used in financing activities		(330.7)	(84.5)
Net decrease in cash and cash equivalents		(344.7)	(348.6)
Cash and cash equivalents at the beginning of the year		949.1	1,290.9
Effect of foreign exchange rate changes		(1.3)	6.8
Cash and cash equivalents at the end of the year	21	603.1	949.1

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 147 to 176.

Notes to the consolidated financial statements

For the year ended 31 December 2023

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 until the conversion of his B shares to A ordinary shares on 7 April 2024.

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

2 Application of new and revised International Financial Reporting Standards ('IFRS')

New and amended IFRS Standards that are effective for the current year

In the current year, the Group has applied the following amended standard that is effective for an accounting period that begins on or after 1 January 2023. The adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendment to IAS 12	International tax reform—Pillar Two Model Rules
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The adoption of amendments to certain other IFRS accounting standards in the year ended 31 December 2023, did not have a material impact on the results or financial position of the Group.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Effective date deferred indefinitely, to a date to be determined by the IASB
Amendments to IAS 1	Classification of Liabilities as Current or Non-current	Effective for an annual period that begins on or after 1 January 2024
Amendments to IAS 1	Non-current Liabilities with Covenants	Effective for an annual period that begins on or after 1 January 2024
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements	Effective for an annual period that begins on or after 1 January 2024
Amendment to IFRS 16 Leases	Lease Liability in a Sale and Leaseback	Effective for an annual period that begins on or after 1 January 2024
Amendments to IAS 21	Lack of Exchangeability	Effective for an annual period that begins on or after 1 January 2025

The Directors do not expect the adoption of the Standards listed above to have a material impact on the financial statements of the Group in future periods. The Directors expect to apply these standards from their effective dates.

3 Summary of material accounting policy information

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 ('IFRIC') 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, and 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 material accounting policy information that has been used in the preparation of these consolidated financial statements is summarised below. These policies have been consistently applied to all years presented.

Basis of consolidation

The consolidated financial statements of the Company incorporate the financial statements of the Company and entities controlled by the Company made up to 31 December each year. All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

The Group operates in the UK, Ireland, Hong Kong, Singapore, France, Belgium, Italy, Kuwait, Qatar and the UAE. Legal entities have been incorporated in each of these countries, as well as other countries where the business is not operational but an entity has been incorporated for other reasons.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

3 Summary of material accounting policy information continued

Basis of consolidation continued

The following UK subsidiaries will take advantage of the audit exemption set out within Section 479A of the Companies Act 2006 for the year ended 31 December 2023. The undertakings listed below are 100% owned, either directly or indirectly by Deliveroo plc.

Company name	Company number
Deliveroo Hop Ltd	13478743
Deliveroo International Ltd	11465966
Deliveroo SP Ltd	10970586
Roorestaurant Ltd	13944490
Roofoods Management 1 Ltd	13787537

Discontinued operations

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

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

Going concern

The Group's loss for the financial year amounted to £31.8 million (2022: £294.1 million). The Group had net assets of £508.8 million (2022: £804.1 million) at year-end, including a cash balance of £603.1 million (2022: £949.1 million). The revolving credit facility ('RCF') previously entered into by Roofoods Ltd and certain other Group members expires on 7 April 2024. This remains undrawn at the date of signing. The existing RCF is being replaced with a new RCF agreement for £140 million for general working capital purposes of the Group, which is in the advanced stages of negotiation and will be effective from date of signing (on or after 7 April 2024).

In assessing whether to adopt the going concern basis of accounting, management has considered whether there are any material uncertainties surrounding the Group's and Company's ability to continue operating on normal terms over a period of at least 12 months from the date of approval of this report. Management has prepared detailed forecasts which have been approved by the Board. Assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook for an extended period to the end of December 2026. 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. The current facility contains two financial covenants, an interest cover measure and a liquidity measure. The covenants are measured semi-annually, and we have been in compliance with all associated covenants throughout the year, and do not anticipate any breaches over the forecast period.

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

In assessing going concern and viability, the Directors have also considered the potential impact of changes to environmental factors which may affect the business model and performance in the future. As set out in the Taskforce on Climate-related Financial Disclosures ('TCFD') section on pages 67 to 74, there have been no material risks identified that could impact the Group's viability. In particular, the Directors have considered the impact of climate change in respect of the following areas:

- going concern and viability assessment;
- new levies or taxes;
- incentive schemes; and
- assessment of carrying values of assets and investments as part of impairment reviews.

Whilst there is no immediate to medium-term impact of climate change assessed, the Board is cognisant of the changeable nature of climate change risk and will ensure that it is taken into account when assessing the risks, and key judgements and estimates in the preparation of the Group's financial statements.

3 Summary of material accounting policy information continued

Foreign currency translation

Functional and presentation currency

The consolidated financial statements are presented in British Pounds ('GBP'), which is the functional currency of Deliveroo plc.

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency of the Group entity, using the exchange rates prevailing at the dates of the transactions (spot rates). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items at year-end exchange rates are recognised through profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the date of the transaction), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

Foreign operations

In the Group's financial statements, all assets, liabilities and transactions of Group entities with a functional currency other than GBP are translated into GBP upon consolidation. The functional currency of the entities within the Group has remained unchanged during the reporting period.

On consolidation, assets and liabilities have been translated into GBP at the closing exchange rate as at the reporting date. Income and expenses have been translated into GBP at the monthly exchange rates over the reporting period. Exchange differences are charged/credited to other comprehensive (expense)/income and recognised in the currency translation reserve in equity.

Revenue

Revenue arises from commissions, consumer fees, restaurant sign-up fees, grocery and retail items, packaging sales, sale of gift cards 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 and service 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 products ordered on the platform, as it is not materially subject to inventory risk or pricing risk, but instead receives a commission as remuneration from merchants. Payment for the food, beverages and other products is collected by the Group from the end consumer, and funds are remitted to the merchant, net of the commission fee.

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

Consumer fees

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

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

Restaurant sign-up fees

Sign-up fees are payable when a new restaurant joins Deliveroo. Fees comprise set-up on the platform and payment for restaurant equipment, enabling restaurant partners to receive orders. These fees are split, and the portion that relates to the restaurant equipment is recognised on receipt of the assets. The remainder is deferred and recognised over the assumed life of the partner. Certain restaurant partners receive rebates, and revenue is adjusted by the expected rebates which are realised on a case-by-case basis. At the balance sheet date, the deferred element of restaurant sign-up fees totalled £3.0 million. This balance will be recognised as revenue by 31 December 2025.

Grocery and retail items

Revenue is recognised from the sale of groceries and products to retail customers. For Hop sites, groceries are purchased by the business from partners. Revenue is measured based on the consideration to which the Company expects to be entitled as per the contract with the customer (i.e. the transaction price), which in practice is equivalent to the sale price of the groceries.

Revenue is recognised when the control of the goods has been transferred, being at the point the goods are delivered to the customer, after purchase online. Payment of the transaction price is due immediately at the point the customer purchases the goods.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

3 Summary of material accounting policy information continued

Revenue continued

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. Advertising services are invoiced in arrears, with payment of the transaction price due in accordance with invoice terms.

Sale of gift cards

Gift card sales are recorded as deferred revenue and subsequently recognised as revenue as the gift card is redeemed in the future.

Cost of sales

Expenses are recognised as cost of sales in the period in which they are incurred, on an accruals basis. The largest element of cost of sales is the cost of delivery from merchants to consumers.

Other operating income and other operating costs

Other operating income and costs are recognised in the period in which they are incurred, on an accruals basis. The largest element of other operating income and costs relates to the sale, and related cost, of equipment and clothing provided to riders.

Administrative expenses

Administrative expenses are recognised in the income statement in the period in which they are incurred, on an accruals basis. The two largest elements of administrative expenses are staff costs and sales and marketing costs. Within marketing costs, we recognise the cost of certain customer acquisition and retention costs, net of the delivery fee and service fee associated with each credit used where this is reasonable according to the specific facts and circumstances. Marketing costs principally comprise the cost of marketing campaigns on various media. Such costs are expensed as the campaign is delivered.

Finance income and expense

Finance income and expense are reported on an accruals basis using the effective interest method.

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.

3 Summary of material accounting policy information continued

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.

Subsequent measurement

All intangible assets, including internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The useful life applied for all internally generated software is three years and for the acquired software is 10 years. Amortisation of intangible assets is recorded within 'administrative expenses' in the consolidated income statement.

Subsequent expenditure on maintenance of software is expensed as incurred.

Goodwill

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

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

Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, rider, 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 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;
- rider, 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.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

3 Summary of material accounting policy information continued

Inventory

Inventory has been valued using the first-in-first-out ("FIFO") method and is stated at the lower of cost and net realisable value ("NRV"). Cost includes expenditure on bringing inventories to their current location and condition. NRV represents the estimated selling price less all estimated costs of completion.

An inventory provision is recognised in situations where NRV is likely to be less than cost. When calculating the provision, management considers the nature and condition of the inventory together with any other conditions existing at the end of the reporting period.

Provisions and contingent liabilities

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

Provisions are measured at the most likely outcome 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;
- own shares – comprises the shares of Deliveroo plc that are held in treasury or by the Roofoods Ltd Employee Benefit Trust. Own shares are recorded at cost and deducted from equity; and
- capital redemption reserve – represents the nominal value of shares bought back and cancelled.

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

Capital management

The Group's capital structure consists solely of equity. The equity represents funds raised from shareholders. The primary objective of the Group's management of equity is to ensure that it is able to finance the Group's activities, both now and in the future. To maintain an appropriate capital structure in order to meet this objective, the Group may issue further shares to investors, make use of external financing as required or adjust its dividend policy.

Details of capital held can be seen in the consolidated statement of financial position and in note 24. The Group is not subject to any externally imposed capital requirements.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, money market funds, and other short-term (three months or less on acquisition) highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Other treasury deposits

Other treasury deposits comprise financial assets recognised on the consolidated statement of financial position when the Group becomes a party to the contractual provisions of the instrument. Other treasury deposits are held at amortised cost.

3 Summary of material accounting policy information continued

Trade and other receivables

Trade and other receivables include amounts due from corporate customers and payment service providers for services provided in the normal course of business, prepaid amounts, deposits, amounts due from Group companies and other amounts due from third parties. They are recognised as current assets if collection is due in one year or less. If collection is due in over a year, they are presented as non-current assets.

A provision for impairment of trade receivables is recognised when there is a risk of non-recovery. An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses.

Trade and other payables

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

Leases

The Group as a lessee

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

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

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.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

3 Summary of material accounting policy information continued

Leases continued

The Group as a lessee continued

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

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

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

Employee benefits

Short-term employee benefits

Short-term employee benefits are those that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. Examples of such benefits include wages and salaries and non-monetary benefits. Short-term employee benefits are measured at the undiscounted amounts expected to be paid when the liabilities are settled.

Long-term employee benefits

The Group operates defined contribution pension plans. Contributions to the plans are charged to administrative expenses in the period to which they relate. Any contributions unpaid at the balance sheet date are included as an accrual at that date. At 31 December 2023 there were £0.1 million of accrued contributions (2022: £1.8 million).

Share-based payments

The Group operates share-based compensation plans for employees. Equity instruments granted are measured at fair value of the equity instrument at grant date. This is recognised as an expense in the statement of comprehensive income, with a corresponding credit to equity. The expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Vesting conditions may have market or non-market criteria, and are included in assumptions about the number of equity instruments that are expected to vest. Where appropriate, estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates, and taking into account the number of equity instruments which have been cancelled, modified or forfeited in the period.

The Group recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if the equity instruments expected to vest differ from previous estimates. Upon exercise of equity instruments the proceeds received net of any directly attributable transaction costs are allocated to share capital and share premium.

The Group maintains an Employee Benefit Trust ('EBT') which holds shares on behalf of the Company, which can be used to settle obligations under employee share-based compensation plans.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the income statement.

Financial assets

Financial assets within the scope of IFRS 9 are measured at amortised cost, or fair value through profit and loss ('FVTPL') depending on the nature of the item.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

3 Summary of material accounting policy information continued

Financial assets continued

Investments in equity instruments and money market funds are classified as at FVTPL. Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss is recognised in profit or loss.

Impairment of financial assets

In accordance with IFRS 9 the simplified approach to measuring expected credit losses ('ECL'), which permits the use of lifetime ECL on trade and other receivables, has been applied.

Loss allowance for trade receivables due from corporate customers has been measured at an amount equal to lifetime ECL. This is recorded within 'administrative expenses' in the income statement. The ECL is estimated by reference to past default experience of these debtors. There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in the income statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method.

Trade and other payables

Trade and other payables include obligations to pay for goods and services acquired in the normal course of business, amounts outstanding on purchases and other amounts due to third parties, including restaurants. The trade and other payables are considered to be short-term, non-interest bearing, have no security attached and 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. The carrying value of trade and other payables is considered to be a reasonable approximation of fair value.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the 'finance income' line item in the income statement (note 8) for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the income statement for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the income statement.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

4 Critical accounting judgements and key sources of estimation uncertainty

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.

Key sources of estimation uncertainty

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

Provisions and contingent liabilities

The independent contractor status of riders, which applies in most of the jurisdictions in which we operate, has been and is likely to continue to be the subject of challenge in certain markets, including some of our key markets. We have been and are involved in legal proceedings, under which the independent contractor status of our riders is under review. The recognition of legal provisions (note 22) and associated contingent liabilities (note 32) 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.

Critical accounting judgements

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

Provisions and contingent liabilities

The recognition of a provision requires judgement as to the likelihood of economic outflow. Where the Group has a possible obligation as a result of a past event, it will disclose a contingent liability. Changes to circumstances or the assessed likelihood of success 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 22 and 32 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 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.

At 31 December 2022, the Directors had concluded that Deliveroo Netherlands BV and Deliveroo Australia Pty Ltd comprised separate entities and separate geographical areas of operations for which the results of those businesses were quantitatively and qualitatively significant. As such, the Netherlands and Australia were 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 and service fee elements 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 and service 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. In the year, this comprises £25.4 million (2022: £28.3 million) of sales and marketing costs.

5 Segment information

Information reported to 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.

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.

The Netherlands and Australia operations were discontinued during 2022 (and Spain during 2021). The segment information reported on the next pages does not include any amounts for discontinued operations, which are described in more detail in note 11.

The following is an analysis of the Group's revenue and results by reportable segment:

2023	UK and Ireland £m	International £m	Segments total £m	Other £m	Total £m
Total revenue	1,209.0	821.0	2,030.0	—	2,030.0
Cost of sales	(751.5)	(552.1)	(1,303.6)	—	(1,303.6)
Other operating income	5.1	0.8	5.9	—	5.9
Administrative expenses	(208.1)	(185.7)	(393.8)	(247.1)	(640.9)
Other operating expenses	(1.9)	(4.1)	(6.0)	—	(6.0)
Adjusted EBITDA*	252.6	79.9	332.5	(247.1)	85.4
Share-based payments charge and national insurance on share options	—	—	—	(64.3)	(64.3)
Impairments	(2.4)	(2.6)	(5.0)	—	(5.0)
Exceptional items*	—	—	—	14.1	14.1
Depreciation and amortisation					(73.9)
Finance income					35.3
Finance costs					(2.5)
Loss before income tax					(10.9)
Income tax					(7.6)
Loss for the year from discontinued operations					(13.3)
Loss after tax and discontinued operations					(31.8)

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

5 Segment information continued

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

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

No single customer contributed 10% or more to the Group's revenue in either 2023 or 2022.

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 the 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, investments in financial assets and deferred tax assets, split by geographical location are detailed below:

	2023 £m	2022 £m
UK and Ireland	128.1	147.0
International	33.9	48.7
Total non-current assets	162.0	195.7

6 Revenue

The Group's revenue is analysed as follows:

	2023 £m	2022 £m
UK and Ireland	1,209.0	1,119.4
International	821.0	855.3
Total revenue	2,030.0	1,974.7
	2023 £m	2022 £m
Point in time	1,967.6	1,909.6
Over time	62.4	65.1
Total revenue	2,030.0	1,974.7

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

7 Loss for the year

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

	2023 £m	2022 £m
Depreciation of plant, property and equipment (see note 14)	13.0	12.8
Depreciation of right-of-use assets (see note 15)	19.9	18.7
Amortisation expense (see note 16)	41.0	30.3
Loss on disposal of property, plant and equipment (see note 14)	4.0	2.6
Auditor's remuneration (see note 29)	2.2	2.4
Sales and marketing costs	185.8	225.8
Staff costs (see note 27)	370.2	382.0
Exceptional items* (see note 12)	(0.8)	92.4
Impairment of right-of-use assets (see note 15)	1.7	3.7

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Staff costs are shown gross of capitalised development costs.

During the year, the Group incurred £69.5 million of research and development costs (2022: £77.5 million).

8 Finance income

	2023 £m	2022 £m
Bank interest	34.2	11.0
Foreign exchange gains	1.1	6.8
Total finance income	35.3	17.8

9 Finance cost

	2023 £m	2022 £m
Interest expense on lease liabilities	2.5	2.8
Total finance cost	2.5	2.8

10 Income tax expense

	2023 £m	2022 £m
Current tax charge for the year	7.2	6.4
Current tax (credit)/charge relating to prior-year adjustment	(1.6)	2.8
Deferred tax (credit)/charge relating to the current year	(0.2)	2.9
Deferred tax charge/(credit) relating to prior-year adjustment	2.2	(0.2)
Total	7.6	11.9

The standard rate of corporation tax applied to reported loss in the UK is 23.50% (2022: 19.00%). Taxation for other jurisdictions is calculated at the prevailing rates in the respective jurisdictions.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

10 Income tax expense continued

The reconciliation between the tax expense and the product of accounting profit multiplied by the domestic tax rate for the years ended 31 December 2023 and 2022 is as follows:

	2023 £m	2022 £m
Loss before tax	(10.9)	(230.6)
Loss before tax multiplied by the tax rate of (32.24)% (2022: 19.00%)	3.5	(43.8)
Losses not recognised	4.7	42.4
Recognition of tax losses – deferred tax	0.1	7.3
Permanent differences	(1.0)	3.9
Non-taxable income	(8.3)	—
Movement in other unrecognised temporary differences	6.5	(1.8)
Adjustment in respect of prior years	(1.5)	2.8
Effect of changes in tax rates	(0.5)	(0.2)
Other taxes	1.9	1.3
Deferred tax – prior-year adjustment	2.2	—
Total	7.6	11.9

In the UK, a corporation tax rate of 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

The Group operates across a number of different jurisdictions, which results in various cross-border transactions arising between Group companies. In line with 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% ('Pillar Two'). In December 2021, the Organisation for Economic Co-operation and Development ('OECD') released a draft legislative framework, that is expected to be used by individual jurisdictions that signed the agreement to amend their local tax laws. At 31 December 2023, a number of the jurisdictions in which the Group operates have enacted or substantively enacted the tax legislation related to the top-up tax.

The Group is in scope of the enacted or substantively enacted legislation across the territories in which it operates and has performed an assessment of the Group's potential exposure to Pillar Two income taxes. Based on the assessment, the Pillar Two effective tax rates in most of the jurisdictions in which the Group operates are above 15%. However, there are a limited number of jurisdictions where the transitional safe harbour relief does not apply and the Pillar Two effective tax rate is close to, or below, the 15% minimum tax rate. The Group does not expect a material exposure to Pillar Two income taxes in those jurisdictions. The Group has applied the temporary exemption, introduced in May 2023, from the accounting requirements for deferred taxes in IAS 12, so that the Group neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

11 Discontinued operations

During 2022, the Group ended operations in Netherlands and Australia (and Spain during 2021). None of the expenses within discontinued operations in 2023 were trading losses.

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

	2023 £m	2022 £m
Revenue	—	66.2
Expenses	(13.3)	(113.7)
Loss before tax	(13.3)	(47.5)
Attributable tax expense	—	(4.1)
Net loss attributable to discontinued operations (attributable to the owners of the Company)	(13.3)	(51.6)

12 Exceptional items

The following have been recognised as exceptional items where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business. These are qualitatively or quantitatively material in the year and are deemed material to the understanding of the accounts. Exceptional items for the current and prior year include market exit costs, settlements and professional fees in relation to legal and regulatory investigations, restructuring costs, and other project costs.

	2023 £m	2022 £m
Legal and regulatory	(20.0)	62.6
Restructuring costs	5.9	6.5
Coronavirus-related costs	—	0.5
Initial Public Offering and deal costs	—	0.8
Total exceptional items* from continuing operations	(14.1)	70.4
From discontinued operations	13.3	22.0
Total exceptional items*	(0.8)	92.4

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

13 Loss per share

The calculation of the basic and diluted loss per share is based on the following data.

	2023 £m	2022 £m
Loss		
Loss for the year from continuing operations	(18.5)	(242.5)
Loss for the year from continuing and discontinued operations	(31.8)	(294.1)

	2023 No.	2022 No.
Number of shares		
Weighted average number of Ordinary Shares outstanding	1,731,467,458	1,836,841,624

	2023 £	2022 £
From continuing operations		
Loss per share		
– Basic	(0.01)	(0.13)
– Diluted	(0.01)	(0.13)

	2023 £	2022 £
From continuing and discontinued operations		
Loss per share		
– Basic	(0.02)	(0.16)
– Diluted	(0.02)	(0.16)

There was no difference between basic and diluted loss per share for the year ended 31 December 2023 and the year ended 31 December 2022, since the effect of all potentially dilutive shares outstanding was anti-dilutive. Total outstanding share awards as at the year ended 31 December 2023 and 31 December 2022 are set out in note 27.3 Employee benefits, Share-based payments.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

14 Property, plant and equipment

	Leasehold improvements £m	IT and office equipment £m	Rider, restaurant and store equipment £m	Assets under construction £m	Total £m
Cost					
At 1 January 2022	36.2	8.5	15.8	4.0	64.5
Additions	1.7	2.6	2.9	22.9	30.1
Disposals	(1.0)	(0.2)	(0.5)	(1.8)	(3.5)
Transfers between categories	16.2	—	4.0	(20.2)	—
Currency translation	1.4	(0.3)	0.3	(0.1)	1.3
At 31 December 2022	54.5	10.6	22.5	4.8	92.4
Additions	1.4	1.4	1.3	3.5	7.6
Disposals	(4.5)	(0.1)	(1.2)	(0.6)	(6.4)
Transfers between categories	5.8	0.9	0.7	(7.4)	—
Currency translation	(1.1)	(0.1)	(0.4)	—	(1.6)
At 31 December 2023	56.1	12.7	22.9	0.3	92.0
Accumulated depreciation					
At 1 January 2022	(15.4)	(7.3)	(8.1)	—	(30.8)
Charge for year	(8.1)	(1.0)	(3.7)	—	(12.8)
Eliminated on disposal	0.4	—	0.5	—	0.9
Currency translation	(0.6)	0.2	—	—	(0.4)
At 31 December 2022	(23.7)	(8.1)	(11.3)	—	(43.1)
Charge for the year	(7.8)	(1.4)	(3.8)	—	(13.0)
Eliminated on disposal	1.4	0.1	0.9	—	2.4
Currency translation	0.5	—	0.2	—	0.7
At 31 December 2023	(29.6)	(9.4)	(14.0)	—	(53.0)
Net book value					
At 31 December 2023	26.5	3.3	8.9	0.3	39.0
At 31 December 2022	30.8	2.5	11.2	4.8	49.3

15 Leases

Right-of-use assets

	Buildings £m	Equipment £m	Total £m
Cost			
At 1 January 2022	63.6	0.9	64.5
Additions	57.4	—	57.4
Disposals	(9.0)	—	(9.0)
Impairment	(6.2)	—	(6.2)
Currency translation	2.2	—	2.2
At 31 December 2022	108.0	0.9	108.9
Additions	6.1	—	6.1
Disposals	(6.8)	—	(6.8)
Impairment	(2.0)	—	(2.0)
Currency translation	(2.1)	(0.1)	(2.2)
At 31 December 2023	103.2	0.8	104.0
Accumulated depreciation			
At 1 January 2022	(24.2)	(0.5)	(24.7)
Depreciation charge for the year	(18.5)	(0.2)	(18.7)
Disposals	7.0	—	7.0
Impairment	2.5	—	2.5
Currency translation	(1.5)	—	(1.5)
At 31 December 2022	(34.7)	(0.7)	(35.4)
Depreciation charge for the year	(19.7)	(0.2)	(19.9)
Disposals	5.4	—	5.4
Impairment	0.3	—	0.3
Currency translation	0.7	0.1	0.8
At 31 December 2023	(48.0)	(0.8)	(48.8)
Carrying amount			
At 31 December 2023	55.2	—	55.2
At 31 December 2022	73.3	0.2	73.5

Amounts recognised in profit and loss

	2023 £m	2022 £m
Depreciation expense on right-of-use assets	19.9	18.7
Interest expense on lease liabilities	2.5	2.8
Expense relating to short-term leases	1.9	—

Total cash outflow for leases in 2023 was £17.9 million (2022: £18.5 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. In 2022, there were also a smaller number of leases held in relation to equipment, primarily at our Editions sites.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

15 Leases continued

Lease liabilities

	2023 £m	2022 £m
Current	16.0	12.3
Non-current	43.6	61.5
Total	59.6	73.8

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

	Buildings £m	Equipment £m	Total £m
At 1 January 2022	46.4	0.2	46.6
Additions	43.5	—	43.5
Disposals	(2.0)	—	(2.0)
Accretion of interest	2.8	—	2.8
Payments	(18.5)	—	(18.5)
Currency translation	1.4	—	1.4
At 31 December 2022	73.6	0.2	73.8
Additions	6.1	—	6.1
Disposals	(3.0)	—	(3.0)
Accretion of interest	2.5	—	2.5
Payments	(17.7)	(0.2)	(17.9)
Currency translation	(1.9)	—	(1.9)
At 31 December 2023	59.6	—	59.6

The table above also represents the changes in liabilities arising from financing activities.

Maturity analysis

	2023 £m	2022 £m
Year 1	17.2	18.7
Year 2	13.8	17.1
Year 3	11.7	13.3
Year 4	10.4	10.8
Year 5	5.4	10.0
Onwards	7.4	13.0
Total cash flow	65.9	82.9
Less interest	(6.3)	(9.1)
Total	59.6	73.8

16 Intangible assets

	Goodwill £m	Acquired software £m	Capitalised development expenditure £m	Total £m
Cost				
At 1 January 2022	4.9	9.8	104.6	119.3
Additions	—	—	50.3	50.3
Currency translation	—	0.2	(0.1)	0.1
At 31 December 2022	4.9	10.0	154.8	169.7
Additions	—	—	36.1	36.1
Disposals	—	(0.1)	—	(0.1)
Currency translation	—	(0.1)	—	(0.1)
At 31 December 2023	4.9	9.8	190.9	205.6
Accumulated amortisation				
At 1 January 2022	—	(4.7)	(61.8)	(66.5)
Amortisation charge for the year	—	(1.1)	(29.2)	(30.3)
At 31 December 2022	—	(5.8)	(91.0)	(96.8)
Amortisation charge for the year	—	(3.9)	(37.1)	(41.0)
Currency translation	—	(0.1)	0.1	—
At 31 December 2023	—	(9.8)	(128.0)	(137.8)
Net book value				
At 31 December 2023	4.9	—	62.9	67.8
At 31 December 2022	4.9	4.2	63.8	72.9

Goodwill was recognised on the acquisition of assets from Omakase Inc. It has been allocated to the cash-generating unit ("CGU") 'Roofoods Ltd'. The recoverable amount of the group of CGUs is determined from value-in-use calculations. The key assumptions in these calculations comprise discount rates, growth rates, pricing fluctuations and changes to direct costs. These assumptions are consistent with available external information sources. Discount rates are estimated rates that reflect current market assessments of the time value of money. The discount rate used was 14% (2022: 15%). A terminal growth rate of 2.5% (2022: 2.5%) was used to extrapolate cash flows 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.

17 Deferred tax

	2023 £m	2022 £m
Deferred tax assets		
Deferred tax assets relating to tax losses	1.0	2.5
Deferred tax assets relating to other temporary differences	0.8	0.8
Deferred tax assets relating to share-based payments	—	—
Deferred tax assets relating to fixed asset temporary differences	—	0.8
Net deferred tax assets	1.8	4.1

	1 January 2023 £m	Recognised in income* £m	Recognised in equity £m	Foreign exchange differences £m	Total £m
Tax value of loss carry-forwards utilised	2.5	(1.5)	—	—	1.0
Fixed asset temporary differences	0.8	(0.8)	—	—	—
Share-based payments	—	—	—	—	—
Other	0.8	—	—	—	0.8
Net deferred tax asset	4.1	(2.3)	—	—	1.8

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

17 Deferred tax continued

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

* 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 £1,555.5 million (2022: £1,549.6 million) available for offset against future taxable profits. There are also unrecognised temporary differences of £82.9 million (2022: £62.5 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.

18 Investments in financial assets

	2023 £m	2022 £m
Shares	2.9	2.9
Total investments in financial assets	2.9	2.9

The Group holds 10% of the Ordinary Share capital of OrderGrid Holdings Inc, an entity involved in e-commerce fulfilment solutions. The Directors of the Group do not consider that the Group is able to exercise significant influence over OrderGrid Holdings Inc, with no involvement in the day-to-day operations of that entity. The fair value of the investment is £2.9 million (2022: £2.9 million).

19 Trade and other receivables

	Current		Non-current	
	2023 £m	2022 £m	2023 £m	2022 £m
Trade receivables	99.4	80.6	—	—
Lifetime ECL	(4.1)	(4.0)	—	—
Net trade receivables	95.3	76.6	—	—
Prepayments	27.3	15.6	—	—
Other receivables	19.3	12.4	14.1	22.6
Corporation tax receivable	5.7	5.0	—	—
Total receivables	147.6	109.6	14.1	22.6

The net carrying value of receivables is considered a reasonable approximation of fair value. Long-term other receivables relate to rental deposits for leased property not due for at least 12 months and bank guarantees disclosed in note 32. No customer accounts for more than 5% of the total trade receivables balance in either 2023 or 2022.

In accordance with IFRS 9 the simplified approach to measuring expected credit losses ('ECL'), which permits the use of lifetime ECL on trade receivables, has been applied.

For trade receivables due from our payment service providers and other receivables the ECL is £nil (2022: £nil).

19 Trade and other receivables continued

The following table details the risk profile of trade receivables for the Group:

2023	Not past due £m	<30 days £m	31-60 days £m	61-90 days £m	>90 days £m	Total £m
Estimated credit loss rate %	3%	7%	13%	17%	55%	
Estimated gross carrying amount at default	88.2	3.0	0.8	1.8	5.6	99.4
Lifetime ECL*	(0.4)	(0.2)	(0.1)	(0.3)	(3.1)	(4.1)
Total						95.3
2022	Not past due £m	<30 days £m	31-60 days £m	61-90 days £m	>90 days £m	Total £m
Estimated credit loss rate %	—	5%	10%	23%	51%	
Estimated gross carrying amount at default	66.9	4.2	2.1	1.3	6.1	80.6
Lifetime ECL*	(0.2)	(0.2)	(0.2)	(0.3)	(3.1)	(4.0)
Total						76.6

* Lifetime ECL is calculated net of trade receivables from payment service providers £74.7 million (2022: £59.9 million).

The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition. Concentration of credit risk with respect to trade receivables is minimal due to the broad customer base across regions.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

20 Inventory

	2023 £m	2022 £m
Restaurant equipment	2.1	4.2
Rider clothing and equipment	11.4	14.4
Food and packaging	1.3	0.8
Total inventories	14.8	19.4

At a Group level, the cost of inventories recognised as an expense in the year is £45.8 million (2022: £30.5 million). Of this, £39.9 million (2022: £25.3 million) is included within 'cost of sales' with £9.1 million (2022: £8.9 million) relating to restaurant equipment. £2.5 million (2022: £3.3 million) relating to rider clothing and equipment is within 'other operating expenses' in the consolidated income statement. The write down of inventory to net realisable value recognised as an expense in the year is £3.4 million (2022: £1.9 million). This is recorded within 'administrative expenses' in the consolidated income statement.

21 Cash and cash equivalents

	2023 £m	2022 £m
Cash at bank	107.5	225.0
Money market funds	240.5	52.5
Short-term deposits	255.1	671.6
Total cash and cash equivalents	603.1	949.1

All funds held are available on demand.

22 Provisions

	2023 £m	2022 £m
Legal provision	113.9	129.3
Dilapidations	13.3	13.9
Total provisions	127.2	143.2

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

22 Provisions continued

Legal provision

	2023 £m	2022 £m
Current	58.1	—
Non-current	55.8	129.3
Total	113.9	129.3

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

	Legal provisions £m	Dilapidations £m
At 1 January 2023	129.3	13.9
Foreign currency translation	(4.0)	0.1
Additional amounts provided for	20.2	0.1
Amounts utilised	(3.7)	(0.2)
Amounts released	(27.9)	(0.6)
At 31 December 2023	113.9	13.3

The Group remains involved in a number of ongoing legal and regulatory proceedings with third parties. The amounts provided in the legal provision represent our best estimate of associated economic outflows based on the status of proceedings at the time of approval of these financial statements, and are based on current claims from regulators, even where we dispute the amounts claimed. Ongoing court proceedings and investigations are typically expected to extend for at least 12 months; during 2023 we concluded but at the balance sheet date had not yet settled some of the longer-standing matters. Depending on the outcome of various proceedings, the total economic outflow could be different to that currently provided. The Directors will review and revise the amounts of such provisions, as necessary, as and when new information becomes available. Provisions assessed during the period are for various regulatory challenges, including markets that we have exited. We are participating in ongoing discussions with relevant authorities as part of official processes. Whilst it is difficult at this time to quantify the probable economic outflow in the event of an adverse outcome, the provision represents our best estimate of the most likely outcome, 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.

During the period, developments in a number of cases have led us to reassess the most likely outcome of these cases, and consequently to update the amounts we have provided. This has resulted in the reduction of some provisions, partially offset by the recognition of additional amounts related to other updated or new matters elsewhere.

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 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 that 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 our position if so challenged. The Group is engaged with relevant stakeholders to seek to bring greater certainty and flexibility for individuals who work within the on-demand economy.

In addition to proceedings where the Group 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 Group has assessed the likely outflow is possible but not probable at this time. These are disclosed as contingent liabilities and are discussed in note 32.

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.

23 Trade and other payables

	2023 £m	2022 £m
Trade payables	16.0	25.7
Accruals and deferred income	137.1	140.7
Other tax and social security payables	61.6	62.1
Other payables	26.1	22.6
Amounts due to restaurants	82.8	77.4
Corporation tax payable	2.8	4.3
Total payables	326.4	332.8

23 Trade and other payables continued

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.

24 Share capital

Shares issued, allotted and fully paid:	2023 shares	2022 shares	2023 £	2022 £
Ordinary A	1,521,831,251	1,755,425,173	7,609,156	8,777,126
Ordinary B	102,508,168	100,299,642	512,541	501,498
Total shares issued	1,624,339,419	1,855,724,815	8,121,697	9,278,624

All shares have a nominal value of £0.005.

In 2022, 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.

During the year, the Company completed a tender offer to purchase 192.3 million Ordinary Shares at a price of 130p per share, for a total cost of £253.0 million, including transaction costs of £3.0 million. The shares acquired under the tender offer were immediately cancelled.

The Company also completed a share buyback programme, buying 44.7 million Ordinary Shares for a total gross purchase consideration of £50.8 million, including transaction costs of £0.8 million. The shares bought under this share buyback programme were cancelled during the year.

25 Own shares

	2023 £m	2022 £m
Balance at 1 January	66.0	—
Acquired in the year	59.8	66.0
Bought back and cancelled	(50.8)	—
Utilised for share schemes	(23.5)	—
Balance at 31 December	51.5	66.0

The own shares reserve represents the cost of shares in Deliveroo plc issued or purchased in the market. Shares are either held in treasury or by the Roofoods Ltd Employee Benefit Trust ('EBT') to satisfy options under the Group's share options plans. The number of Ordinary Shares held in treasury at 31 December 2023 and 2022 was nil and held by the EBT at 31 December 2023 was 56,869,699 (31 December 2022: 77,269,638).

26 Other reserves

	2023 £m	2022 £m
Capital redemption reserve	1.2	—
Total other reserves	1.2	—

The movement in the other reserves during the year is reconciled below:

	Capital redemption reserve £m
At 1 January 2023	—
Capital redemption reserve	1.2
At 31 December 2023	1.2

The capital redemption reserve represents the nominal value of all shares bought back and cancelled.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

27 Employee benefits

27.1 Employee benefits expense

	2023 £m	2022 £m
Wages and salaries	262.7	266.3
Social security costs	41.1	20.9
Contributions to defined contribution plans	10.3	9.5
Share-based payment charge	56.1	85.3
Total employee benefits	370.2	382.0

Total employee benefits include discontinued operations and are shown gross of capitalised development costs.

27.2 Average monthly employee numbers

	2023 No.	2022 No.
Sales, marketing and operations	2,263	2,646
Technology	1,062	842
Administration	449	460
Directors and global management	33	32
Total employee numbers	3,807	3,980

No distinction is made between full-time and part-time employees in the above analyses.

27.3 Share-based payments

The Company operates share schemes for all employees of the Group. The terms of the main current schemes from which the Group's employees benefit are set out below.

Post-IPO Employee Share Plans

Since the Company's admission on the London Stock Exchange on 7 April 2021, the Company has operated new share incentive plans, under the umbrella of the Deliveroo Incentive Plan. These include the Restricted Share Plan Awards, Deferred Share Bonus Plan Award and the Performance Share Plan ('PSP') awards.

(i) Restricted Share Plan: Nominal Cost Options

These are share options that are granted to employees since the IPO. They provide an award holder the right to acquire Deliveroo Class A shares upon exercising the option at a nominal cost of £0.005 per share. Nominal Cost Options are granted to a certain number of our employees who do not fall under the criteria for alternative plans. Under the rules of the Deliveroo Incentive Plan ('DIP'), the options vest subject to the award holder remaining employed with Deliveroo at the relevant vesting dates. Typically, awards granted under this scheme vest over four years, with a one-year cliff. Options which remain unexercised after a period of 10 years from the date of grant will expire. Unvested options are forfeited if the employee leaves the Group before the options vest.

(ii) Restricted Share Plan: Conditional Share Awards (US Sub-plan)

Conditional Share Awards (sometimes referred to as RSUs or restricted stock units) are awards that are granted following the IPO, and are only applicable to US taxpayers. They provide the award holder the right to acquire Class A shares upon vesting/settlement of the award. The grant is 'restricted' as the award must vest, and the award holder must remain employed at the time of vesting before they can receive the underlying Class A shares. Award holders are required to pay the nominal value of £0.005 per share at the time the award vests. Typically, awards granted under this scheme vest over four years, with a one-year cliff. Unvested awards are forfeited if the employee leaves the Group before the conditional shares vest.

(iii) Restricted Share Plan: Conditional Share Awards (French Sub-plan)

Conditional Share Awards (France) are awards that are granted since the IPO, and are only applicable to employees based in France. They provide the award holder the right to acquire Class A shares upon vesting/settlement of the award. The grant is 'restricted' as the award must vest, and the award holder must remain employed at the time of vesting before they can receive the underlying Class A shares. Award holders are required to pay the nominal value of £0.005 per share at the time the award vests. Awards granted under this scheme vest over four years, with a two-year cliff. Unvested awards are forfeited if the employee leaves the Group before the conditional shares vest.

27 Employee benefits continued

27.3 Share-based payments continued

Post-IPO Employee Share Plans continued

(iv) Performance Share Plan: Nominal Cost Options

These are long-term incentive awards which take the form of annual grants of share awards subject to performance conditions, which are granted to a subset of employees. Awards are made in the form of nominal cost options or conditional share award – US sub-plan only. These awards are not available to French nationals. They provide an award holder the right to acquire Deliveroo Class A shares upon exercising the option at a nominal cost of £0.005 per share. The options vest subject to the achievement of certain performance criteria, and the award holder remaining employed with Deliveroo at the relevant vesting dates. Awards granted under this scheme vest following a three-year cliff, and are subject to an additional two-year holding period. Options which remain unexercised after a period of 10 years from the date of grant will expire. Unvested options are forfeited if the employee leaves the Group before the options vest. Malus and Clawback provisions apply to the PSP.

(v) Performance Share Plan: Conditional Share Awards (US)

These are long-term incentive awards which take the form of annual grants of share awards subject to performance conditions, which are granted to a subset of employees following the IPO made in the form of conditional share awards and are only applicable to US taxpayers. They provide the award holder the right to acquire Class A shares upon vesting/settlement of the award. The awards vest subject to the achievement of certain performance criteria, and the award holder remaining employed with Deliveroo at the relevant vesting dates. Awards granted under this scheme vest following a three-year cliff, and are subject to an additional two-year holding period. Award holders are required to pay the nominal value of £0.005 per share at the time the award vests. Unvested awards are forfeited if the employee leaves the Group before the shares vest. Malus and Clawback provisions apply to the PSP.

(vi) Deferred Share Bonus Plan ('DSP')

These are awards that form part of the annual bonus for the Executive Team. One-half of the bonus earned will be paid in cash and the remainder is provided as a deferred award of shares that vest after three years subject to continued service. Awards are made in the form of nominal cost options or conditional share award – US sub-plan only. These awards are not available to French nationals. DSP awards give eligible employees a right to acquire Class A shares in Deliveroo plc at the nominal cost of £0.005 per share at the time the award vests. Unvested awards will normally lapse on cessation of employment. Malus and Clawback provisions apply to the DSP.

Pre-IPO Employee Share Plans (Awards ceased to be made to employees under these plans after 31 March 2021)

The Group maintains the following, equity-settled share-based payment schemes for employees:

- Unapproved option scheme
- French free share plan
- Restricted Stock Units ('RSUs')

Where plans are substantially similar, they are disclosed in aggregate below.

The following table sets out the movement in share awards during the year:

	Employee share options	Employee share awards (France and US)	Performance Share Plans	Total	Weighted average exercise price (£)
Outstanding at 31 December 2021	59,634,128	56,318,264	5,608,972	121,561,364	0.02
Granted	70,837,326	16,574,325	11,468,387	98,880,038	0.00
Forfeited	(11,293,784)	(2,644,925)	(352,681)	(14,291,390)	0.03
Exercised	(4,422,710)	(7,659,480)	—	(12,082,190)	0.02
Outstanding at 31 December 2022	114,754,960	62,588,184	16,724,678	194,067,822	0.02
Granted	5,910,792	4,022,324	16,520,993	26,454,109	0.01
Forfeited	(15,312,719)	(5,256,959)	(6,232,096)	(26,801,774)	0.01
Exercised	(19,220,819)	(14,948,119)	—	(34,168,938)	0.02
Outstanding at 31 December 2023	86,132,214	46,405,430	27,013,575	159,551,219	0.01
Exercisable at 31 December 2023	39,692,123	756	—	39,692,879	0.04
Exercisable at 31 December 2022	31,049,260	230	—	31,049,490	0.07
Exercisable at 31 December 2021	19,216,576	4,593,600	—	23,810,176	0.03
Valuation method	Black Scholes	Intrinsic value	Monte Carlo		

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

27 Employee benefits continued

27.3 Share-based payments continued

The weighted average share price for share options exercised during the year was £1.12 (2022: £1.00).

The share options outstanding as at 31 December 2023 had a weighted average remaining contractual life of 7.4 years (2022: 8.4 years) and the range of exercise prices was £0.00–£0.08 (2022: £0.00–£0.08).

In addition to the totals above, 2,939,400 non-employee share options were outstanding at 31 December 2023 (2022: 4,331,600).

The fair value of employee share options granted was determined using a Black Scholes model, taking into account the terms and conditions under which the options were granted. The following table lists the principal assumptions used in the valuation:

	2023	2022
Vesting period	1 month – 4 years	1 month – 4 years
Volatility	55.1%	48.0%
Option life	9.9 years	9.9 years
Risk-free investment rate	8.825%	2.354%
Weighted average share price	£0.96	£0.90
Weighted average exercise price grant date	£0.00	£0.00

The underlying expected volatility was determined by reference to historical data of a peer group of similar companies' shares.

Employee share awards (France and US) are accounted for using the intrinsic value method with the key assumptions as follows:

	2023	2022
Grant price	£0.01	£0.01
Weighted average market price	£0.93	£0.92
Attrition rate	26%	43%

The performance share plans are valued using the Monte Carlo method with the assumptions as follows:

	2023	2022
Exercise price	£0.005	£0.005
Volatility	55.1%	48.0%
Expected life	3 years	3 years
Risk-free investment rate	3.3556%	1.5142%
Dividend yield	0%	0%

The underlying expected volatility was determined by reference to historical data of a peer group of similar companies' shares.

In total the charge shown in the table in note 27.1 relating to the equity-settled share-based payment plan has been included within 'administrative expenses' in the income statement, and credited to equity.

28 Reconciliation of cash used in operations

	2023 £m	2022 £m
Cash flows from operating activities		
Operating loss for the year	(56.7)	(295.7)
Depreciation and amortisation	73.9	61.8
Loss on disposal of property, plant and equipment	4.0	2.6
Decrease in dilapidation provision	(0.8)	—
Impairment of right-of-use asset	1.7	3.7
Gain on disposal of lease liability and right-of-use asset	(1.5)	—
Share-based payments charge	56.1	85.3
Net foreign exchange differences	(3.9)	7.5
Decrease/(increase) in inventories	4.6	(1.2)
Increase in trade and other receivables	(29.6)	(11.2)
Decrease in trade and other payables	(6.2)	(39.5)
(Decrease)/increase in legal provisions	(14.1)	44.5
Corporation tax paid	(4.3)	(2.0)
Cash from/(used in) operations	23.2	(144.2)

29 Auditor's remuneration

	2023 £m	2022 £m
Remuneration for the audit	2.1	2.3
Audit-related assurance services	0.1	0.1
Total auditor's remuneration	2.2	2.4

The Parent Company incurred £0.4 million (2022: £0.3 million) in relation to UK statutory audit fees for the year.

30 Financial instruments

30.1 Categories of financial instruments

	2023 £m	2022 £m
Financial assets at amortised cost		
Trade and other receivables (excluding prepayments and corporation tax)	128.7	111.6
Other treasury deposits	75.7	50.5
Cash at bank and short-term deposits (see note 21)	362.6	896.6
Total	567.0	1,058.7
	2023 £m	2022 £m
Financial assets at FVTPL		
Money market funds (see note 21)	240.5	52.5
Shares (see note 18)	2.9	2.9
Total	243.4	55.4
	2023 £m	2022 £m
Financial liabilities at amortised cost		
Trade and other payables*	(256.7)	(258.3)
Total	(256.7)	(258.3)

* This balance excludes social security, corporation tax, deferred revenue and pension liability.

The carrying value of the financial instruments is considered to be a reasonable approximation of fair value.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

30 Financial instruments continued

30.2 Risk management objectives and policies

The Group is exposed to various risks in relation to financial instruments, the most significant of which are market risk, credit risk and liquidity risk. The Group's risk management is co-ordinated at its headquarters, in close co-operation with the Board, and focuses on actively securing the Group's short to medium-term cash flows by minimising the exposure to financial markets.

The Group does not actively engage in the trading of financial assets for speculative purposes. The most significant financial risks to which the Group is exposed are described from pages 174 to 175.

30.3 Market risk

The Group is exposed to market risk through its use of financial instruments, and specifically to currency risk, which result from both its operating and investing activities.

Foreign currency sensitivity

Most of the Group's transactions are carried out in Sterling. Exposures to currency exchange rates arise from the Group's overseas sales and purchases, which are primarily denominated in US Dollars, Euros, Hong Kong Dollars, Singapore Dollars, United Arab Emirates Dirhams and Qatari Riyals as well as funds held in US Dollars. To mitigate the Group's exposure to foreign currency risk, non-Sterling cash flows are monitored in accordance with the Group's risk management policies.

The carrying amounts of the Group's cash balances held in foreign currency at the reporting date were as follows:

	2023 £m	2022 £m
USD	1.6	14.5
EUR	160.7	117.2
AUD	0.1	2.1
HKD	14.9	5.5
SGD	7.4	10.0
KWD	5.4	7.1
AED	37.9	55.2
INR	0.4	1.1
QAR	2.5	0.7
PLN	0.4	0.8

The following table illustrates the sensitivity of exchange rate movements in regard to the Group's financial assets and liabilities (with corresponding impact to other comprehensive income or through profit or loss), all other things being equal. It assumes a +/- 10% change of the exchange rates for the year ended at 31 December 2023.

	Cash increase/(decrease)			
	10% strengthening		10% weakening	
	2023 £m	2022 £m	2023 £m	2022 £m
USD	(0.3)	(1.3)	0	1.6
EUR	(14.5)	(10.7)	18.0	13.0
AUD	0	(0.3)	0	0.1
HKD	(1.3)	(0.4)	1.7	0.7
SGD	(0.7)	(0.9)	0.8	1.1
KWD	(0.5)	(0.7)	0.6	0.8
AED	(3.4)	(5.0)	4.2	6.2
INR	0	(0.1)	0.1	0.2
QAR	(0.3)	(0.1)	0.2	0.1
PLN	(0.1)	(0.1)	0	0

The Group's sensitivity to fluctuations in foreign currencies is the result of holdings in foreign currency and the growth of overseas entities. The sensitivity performed is a reasonable approximation of possible future changes. Exposures to foreign exchange rates vary during the year depending on the volume of overseas transactions. Nonetheless, the analysis above is considered to be representative of the Group's exposure to currency risk.

30 Financial instruments continued

30.4 Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group's maximum exposure to credit risk is limited to the carrying amount of financial assets recognised at the reporting date, as summarised below:

	2023 £m	2022 £m
Trade and other receivables (excluding prepayments and corporation tax)	128.7	111.6
Other treasury deposits	75.7	50.5
Cash and cash equivalents (see note 21)	603.1	949.1
Total financial assets	807.5	1,111.2

The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls. Where available at reasonable cost, external credit ratings and/or reports on customers and other counterparties are obtained and used. The Group's policy is to deal only with creditworthy counterparties.

In respect of trade and other receivables, the Group is not exposed to any significant credit risk in relation to any single counterparty or any group of counterparties having similar characteristics. The Group holds no financial assets that are past due as at the end of the reporting date but not impaired.

The credit risk for cash and cash equivalents and other treasury deposits is considered negligible, since the counterparties are reputable with investment grade AAA to BBB+ external credit ratings.

30.5 Liquidity risk

Liquidity risk is the risk that the Group might be unable to meet its obligations. The Group manages its liquidity needs by forecasting cash inflows and outflows due in day-to-day business.

The Group's objective is to maintain cash to meet its liquidity requirements. This objective was met for the reporting periods by keeping all cash as readily available. Funding for long-term liquidity needs is additionally secured by the ability to sell long-term financial assets.

The Group considers expected cash flows from financial assets in assessing and managing liquidity risk, in particular its cash resources and trade receivables. The Group's existing cash resources and trade receivables are considered sufficient for the current cash outflow requirements.

The revolving credit facility previously entered into by Roofoods Ltd and certain other Group members expires on 7 April 2024. It is being replaced with a new revolving credit facility agreement ('RCF') for £140 million for general working capital purposes of the Group, which is in the advanced stages of negotiation and will be effective from date of signing (on or after 7 April 2024). The key terms of the new RCF include: (i) Roofoods Ltd as borrower; (ii) an initial term of 36 months which can be extended by up to 24 months; (iii) provision of information covenants and financial covenants; and (iv) the provision of guarantees by certain Group companies in respect of certain obligations under the RCF. To date, no drawdowns have been made pursuant to the RCF.

The Group's financial liabilities measured at amortised cost are all made up of trade and other payables (excluding social security, corporation tax, deferred revenue and pension liability). They have contractual maturities as follows:

	2023 £m	2022 £m
Within one year	(256.7)	(258.3)
Total	(256.7)	(258.3)

The above amounts reflect the contractual undiscounted cash flows, which are in line with the carrying values of the liabilities at the reporting date.

Notes to the consolidated financial statements continued

For the year ended 31 December 2023

31 Related party transactions

Transactions with key management personnel

	2023 £m	2022 £m
Wages and salaries	10.8	12.0
Post-retirement benefits	0.2	0.1
Termination payments	0.4	3.8
Share-based payment charge	19.2	43.2
Total remuneration	30.6	59.1

32 Contingent liabilities and guarantees

The on-demand economy remains relatively new and is therefore subject to scrutiny and operators across markets may at times be subject to regulatory inspections and investigations that could result in economic outflow. 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. Should we be unsuccessful in defending our model, the total economic outflow in relation to the quantifiable contingent liabilities is estimated to be £9.3 million. This includes potential outflows arising from ongoing proceedings in a number of markets, including those that we have exited. In 2022, the quantifiable contingent liabilities were estimated to be £24.6 million.

In addition to this, the Company may be subject to potential future investigations and it is difficult at this time to quantify the likely potential economic outflow that could arise. We are engaging with relevant authorities and will continue to refine our assessment. The positive conclusion of an investigation resulted in a reduction of the Company's unquantifiable contingent liabilities, partially offset by additional unquantifiable contingent liabilities related to other updated or new matters elsewhere. 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 £125 million to £160 million. In 2022, the range of unquantifiable contingent liabilities was estimated to be £50 million to £200 million.

The Directors will review the amounts of such contingent liabilities as necessary throughout the duration of all relevant proceedings and revise amounts accordingly as and when new information is available.

The Group has issued guarantees totalling £0.7 million (2022: £8.1 million). Of this, £0.1 million (2022: £7.2 million) relates to guarantees provided to tax authorities. The remainder primarily relates to office rental guarantees.

33 Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Parent Company balance sheet

As at 31 December 2023

(Registration number: 13227665)

	Note	2023 £m	2022 £m
Fixed assets			
Investments	7	3,225.4	3,225.4
Intercompany loan	3	772.4	1,053.1
		3,997.8	4,278.5
Current assets			
Debtors	4	194.6	141.0
Cash at bank	5	—	0.2
		194.6	141.2
Creditors: amounts falling due within one year	6	(2.7)	—
Net current assets		191.9	141.2
Total assets less current liabilities		4,189.7	4,419.7
Capital and reserves			
Called up share capital	8	8.1	9.3
Own shares	9	—	—
Other reserves	10	1.2	—
Merger reserve		3,218.0	3,218.0
Profit and loss account		962.4	1,192.4
Shareholders' funds		4,189.7	4,419.7

As permitted by Section 408 of the Companies Act 2006, the Company's statement of profit or loss has not been included in these financial statements. The Company recorded a profit/(loss) for the year to 31 December 2023 of £17.7 million (2022: £(671.8) million).

Approved and authorised by the Board on 13 March 2024 and signed on its behalf by:

Scilla Grimble

Director

Parent Company statement of changes in equity

For the year ended 31 December 2023

	Note	Share capital (note 8) £m	Share premium £m	Own shares (note 9) £m	Other reserves (note 10) £m	Merger reserve £m	Profit and loss account £m	Total £m
At 1 January 2022		9.3	1,013.0	—	—	3,915.2	68.7	5,006.2
Loss for the year and comprehensive income		—	—	—	—	—	(671.8)	(671.8)
Share-based payment awards		—	—	—	—	—	85.3	85.3
Transfer from merger reserve		—	—	—	—	(697.2)	697.2	—
Reduction of share premium		—	(1,013.0)	—	—	—	1,013.0	—
At 31 December 2022		9.3	—	—	—	3,218.0	1,192.4	4,419.7
Profit for the year and comprehensive income		—	—	—	—	—	17.7	17.7
Shares bought back and cancelled	8	(1.2)	—	50.8	1.2	—	(303.8)	(253.0)
Own shares acquired during the period	8	—	—	(50.8)	—	—	—	(50.8)
Share-based payment awards		—	—	—	—	—	56.1	56.1
At 31 December 2023		8.1	—	—	1.2	3,218.0	962.4	4,189.7

The notes on pages 178 to 183 form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2023

1 General information

The Company is a public company limited by share capital, incorporated in England and Wales.

The Company's principal activity is that of a holding company.

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

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the periods presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

Amounts are presented in GBP and to the nearest million pounds (to one decimal place) unless otherwise noted.

Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation, paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments, paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), and 11.48(c); and
- the requirements of Section 33 Related Party Disclosures, paragraph 33.7.

Going concern

These financial statements have been prepared on the going concern basis, which assumes continuity of normal business activity and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At the reporting date, the Company's current assets exceed its current liabilities by £191.9 million (2022: £141.2 million) and it has net assets of £4,189.7 million (2022: £4,419.7 million).

Tax

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

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

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

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

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

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

Investments

Investments in subsidiaries are stated at cost less cumulative impairment losses.

The carrying values of investments are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, an impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable value.

The Company also considers the relationship between its market capitalisation and the carrying value of its investments, when reviewing for indicators of impairment.

2 Accounting policies continued

Cash at bank

Cash at bank comprises cash on hand and demand deposits, together with other short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

Debtors

Debtors include amounts due from Group companies and other amounts due from third parties. They are recognised as fixed assets if intended for use on a continuing basis, and as current assets if not intended for such use.

Intercompany loan

Intercompany loans are amounts due from Group companies. They are recognised as fixed assets if intended for use on a continuing basis, and as current assets if not intended for such use.

At each reporting date financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss statement.

Creditors

Creditors include amounts due to Group companies and other amounts due to third parties. They are recognised as amounts falling due within one year if payment is due in one year or less. If payment is due in over a year, they are presented as amounts falling due after more than one year.

Share capital

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

Other components of equity include the following:

- share premium – comprises the difference between the value of the shares on issue and their nominal value;
- profit and loss – comprises accumulated profit/(loss);
- merger reserve – comprises the difference between the fair value of Rooffoods 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;
- own shares – comprises the shares of Deliveroo plc that are held in treasury. Own shares are recorded at cost and deducted from equity; and
- other reserves – represents the nominal value of shares bought back and cancelled.

Share-based payments

The Group operates share-based compensation plans for employees. Equity instruments granted are measured at fair value of the equity instrument at grant date. This is recognised as an expense in the statement of comprehensive income, with a corresponding credit to equity. The expense is allocated over the vesting period, based on the best available estimate of the number of equity instruments expected to vest.

Vesting conditions may have market or non-market criteria, and are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised if there is any indication that the number of equity instruments expected to vest differs from previous estimates, and taking into account the number of equity instruments which have been cancelled, modified or forfeited in the period.

It recognises the impact of the revision to original estimates, if any, in the statement of comprehensive income with a corresponding adjustment to equity. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods, if equity instruments expected to vest differs from previous estimates. Upon exercise of equity instruments the proceeds received net of any directly attributable transaction costs are allocated to share capital and share premium.

The Group maintains an Employee Benefit Trust ('EBT') which holds shares on behalf of the Company, which can be used to settle obligations under employee share-based compensation plans.

Key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements continued

For the year ended 31 December 2023

2 Accounting policies continued

Key sources of estimation uncertainty continued

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

Impairment of investments in subsidiary undertakings

The carrying value of the investment in the Company's wholly owned subsidiaries is reviewed for impairment on an annual basis. The recoverable amount is determined based on a value-in-use calculation derived from the Group's Long-Term Plan, approved by the Board. The assessment of the recoverable amount requires the determination of appropriate assumptions, which comprise key sources of estimation uncertainty. The principal assumptions relate to the performance of the subsidiary over the forecast period (including the GTV compound annual growth rate ('CAGR')), the long-term growth rate applied beyond the forecast period, and the discount factor (which is derived from the Group's weighted average cost of capital ('WACC')). Estimation uncertainty arises due to changing economic and market factors, and fluctuations in forecasted revenue and cost growth. See note 7 for further details on the assumptions and associated sensitivities.

The Company's financial risk is managed as part of the Group's strategy and policies as discussed in note 30 of the Group financial statements.

Critical accounting judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies.

3 Intercompany loan

	2023 £m	2022 £m
Intercompany loan – Rooffoods Ltd	772.4	1,053.1

4 Debtors

	2023 £m	2022 £m
Current		
Amounts owed by Group companies	192.1	140.4
Other debtors	0.4	0.4
Prepayments	2.1	0.2
Total debtors	194.6	141.0

5 Cash at bank

	2023 £m	2022 £m
Cash and short-term deposits	—	0.2

6 Creditors

	2023 £m	2022 £m
Current		
Trade creditors	1.9	—
Accruals	0.8	—
Total creditors	2.7	—

7 Investments

	2023 £m	2022 £m
Investments	3,225.4	3,225.4

On 6 April 2021, the Company issued Ordinary Shares in a share-for-share exchange with the shareholders of Rooffoods Limited. Consequently, Deliveroo plc directly owns 100% of Rooffoods Limited.

7 Investments continued

Impairment of investments in subsidiary undertakings

The Company evaluates its investments in subsidiary undertakings annually for any indicators of impairment or impairment reversal. The Company considers the relationship between its market capitalisation and the carrying value of its investments, among other factors, when reviewing for indicators of impairment. As at 31 December 2023 the market capitalisation of the Group was below the carrying value of its investment in Roofoods Ltd, indicating a potential impairment. However, a full impairment review of the Company's investments in subsidiaries and intercompany receivables was undertaken.

The carrying value of the investment in Roofoods Ltd was the result of decisions taken during the restructuring exercise alongside the IPO, when the new Parent Company, Deliveroo plc, was incorporated and acquired the Roofoods Group. The current carrying value is subsequent to a £697.0 million impairment recognised as at 31 December 2022.

The recoverable amount of the investment in and receivables from Roofoods Ltd has been determined based on a value-in-use calculation, based on the Group's Long-Term Plan. Principle assumptions comprises; GTV CAGR used for the forecast period of 14%, terminal growth rate ('TGR') of 2.5% (2022: 2.5%), and WACC of 14% (2022: 15%).

Management has concluded that the recoverable amount supports the carrying value of £4,189.9 million, and therefore no impairment is indicated. Management has performed a sensitivity analysis on the inputs which are reported sources of estimation uncertainty (see note 2). A reasonably possible change in the discount rate of an increase of 1.0%-points, and a decrease of 0.5%-points in TGR supports the carrying value and would not result in an impairment. A 2%-point reduction in GTV CAGR over the period of the Long-Term Plan would result in an impairment charge of £408.0 million.

Details of undertakings

Investments in subsidiaries of the Company consist of the following, all of which are included in the Group consolidated results for the year:

Undertaking	Registered office	Holding	Proportion of Ordinary Shares directly held
Roofoods Ltd	The River Building - Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Deliveroo Belgium SARL	WeWork, 31 Rue du Commerce, 1000 Bruxelles, Belgium	Ordinary	99.9%
Deliveroo Consulting and Trading LLC	Office No. G33, Plaza Lever, QQ05A, Qanat Quartier, Regus Al Jaidah, Business Centre No. 18, Doha, Qatar	Ordinary	100%
Deliveroo DMCC	Unit No 123, DMCC Business Centre, Level No 1, Jewellery & Gemplex 3, Dubai, United Arab Emirates	Ordinary	100%
Roorestaurant Ltd	The River Building - Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Deliveroo France SAS	36 rue Lafayette, Paris, 75009, France	Ordinary	100%
Deliveroo Germany GmbH*	c/o Cormoran GmbH, Am Zirkus 2, 10117, Berlin, Germany	Ordinary	100%
Deliveroo Hong Kong Limited	3806 Central Plaza, 18 Harbour Road, Wanchai, Hong Kong	Ordinary	100%
Deliveroo Editions DMCC	Unit C05, Swiss Tower, Plot No. JLT-PH2-Y3A, Jumeirah Lakes Towers, Dubai, United Arab Emirates	Ordinary	100%
Deliveroo Hop DMCC	Unit No: R-04 Gold Crest View, Plot No: JLT-PH2-V2A, Jumeirah Lakes Towers, Dubai, United Arab Emirates	Ordinary	100%
Deliveroo Hop Ltd	The River Building - Level 1, Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Delivery Hop Italy SRL	Via Carlo, Bo, 11 20143 Milano, Italy	Ordinary	100%
Deliveroo International Ltd	The River Building - Level 1, Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Deliveroo Ireland Limited	2 Dublin Landings, North Dock, Dublin 1, Ireland	Ordinary	100%
Deliveroo Italy SRL	Via Carlo Bo, 11 20143 Milano, Italy	Ordinary	100%
Deliveroo Hop Trading LLC	Plot Number 674/289 - Control Tower Retail - R#4 PO Box 24980, Dubai, United Arab Emirates	Ordinary	100%
Deliveroo Netherlands BV**	Raamplein 1, 1016 XK Amsterdam, Netherlands	Ordinary	100%
Deliveroo Singapore Pte Ltd	#23-01, 30 Raffles Place, 048622, Singapore	Ordinary	100%
Deliveroo SP Ltd	The River Building - Level 1, Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%

Notes to the financial statements continued

For the year ended 31 December 2023

7 Investments continued

Details of undertakings continued

Undertaking	Registered office	Holding	Proportion of Ordinary Shares directly held
Deliveroo LLC	Office No. G47, Plaza Level, QQ05A, Qanat Quartier, The Pearl, Doha, Qatar	Ordinary	100%
Deliveroo sp. z o.o.	ul. Aleje Ujazdowskie, nr 41, Warszawa, 00-540, Poland	Ordinary	100%
Roofoods Management 1 Ltd	The River Building - Level 1 Cannon Bridge House, 1 Cousin Lane, London, EC4R 3TE, United Kingdom	Ordinary	100%
Roofoods (USA) Inc.	251 Little Falls Drive, Wilmington, New Castle County, Delaware, 19808, United States of America	Ordinary	100%
Roofoods Private Limited	2nd Floor, Skyview 10, The Skyview, Sy no 83/1 Raidurgam, Hitech City Main Rd Hyderabad, Telangana, 500081, India	Ordinary	99%
Roofoods Spain S.L.U***	Calle Velazquez 64, 4th floor, Madrid, 28001 Spain	Ordinary	100%
Roofoods Management 2 Ltd	2 Dublin Landings, North Dock, Dublin 1, Ireland	Ordinary	100%
Roofoods Editions Kitchen Center LLC	Shop 07, Majestic Tower, Business Bay, Dubai, United Arab Emirates	Ordinary	49%
Roofoods Food Delivery LLC	Unit 3201-3204, API Trio Towers, Commercial Tower, Sheikh Zayed Road, Barsha First, United Arab Emirates	Ordinary	49%
Roofoods Restaurant LLC	Unit 3201-3204, API Trio Towers, Commercial Tower, Sheikh Zayed Road, Barsha First, United Arab Emirates	Ordinary	49%
Deliveroo Editions Food Preparation Management Company SPC	West Abu Fatira Al-Herafia, Block 1, Plot 513, Street 25, Zayed Al Otaibi building, Floor 1, Mubarak Al-Kabeer, Kuwait City, Kuwait	—	0%
Deliveroo Management Limited	Unit GD-PB-04-05-0F-07, Level 5, Gate District Precinct Building 04, Dubai International Financial Centre, Dubai, United Arab Emirates	—	0%
Editions SPC Ltd	Unit 06, 07, Level 13, Currency House, Tower 2, Dubai International Financial Centre, Dubai, 506615, United Arab Emirates	—	0%
New Skies General Trading SPC	Qibla, Block 9, Plot 7, Ahmed Al-Jaber Street, Abdullah Al Yousifi building, Floor M2, Unit 11, Kuwait City, Kuwait	—	0%
New Skies SPV Limited	Suite 510, 11th Floor, Al Sarab Tower, Abu Dhabi Global Market Square, Al Maryah Island, Abu Dhabi, United Arab Emirates	—	0%
Roofoods Consumer Products Delivery Gulf SPC	Al Mirqab, Al Soor Street, Burj AlShaya, Floor 10, Unit 20, Kuwait City, Kuwait	—	0%

* In the process of liquidation.

** Ceased trading in 2022.

*** In the process of liquidation.

8 Share capital

Shares issued, allotted and fully paid	2023 shares	2022 shares	2023 £	2022 £
Ordinary A	1,521,831,251	1,755,425,173	7,609,156	8,777,126
Ordinary B	102,508,168	100,299,642	512,541	501,498
Total shares issued	1,624,339,419	1,855,724,815	8,121,697	9,278,624

All shares have a nominal value of £0.005.

During the year, the Company completed a tender offer to purchase 192.3 million Ordinary Shares at a price of 130p per share, for a total cost of £253.0 million, including transaction costs of £3.0 million. The shares acquired under the tender offer were immediately cancelled.

The Company also completed a share buyback programme, buying 44.7 million Ordinary Shares for a total gross purchase consideration of £50.8 million, including transaction costs of £0.8 million. The shares bought under this share buyback programme were cancelled during the year.

9 Own shares

	2023 £m	2022 £m
Balance at 1 January	—	—
Acquired in the year	(50.8)	—
Bought back and cancelled	50.8	—
Balance at 31 December	—	—

The own shares reserve represents the cost of shares in Deliveroo plc issued or purchased in the market. The number of Ordinary Shares held in treasury at 31 December 2023 was nil (2022: nil).

10 Other reserves

	2023 £m	2022 £m
Capital redemption reserve	1.2	—
Total other reserves	1.2	—

	Capital redemption reserve £m
Balance at 1 January 2023	—
Shares bought back and cancelled	1.2
Balance at 31 December 2023	1.2

The capital redemption reserve represents the nominal value of all shares bought back and cancelled.

11 Taxation

The standard rate of corporation tax applied to the profit in the UK is 23.5%. This is made up of a blended rate for the period: 19% corporation tax rate from January to March 2023, and then 25% April to December 2023.

The current tax charge for the year ended 31 December 2023 is nil (2022: nil).

The Finance (No. 2) Act, which was enacted in July 2023, including clauses for OECD BEPS Pillar 2 implementation in the UK, has no further material or negative impacts on the Company's current or deferred tax.

12 Parent and ultimate parent undertaking

These Parent Company financial statements are consolidated in the Group financial statements of Deliveroo plc, which are available from <https://corporate.deliveroo.co.uk>.

13 Events after the reporting period

There are no significant events after the reporting period.

Five-year financial summary

£m unless stated	2019	2020	2021	2022	2023
Orders (m)	118.5	173.7	284.1	299.2	290.2
GTV per order* (£)	21.3	22.9	22.2	22.9	24.3
GTV*	2,521.7	3,978.8	6,304.6	6,848.1	7,062.0
Revenue	771.8	1,163.0	1,735.0	1,974.7	2,030.0
Cost of sales	(583.2)	(815.3)	(1,239.9)	(1,331.5)	(1,303.6)
Gross profit	188.6	347.7	495.1	643.2	726.4
Marketing and overheads*	(415.5)	(358.5)	(595.1)	(688.2)	(641.0)
Adjusted EBITDA*	(226.9)	(10.8)	(100.0)	(45.0)	85.4
YoY % change - constant currency*					
Orders	64%	51%	73%	5%	(3)%
GTV per order*	(4)%	6%	(2)%	2%	6%
GTV*	57%	62%	70%	7%	3%
% of GTV					
Revenue*	30.6%	29.2%	27.5%	28.8%	28.7%
Gross profit*	7.5%	8.7%	7.9%	9.4%	10.3%
Marketing and overheads*	(16.5)%	(9.0)%	(9.4)%	(10.0)%	(9.1)%
Adjusted EBITDA*	(9.0)%	(0.3)%	(1.6)%	(0.7)%	1.2%
Selected metrics: consolidated income statement					
Adjusted EBITDA*	(226.9)	(10.8)	(100.0)	(45.0)	85.4
Depreciation and amortisation	(29.3)	(34.4)	(42.0)	(61.4)	(73.9)
Share-based payments charge and accrued national insurance on share options	(31.0)	(73.2)	(109.5)	(68.8)	(64.3)
Loss for the period attributable to owners of the Company*	(317.3)	(226.4)	(330.5)	(294.1)	(31.8)
Selected metrics: consolidated statement of cash flows					
Net cash generated from operating activities*	(198.6)	7.4	(171.5)	(144.2)	23.2
Purchase of property, plant and equipment*	(5.0)	(5.8)	(21.4)	(30.1)	(7.6)
Acquisition of intangible assets*	(21.4)	(20.5)	(34.6)	(50.3)	(36.1)
Net cash*	229.8	379.1	1,290.9	999.6	678.8
Free cash flow*	(238.2)	(29.8)	(238.7)	(243.1)	(38.4)

* Alternative performance measure ('APM'), refer to glossary on page 187 for further details.

Deliveroo ceased operations in Spain in November 2021 and Australia and the Netherlands in November 2022.

In accordance with IFRS 5, Australia and the Netherlands have been classified as discontinued operations in 2023 and 2022. Results for 2021 have been restated (results for 2019 and 2020 have not been restated).

Spain has been classified as a discontinued operation in 2023, 2022 and 2021. Results for 2020 have been restated (results for 2019 have not been restated).

In this summary, all figures are for continuing operations in the period, except for those marked with a triangle (▷), which are for continuing and discontinued operations in the period.

Glossary

£

Pound ('GBP').

€

Euro ('EUR').

Adjusted EBITDA

Gross profit less marketing and overhead expenses for continuing operations only; it excludes inter alia depreciation and amortisation, exceptional costs, exceptional income, and share-based payments charge.

Admission

The date that Deliveroo plc was admitted to the London Stock Exchange (7 April 2021).

Annual General Meeting ('AGM')

Meeting of shareholders of the Company held each year to consider ordinary and special business as provided in the Notice of AGM.

Annual Report or Report

2023 Deliveroo Annual Report. This document.

Articles

The Articles of Association of Deliveroo plc.

Average order frequency ('AOF')

The average number of orders placed by active consumers in a month.

BEIS

The Department for Business, Energy and Industrial Strategy, the UK Government department responsible for business, industrial strategy, and science and innovation with energy and climate change policy.

Board

The Board of Directors of Deliveroo plc.

Business segments

The Company operates in two segments: the UK and Ireland ('UKI') segment and the International segment, comprising the remainder of the Company's markets.

CAGR

Compound annual growth rate.

CEO

Chief Executive Officer and Founder, Will Shu.

CFO

Chief Financial Officer, Scilla Grimble.

CIBSE

Chartered Institution of Building Services Engineers.

Class A Ordinary Shares

The Class A Ordinary Shares are listed on the standard listing segment of the Financial Conduct Authority's Official List and traded on the Main Market for listed securities of the London Stock Exchange. The rights and restrictions are set out in the Company's Articles.

Class B Ordinary Shares

The Class B Ordinary Shares are not admitted to listing and trading and are held by the Company's CEO, Will Shu. The rights and restrictions are set out in the Company's Articles.

CME

Capital Markets Event.

The Company, the Group, Deliveroo, we, our or us

We use these terms to refer to either Deliveroo plc itself or certain of its subsidiaries, depending on context.

Consolidated financial statements

Financial statements that include the results and financial position of the Company and its subsidiaries together as if they were a single entity.

Covid-19 or coronavirus disease

The disease caused by Severe Acute Respiratory Syndrome Coronavirus 2, which was responsible for the global pandemic in 2021/22.

DEFRA

Department for Environment, Food & Rural Affairs.

DE&I

Diversity, equity and inclusion.

Deliveroo Hop or Hop

Deliveroo-operated rapid grocery delivery service offering groceries in as little as 10 minutes.

Directors or Executive Directors or Non-Executive Directors ('NED')

The Directors, Executive Directors and Non-Executive Directors of the Company. Collectively the Board.

DSP awards

Deferred share plan awards granted as part of the annual bonus under the Deliveroo plc Incentive Plan.

Earnings per share ('EPS')

Profit for the year attributable to equity shareholders of the Company allocated to each Ordinary Share.

Editions

Deliveroo's delivery-only kitchens, which offer opportunities for restaurants to expand to new areas and increase choice in local neighbourhoods for consumers.

Employee Benefit Trust ('EBT')

The Trust set up by Deliveroo to hold shares on behalf of its employees in relation to its employee share schemes.

Employee engagement

Deliveroo uses the Peakon employee engagement survey tool, asking for monthly employee feedback on a wide range of topics.

Employee resource groups ('ERG')

Employee resource groups which currently include: Disability, Neurodiversity and Mental Health, Family and Carers, Gender Equity, Women in Tech, Racial Equity, LGBTQ+ (Deloveroo) and Wellbeing.

Employees

Employees of the Group.

ESG

Environmental, Social and Governance.

Executive Management

Deliveroo's Executive Directors and the Executive Team as detailed on the Deliveroo website.

Executive Team

Deliveroo's Executive Directors and the Executive Team (as detailed on the Deliveroo website) is the formal committee reporting to the Chief Executive Officer.

FRC

Financial Reporting Council.

Financial year

The year ended 31 December.

FMCG

Fast-moving consumer goods.

Glossary continued

FPPP

Financial Position and Prospects Procedures.

Gross profit

Gross profit is calculated as revenue less costs of sales, which primarily comprises rider costs and credit card fees.

Gross transaction value ('GTV')

Comprises the total value of food baskets (net of any discounts) and consumer fees, excluding from our Signature offering, and is represented including VAT and other sales-related taxes but excluding any discretionary tips.

Hyperlocal

The localised nature of Deliveroo's business.

IAS

International Accounting Standards as issued by the IASB.

IASB

International Accounting Standards Board.

IFRS

International Financial Reporting Standards as issued by the IASB as adopted by the EU.

IPO

Initial Public Offering. Deliveroo became a public listed company following Admission on 7 April 2021.

KPI

Key performance indicator.

Monthly active consumers

The monthly active consumers ('MACs') is the number of individual consumer accounts that have placed an order on our platform in a given month.

OMDNR

Order Marked Delivered, Not Received.

Orders

The total number of orders delivered from our platform, including from our Marketplace and Signature offering, over the period of measurement.

Plus

Deliveroo's consumer subscription programme that unlocks access to unlimited free delivery for a fixed monthly fee.

PSP awards

Performance Share Plan awards. Long-term Incentive Plan awards with performance conditions, issued under the Deliveroo plc Incentive Plan.

Remuneration Policy

The Directors' Remuneration Policy (approved by Shareholders at the 2022 AGM).

Restricted Stock Units ('RSUs')

Restricted Stock Unit awards issued pre-IPO.

Risk appetite

The nature and extent of the principal risks Deliveroo is willing to take to achieve its long-term strategic objectives.

RSP awards

Restricted Share Plan awards under the Deliveroo plc Incentive Plan.

ROAS

Return on advertising spend.

Scope 1 emissions

Scope 1 emissions are direct greenhouse gas emissions that occur from sources that are owned or controlled by the Company.

Scope 2 emissions

Scope 2 emissions are greenhouse gas emissions from the generation of purchased electricity consumed by the Company.

Scope 3 emissions

Scope 3 emissions are indirect greenhouse gas emissions as a consequence of the operations of the Company, but are not owned or controlled by the Company.

Senior Managers or Senior Management

Individuals in our organisational structure who are 'Level 8' or above, excluding the Executive Directors.

Shares

The shares in the capital of the Company which from Admission shall consist of the Class A Shares and the Class B Shares, each having the rights set out in the Articles.

Shareholders

The holders of shares in the capital of the Company.

SID

Senior Independent Director.

Signature

Deliveroo's white label offering, enabling restaurant partners to create a direct channel to consumers for delivery, while leveraging Deliveroo's technology platform, logistics network and consumer care to facilitate that delivery.

Subsidiary or subsidiaries

A company or other entity(ies) that is/ are controlled by Deliveroo.

TAM

Total Addressable Market.

Task Force on Climate-related Financial Disclosures ('TCFD')

The TCFD is a body established in 2015, whose role is to develop recommendations for more informed investment and enable stakeholders to better understand the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risk.

TCFD recommendations or recommended disclosures

The 11 recommended disclosures set out in the June 2017 TCFD report entitled 'Recommendations of the Task Force on Climate-related Financial Disclosures'.

tCO₂e

Tonnes ('t') of carbon dioxide ('CO₂') equivalent ('e').

The three sides of the marketplace

(1) consumers, (2) riders and (3) merchants.

The UK Corporate Governance Code (the 'Code')

Guidance issued by the Financial Reporting Council in 2018, on how companies should be governed, applicable to UK listed companies in respect of reporting periods starting on or after 1 January 2019.

TSR

Total shareholder return.

VP

Vice President.

Glossary – Alternative Performance Measures

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

Metric	Definition and purpose	Reconciliation to GAAP measure
Financial measures		
Adjusted EBITDA	Adjusted EBITDA represents loss for the year before income tax charge/credit, finance costs, finance income, depreciation and amortisation, exceptional costs, exceptional income and provisions, and share-based payments charge and accrued national insurance on share options. Adjusted EBITDA is considered to be a measure of the underlying trading performance of the Group and is used, among other measures, to evaluate operations from a profitability perspective, to develop budgets and to measure performance against those budgets. EBITDA less capital expenditure and capitalised development costs is used as a further measure of underlying operating profitability of the business. Australia and the Netherlands discontinued operations are excluded from adjusted EBITDA in 2021–23 but included for 2018–20. Spain discontinued operations are excluded from adjusted EBITDA in 2020–23 but included for 2018–19.	See below for reconciliation
Adjusted EBITDA margin (as % of GTV)	Adjusted EBITDA margin is defined as adjusted EBITDA divided by GTV. It is used, among other metrics, as a measure of operating profitability. Australia and the Netherlands discontinued operations are excluded from adjusted EBITDA (as % of GTV) in 2021–23 but included for 2018–20. Spain discontinued operations are excluded from adjusted EBITDA (as % of GTV) in 2020–23 but included for 2018–19.	See definition for calculation method
Constant currency	Constant currency adjusts for period-to-period local currency fluctuations. The Group uses constant currency information because the Directors believe it allows the Group to assess consumer behaviour on a like-for-like basis to better understand the underlying trends in the business.	See definition for calculation method
Exceptional items (income/costs)	Exceptional income and exceptional costs are items where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business and are deemed material to the understanding of the Group's accounts.	See note 12 for further information
Free cash flow	Free cash flow is defined as net cash used in operating activities less: purchase of property, plant and equipment; acquisition of intangible assets; payment of lease liabilities; and interest on lease liabilities. It is used, among other metrics, as a measure of cash inflow or outflow from the Group's operating and investing activities.	See below for reconciliation
Gross profit margin (as % of GTV)	Gross profit margin (as % of GTV) is defined as gross profit divided by GTV. It is considered a good measure of profitability at a transactional level. Australia and the Netherlands discontinued operations are excluded from gross profit margin (as % of GTV) in 2021–23 but included for 2018–20. Spain discontinued operations are excluded from gross profit margin (as % of GTV) in 2020–23 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 2021–23 but included for 2018–20. Spain discontinued operations are excluded from GTV in 2020–23 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 2021–23 but included for 2018–20. Spain discontinued operations are excluded from GTV per order in 2020–23 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 2021–23 but included for 2018–20. Spain discontinued operations are excluded from marketing and overheads in 2020–23 but included for 2018–19.	See below for reconciliation

Glossary – Alternative Performance Measures continued

Metric	Definition and purpose	Reconciliation to GAAP measure
Financial measures continued		
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 2021–23 but included for 2018–20. Spain discontinued operations are excluded from marketing and overheads as % of GTV in 2020–23 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 other treasury deposits less debt (excluding leases). Treasury deposits are not available within three 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 2021–23 but included for 2018–20. Spain discontinued operations are excluded from revenue take rate in 2020–23 but included for 2018–19.	See definition for calculation method
Segment adjusted EBITDA	Information reported to the Chief Operating Decision Maker ('CODM') for the purposes of resource allocation and assessment of segment performance focuses on a geographical split of the Group between 'UK and Ireland' and 'International' (being overseas jurisdictions other than UK and Ireland). The CODM primarily uses segment adjusted EBITDA to assess the performance of the operating segments.	See note 5 for further information

	2023 £m	2022 £m
Reconciliation to Financial Statements		
Operating loss	(43.7)	(245.6)
Depreciation and amortisation	73.9	61.4
Impairments	5.0	—
EBITDA	35.2	(184.2)
Share-based payments charge and accrued national insurance on share options	64.3	68.8
Exceptional items	(14.1)	70.4
Adjusted EBITDA	85.4	(45.0)
Marketing and overheads	641.0	688.2
Gross profit	726.4	643.2
Free cash flow		
	2023 £m	2022 £m
Net cash generated/(used) in operating activities	23.2	(144.2)
Purchase of property, plant and equipment	(7.6)	(30.1)
Acquisition of intangible assets	(36.1)	(50.3)
Payments of lease liabilities	(15.4)	(15.7)
Interest on lease liabilities	(2.5)	(2.8)
Free cash flow	(38.4)	(243.1)
Net cash/net debt		
	2023 £m	2022 £m
Cash and cash equivalents	603.1	949.1
Other treasury deposits	75.7	50.5
Less: debt	—	—
Net cash/net debt	678.8	999.6

Company and shareholder information

Registered office

The River Building, Level 1 Cannon
Bridge House, 1 Cousin Lane,
London, EC4R 3TE

Managing your shares and shareholder communications

The Company's share register is maintained by our registrar, Equiniti. Shareholders with queries relating to their shareholding should contact Equiniti directly using one of the methods listed below:

Equiniti Limited

Aspect House, Spencer Road, Lancing,
West Sussex, BN99 6DA

Online: shareview.co.uk

Website: www.equiniti.com

Use the QR code to register for FREE at
www.shareview.co.uk



Shareholders can manage their holdings online or elect to receive shareholder documentation/communication in electronic form by registering at www.shareview.co.uk. Shareholders who have elected to receive electronic communication but require a paper copy of any of the Company's shareholder documentation, or wish to change their instructions, should contact Equiniti directly using one of the methods listed above.

Annual General Meeting ('AGM')

The Board currently intends to hold the AGM in May 2024. The arrangements for the Company's 2024 AGM and details of the resolutions to be proposed, together with explanatory notes, will be set out in the Notice of AGM to be published on the Company's website.

Independent auditor

Deloitte LLP

1 New Street Square, London, EC4A 3HQ

Corporate website

You can access the corporate website at <https://corporate.deliveroo.co.uk>. The corporate website provides useful information including Annual Reports, results announcements and share price data, as well as background information about the Company and current issues. Shareholders are encouraged to sign up to receive email notification of results and press announcements as they are released by registering at <https://corporate.deliveroo.co.uk>.

Share price information

The latest Deliveroo plc share price can be found on our website at <https://corporate.deliveroo.co.uk>.

ShareGift

Shareholders who only have a small number of shares whose valuation makes it uneconomic to sell them may wish to consider donating them to charity through ShareGift, the independent charity share donation scheme (registered charity no. 1052686). Further information may be obtained from ShareGift on 020 7930 3737 or at sharegift.org.

Shareholder fraud

Fraud is on the increase and many shareholders are targeted every year. If you have any reason to believe that you may have been the target of a fraud, or attempted fraud, in relation to your shareholding, please contact Equiniti immediately.



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Deliveroo plc's commitment to environmental issues is reflected in this Annual Report, which has been printed on Symbol Freelifa Satin, an FSC® certified material.

This document was printed by L&S using its environmental print technology, which minimises the impact of printing on the environment, with 99% of dry waste diverted from landfill. The printer is a CarbonNeutral® company.

Both the printer and the paper mill are registered to ISO 14001.

Produced by

designportfolio

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deliveroo