Solid performance in a challenging consumer environment

Operational Overview

- **Continued growth in challenging market conditions** with H1 2022 revenue up 12%, orders up 10% and gross transaction value (GTV*) up 7% year-on-year (7% in constant currency*)
- **Growth slowed sequentially in Q2 compared to Q1;** GTV* growth in constant currency* was 12% in Q1 and 2% in Q2, reflecting the impact of increased consumer headwinds
- **Market share gains continued** in UKI and key markets in International such as Italy (based on third-party data)
- **Good progress on key levers of path to profitability and cash generation,** driving reduction in adjusted EBITDA* loss to £(68) million in H1 2022 from £(106) million in H2 2021:
  - Gross profit margin (as % of GTV)* up 130 bps vs H2 2021 and up 70 bps vs H1 2021, with improvements driven by growth in consumer fees and increased contribution from advertising revenue; and
  - Marketing as % of GTV* reduced through careful targeting of spend given the more challenging environment for consumers
- **Ongoing enhancements to the consumer value proposition** alongside the improvement in profitability:
  - Grocery offering strengthened with expanded/new partnerships in UKI with Waitrose, Sainsbury's, Co-op, ASDA and Spar, and in International with Auchan (France), Esselunga (Italy) and ParknShop (Hong Kong);
  - McDonald's added to platform in UK as part of new, long-term global strategic partnership; non-food partnerships added or expanded, including WHSmith and LloydsPharmacy; and
  - Collaboration of Plus subscription programme with Amazon Prime extended to include Italy, France and UAE
- **Voluntary partnership agreement with GMB Union** in the UK, recognising Deliveroo riders as self-employed
- **Commencing consultation on proposal to end operations in the Netherlands**, reflecting the Company's disciplined approach to capital allocation (Netherlands accounted for 1% of Group GTV in H1 2022)
- **Share purchase programme of up to £75 million** to mitigate dilution from share-based compensation plans

Financial Overview[1]

- **Revenue** up 12% to £1,013 million, exceeding increase in GTV* of 7%, due to growth in commission revenue and consumer fees, and an increased contribution from advertising as this revenue stream begins to scale
- **Loss before tax** of £(147) million in H1 2022 compared to £(95) million in H1 2021 (£(203) million in H2 2021)
- **Cash and cash equivalents** of £1,130 million at 30 June 2022 compared to £1,291 million at 31 December 2021
- **Gross transaction value (GTV*)** up 7% to £3,558 million, with UK and Ireland up 8% and International up 6%
- **Gross profit** up 16% to £301 million; 8.5% gross profit margin (as % of GTV)*, up from 7.8% in H1 2021 (and from 7.2% in H2 2021), helped by growth in consumer fees and increased contribution from advertising revenue
- **Adjusted EBITDA*** loss of £(68) million, an increase compared to £(26) million in H1 2021, but lower than the loss of £(106) million in H2 2021 due to gross profit improvement and efficiency of marketing investments; adjusted EBITDA margin (as % of GTV)* of (1.9)% in H1 2022 vs (0.8)% in H1 2021 and (3.2)% in H2 2021

Financial Guidance

- **Deliveroo reiterates revised FY 2022 guidance** provided on 18 July 2022:
  - GTV* growth expected to be in the range of 4-12% (in constant currency*)
  - Adjusted EBITDA margin (as a % of GTV)* expected to be in the range of (1.5)-(1.8)%
- **No change to medium-term and long-term guidance** issued in March 2022

[1] In this section, GTV* growth is year-on-year and in constant currency*; all other growth rates are year-on-year and in reported currency

* To supplement performance assessment, Deliveroo uses alternative performance measures ('APMs'), which are not defined under IFRS. APMs are indicated in this document with an asterisk (*); definitions and further details are provided on page 39 to 41.

Will Shu, Founder and CEO of Deliveroo, said:

"Deliveroo is committed to delivering profitable growth. We are focused on driving the business to the milestone of adjusted EBITDA profitability and then on to positive free cash flow generation. In March we set out our path to profitability and the levers to deliver this. So far in 2022, we have made good progress delivering on our profitability plan, despite increased consumer headwinds and slowing growth during the period. We are confident that in H2 2022 and beyond we will see further gains from actions already taken, as well as benefits from new initiatives.*

Underpinning our progress is a rigorous approach to capital allocation, ensuring that we invest behind the opportunities with the highest returns. Important as this financial lens is, we cannot lose our obsession with the three sides of our marketplace. So I'm especially pleased that we achieved our financial progress while also continuing to improve our consumer value proposition, adding selection across our restaurant, grocery and non-food categories, with brands like McDonald's, WHSmith, ASDA, Auchan, Esselunga and ParknShop.

We remain confident in our ability to adapt financially to any further changes in the macroeconomic environment. We continue to be excited about the opportunity ahead and our ability to capitalise on it."

Summary Financial Information

£ million unless stated	**H1 2022**	**H1 2021**	**Change** reported
Orders (m)	160.9	146.2	*10%*
GTV per order* (£)	22.1	22.7	*(3)%*
UK & Ireland GTV*	1,914.3	1,773.3	*8%*
International GTV*	1,643.8	1,552.1	*6%*
Gross transaction value*	**3,558.1**	**3,325.4**	***7%***
Revenue	**1,013.1**	**907.0**	***12%***
Revenue take rate (as % of GTV)*	28.5%	27.3%	*120 bps*
Gross profit	**300.9**	**260.4**	***16%***
Gross profit margin (as % of GTV)*	8.5%	7.8%	*70 bps*
Marketing and overheads*	(368.8)	(286.2)	*29%*
Marketing and overheads as % of GTV*	(10.4)%	(8.6)%	*(180) bps*
Adjusted EBITDA*	**(67.9)**	**(25.8)**	***163%***
Adjusted EBITDA margin (as % of GTV)*	(1.9)%	(0.8)%	*(110) bps*
Loss before income tax	(147.3)	(95.4)	*54%*

	30-Jun-22	**31-Dec-21**	**30-Jun-21**
Cash and cash equivalents	**1,130.1**	**1,290.9**	**1,626.7**

GTV* change in constant currency* was 7% for Group, 8% for UK & Ireland, and 6% for International

Note

This announcement includes inside information as defined in Article 7 of the Market Abuse Regulation No. 596/2014 and is being released on behalf of Deliveroo PLC by Catherine Sukmonowski, Company Secretary.

Analyst and investor call

A conference call and webcast with Q&A for analysts and investors will be held at 09:00 BST / 10:00 CEST. Participants can register for the conference call at https://secure.emincote.com/client/deliveroo/roo006/vip_connect and the webcast link is https://secure.emincote.com/client/deliveroo/roo006. The webcast will also be available to view at https://corporate.deliveroo.co.uk/. A replay will be made available later.

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

Deliveroo is an award-winning delivery service founded in 2013 by William Shu and Greg Orlowski. Deliveroo works with approximately 180,000 best-loved restaurants and grocery partners, as well as around 180,000 riders to provide the best food delivery experience in the world. Deliveroo is headquartered in London, with offices around the globe. Deliveroo operates across 11 markets, including Australia, Belgium, France, Hong Kong, Italy, Ireland, Netherlands, Singapore, United Arab Emirates, Kuwait and the United Kingdom. Further information regarding Deliveroo is available on the Company's website at https://corporate.deliveroo.co.uk/.

Additional notes

1. All figures in this trading update are unaudited.

2. All growth rates reflect a comparison to the six-month period ended 30 June 2021 unless otherwise stated.

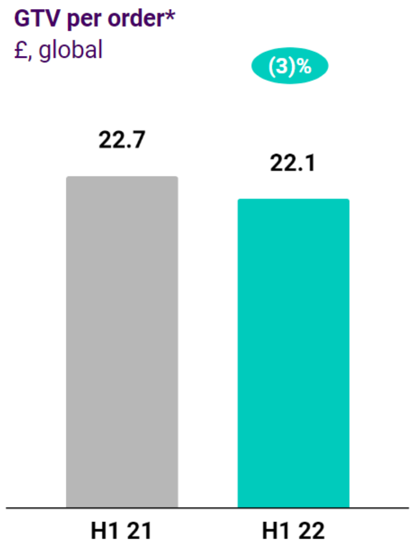
3. References to "Q1" are to the three-month period ended 31 March 2022, unless otherwise stated. References to "Q2" are to the three-month period ended 30 June 2022, unless otherwise stated. References to the "year", "financial year" or "2022 financial year" are to the financial year ending 31 December 2022 and references to the "last year", "last financial year" or "2021 financial year" are to the financial year ended 31 December 2021 unless otherwise stated.

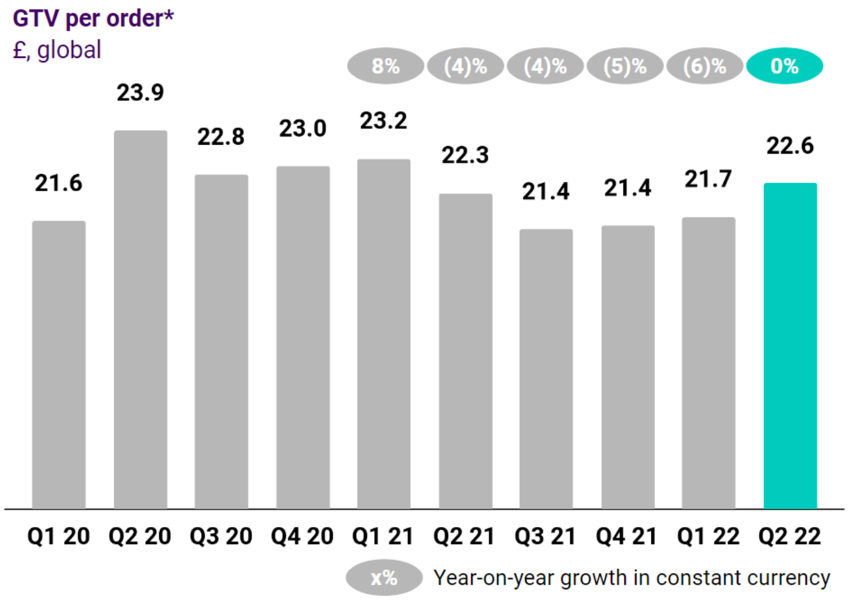
This announcement may include forward-looking statements, which are based on current expectations and projections about future events. These statements may include, without limitation, any statements preceded by, followed by or including words such as "target", "believe", "expect", "aim", "intend", "may",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

Operating and Strategic Review[2]

1. Group performance highlights

The Company delivered a good operating performance in H1 2022, despite a challenging consumer environment. Orders grew by 10% year-on-year and gross transaction value (GTV*) increased by 7% to £3,558.1 million. GTV per order* was £22.1 in H1 2022, down 3% year-on-year in constant currency* compared to H1 2021, due to the prior year benefiting from higher basket sizes during lockdowns. Sequentially, however, GTV per order* has increased quarter-by-quarter since Q3 2021 to reach £22.6 in Q2 2022, driven by factors including item price inflation.



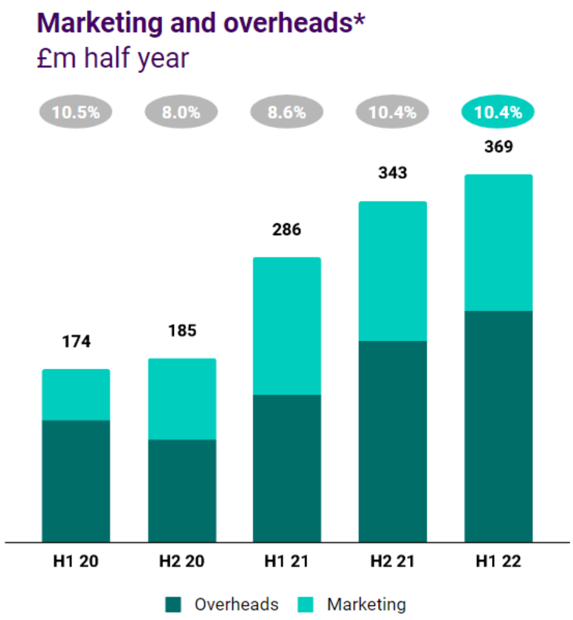


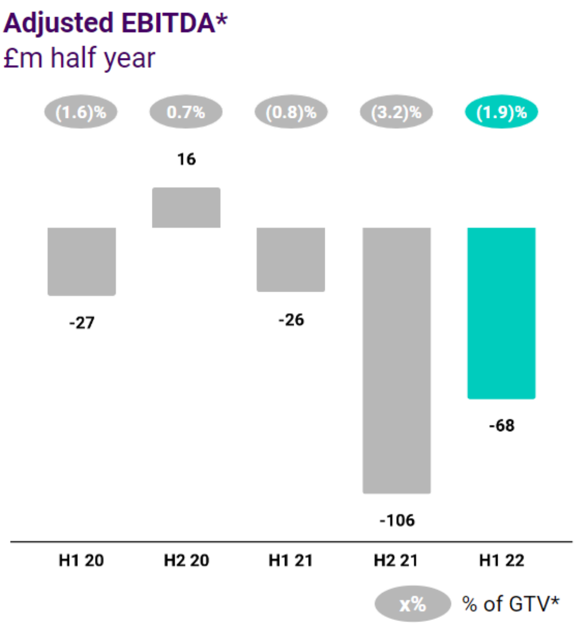
Market conditions softened in Q2 compared to Q1, which management believes reflects the impact of increased consumer headwinds. GTV* growth year-on-year in constant currency* was 12% in Q1 and 2% in Q2; sequentially (i.e. Q2 vs Q1), GTV* declined by 2% in constant currency*. Despite the slowdown in Deliveroo's year-on-year growth, third-party data points to continued market share gains in markets such as UKI, France and Italy.

In H1 2022, revenue increased by 12% to £1,013.1 million, exceeding the increase in GTV* of 7%, mainly due to growth in commission revenue and consumer fees, as well as an increased contribution from advertising as this revenue stream begins to scale. During H1 2022, Deliveroo launched a new FMCG advertising platform, which will drive additional advertising revenue alongside the existing restaurant sponsored-positioning product. Gross profit grew by 16% to £300.9 million. The gross profit margin (as % of GTV)* was 8.5% in H1 2022 compared to 7.8% in H1 2021 and 7.2% in H2 2021. The increase in gross profit margin (as % of GTV)* was primarily attributable to growth in consumer fees and an increased contribution from the advertising revenue stream.

Adjusted EBITDA* was £(67.9) million, an increased loss compared to £(25.8) million in H1 2021. Higher gross profit year-on-year was more than offset by an increase in overheads (partly reflecting growth in technology headcount), while consumer marketing was approximately flat year-on-year. Adjusted EBITDA* of £(67.9) million represented a reduced loss compared to £(105.7) million in H2 2021, driven by gross profit improvement and lower marketing investments in light of the weaker consumer environment. Adjusted EBITDA margin (as % of GTV)* was (1.9)% in H1 2022, compared to (0.8)% in H1 2021 and (3.2)% in H2 2021.

[2] In this section, all growth rates are year-on-year and in reported currency unless otherwise stated





Operating loss in H1 2022 was £(157.8) million, compared to £(97.6) million in H1 2021. Included in operating loss in H1 2022 were: depreciation and amortisation of £26.6 million (£19.0 million in H1 2021); share-based payment charge and accrued national insurance on share options of £25.2 million (£26.9 million in H1 2021); legal and regulatory settlements and provisions of £29.1 million (£1.3 million in H1 2021); and exceptional costs of £9.0 million (£24.6 million in H1 2021 (net of £0.6 million exceptional income), mainly related to the IPO).

The following commentary primarily focuses on alternative performance measures such as gross transaction value (GTV*), gross profit margin (as % of GTV)* and adjusted EBITDA* as these are the principal metrics the business uses to monitor and assess performance.

£ million unless stated	**H1 2022**	**H1 2021**	**Change** reported
Orders (m)	160.9	146.2	*10%*
GTV per order* (£)	22.1	22.7	*(3)%*
Gross transaction value*	**3,558.1**	**3,325.4**	***7%***
Revenue	**1,013.1**	**907.0**	***12%***
Revenue take rate (as % of GTV)*	28.5%	27.3%	*120 bps*
Gross profit	**300.9**	**260.4**	***16%***
Gross profit margin (as % of GTV)*	8.5%	7.8%	*70 bps*
Marketing and overheads*	(368.8)	(286.2)	*29%*
Marketing and overheads as % of GTV*	(10.4)%	(8.6)%	*(180) bps*
Adjusted EBITDA*	**(67.9)**	**(25.8)**	***163%***
Adjusted EBITDA margin (as % of GTV)*	(1.9)%	(0.8)%	*(110) bps*
Operating loss	(157.8)	(97.6)	*62%*

Group GTV* change in constant currency* was 7% in H1 2022

2. Segment performance

Deliveroo manages its business on a geographic basis, rather than on a product or market segmentation basis. The Company operates in two segments: the UK and Ireland (UKI) segment and the International segment, comprising the remainder of the Company's markets.

UK and Ireland

In H1 2022, the UKI segment represented 54% of total GTV*. Deliveroo operates in close to 250 towns and cities across the UK & Ireland.

£ million unless stated	**H1 2022**	**H1 2021**	**Change %** reported
Orders (m)	80.1	71.4	*12%*
GTV per order* (£)	23.9	24.8	*(4)%*
Gross transaction value*	**1,914.3**	**1,773.3**	***8%***
Revenue	544.4	480.7	*13%*
Revenue take rate (as % of GTV)*	28.4%	27.1%	*130 bps*
Gross profit	**188.2**	**166.2**	***13%***
Gross profit margin (as % of GTV*)	9.8%	9.4%	*40 bps*
Marketing and overheads*	(128.3)	(110.9)	*16%*
Marketing and overheads as % of GTV*	(6.7)%	(6.3)%	*(40) bps*
Segment adjusted EBITDA*	**59.9**	**55.3**	***8%***
Segment adjusted EBITDA margin (as % of GTV)*	3.1%	3.1%	-

UK & Ireland GTV* change in constant currency* was 8% in H1 2022

In UKI, GTV* grew to £1,914.3 million in H1 2022, an increase of 8%. GTV* growth in constant currency* slowed from 12% in Q1 2022 to 4% in Q2 2022. Third-party data shows that the business continues to gain share in UKI even as the overall market has been impacted by increased consumer headwinds during the period. In H1 2022, orders grew by 12% year-on-year to 80.1 million. GTV per order* was down 4% year-on-year in constant currency* to £23.9 due to the prior year benefiting from higher basket sizes during lockdowns; sequentially, GTV per order* has increased for four consecutive quarters.

During the period, Deliveroo continued to add differentiated content for consumers. UKI restaurant selection was further expanded by c.5,000 sites in H1 2022, increasing the base of restaurants by 9%. In May, Deliveroo announced that McDonald's would become available on the Deliveroo platform in the UK, further enhancing the selection available to consumers; the roll-out began in June and has since scaled rapidly. The Company also continued to roll out its grocery offering: at the end of the period, Deliveroo had close to 7,000 grocery sites live in the UKI across major partners and smaller independent partners, an increase of 17% compared to the end of 2021.

UKI revenue grew 13% to £544.4 million in H1 2022, outpacing the 8% growth in GTV*. Gross profit was £188.2 million in H1 2022 compared to £166.2 million in H1 2021, an increase of 13%. Gross profit margin (as % of GTV)* was 9.8% compared to 9.4% in H1 2021. This increase was primarily driven by growth in consumer fees. Adjusted EBITDA* was £59.9 million in H1 2022, compared to £55.3 million in H1 2021, as increased gross profit was partially offset by an increase in overheads during 2021, primarily resulting from headcount additions.

International

In H1 2022, the International segment represented 46% of total GTV*. Deliveroo's International segment comprises 9 markets across Europe, the Middle East and Asia Pacific.

£ million unless stated	**H1 2022**	**H1 2021**	**Change %** reported
Orders (m)	80.8	74.7	*8%*
GTV per order* (£)	20.3	20.8	*(2)%*
Gross transaction value*	**1,643.8**	**1,552.1**	***6%***
Revenue	468.7	426.3	*10%*
Revenue take rate (as % of GTV)*	28.5%	27.5%	*100 bps*
Gross profit	**112.7**	**94.2**	***20%***
Gross profit margin (as % of GTV)*	6.9%	6.1%	*80 bps*
Marketing and overheads*	(119.7)	(104.5)	*15%*
Marketing and overheads as % of GTV*	(7.3)%	(6.7)%	*(60) bps*
Segment adjusted EBITDA*	**(7.0)**	**(10.3)**	***(32)%***
Segment adjusted EBITDA margin (as % of GTV)*	(0.4)%	(0.7)%	*30 bps*

International GTV* change in constant currency* was 6% in H1 2022

In International, GTV* grew to £1,643.8 million in H1 2022, an increase of 6% in constant currency*. GTV* growth was 11% in Q1 2022 and 1% in Q2 2022, both in constant currency*. This lower growth rate in Q2 2022 partly reflects a continued tough comparison base in the second quarter, as well as the impact of increased consumer headwinds during Q2. In H1 2022, orders grew by 8% to 80.8 million. GTV per order* was down 2% in constant currency* to £20.3 due to the prior year benefiting from higher basket sizes during lockdowns.

Across the International segment, growth in H1 2022 was supported by strengthened relationships with restaurant partners, especially in France, Hong Kong and UAE. During the period, the Company also continued to roll out its grocery offering: at the end of the period, Deliveroo had close to 9,000 grocery sites live with major partners and smaller independent grocery partners across International markets, an increase of 50% compared to the end of 2021.

Revenue for International grew 10% to £468.7 million in H1 2022, exceeding the 6% growth in GTV*. Gross profit was £112.7 million in H1 2022 compared to £94.2 million in H1 2021, an increase of 20%. Gross profit margin (as % of GTV)* was 6.9% compared to 6.1% in H1 2021. This increase was primarily driven by growth in consumer fees. Adjusted EBITDA* was £(7.0) million in H1 2022, compared to £(10.3) million in H1 2021, as increased gross profit was partially offset by an increase in overheads during 2021, primarily resulting from headcount additions.

3. The three sides of the marketplace

Since 2013, Deliveroo has pioneered on-demand food delivery via a hyperlocal three-sided online marketplace, connecting local consumers, restaurants and grocers, and riders. For consumers, Deliveroo has unlocked broad choice and fast delivery times, working with restaurants and grocers who overwhelmingly have never offered an online presence and on-demand deliveries before. For restaurants and grocers, Deliveroo not only provides logistics but, more importantly, an incremental demand generation channel, including access to millions of new consumers alongside online tools to grow their business effectively. For riders, Deliveroo offers highly flexible work which they can rely on for attractive earnings and security. In H1 2022, Deliveroo made further progress in developing all three sides of the marketplace.

Consumers

Deliveroo's consumer base has continued to grow year-on-year, reaching an average of 7.8 million monthly active consumers (MACs) in Q2 2022, up 4% compared to Q2 2021. Sequentially, total MACs in Q2 2022 declined slightly compared to Q1 2022. This was driven by weaker acquisition of new consumers and retention of existing consumers, consistent with a more challenging macroeconomic environment and the reduction in consumer marketing spend against this backdrop.

Average monthly order frequency was 3.3x in Q2 2022 compared to 3.4x in Q1 2022. Deliveroo tracks consumers on the basis of historical cohorts, with each cohort representing consumers who placed their first order on the platform in a given period. Historically, consumer cohorts have consistently increased their average order frequency over time. In 2020 and 2021, the rate of increase accelerated as a result of lockdowns in many countries; during H1 2022, this above-trend frequency boost has reversed. However, monthly average order frequency for all consumer cohorts remains well above pre-COVID levels.

Group	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
UK & Ireland (m)	3.6	3.9	3.8	4.1	4.1	4.0
International (m)	3.5	3.7	3.6	3.9	4.0	3.8
Average MACs (m)	7.1	7.6	7.3	8.0	8.1	7.8
Year-on-year growth in MACs	*95%*	*82%*	*59%*	*37%*	*16%*	*4%*
Monthly frequency	3.3	3.4	3.3	3.4	3.4	3.3

An important part of Deliveroo's consumer value proposition is Deliveroo Plus, the subscription programme that unlocks unlimited free delivery to consumers for a fixed monthly fee. Plus removes delivery fees as a barrier to ordering, increasing order frequency and improving retention. In September 2021, Deliveroo launched a new offering with Amazon Prime, allowing all UK and Ireland Amazon Prime members to sign up for free Deliveroo Plus membership for a year, with unlimited free delivery on orders over £25/€25. Following good traction in this initial programme, the collaboration was launched in France, Italy and UAE during H1 2022.

Restaurants and on-demand grocery

Deliveroo works with over 160,000 restaurant partner sites as of the end of H1 2022, compared to 148,000 at the end of 2021. Growth in restaurant selection increases availability and choice to consumers on a neighbourhood-by-neighbourhood basis and is an important part of Deliveroo's consumer value proposition. As well as bringing partners' existing restaurant sites onto the platform, Deliveroo has continued to develop Editions: delivery-only kitchens that offer restaurant partners an opportunity to bring their brands to new locations. During H1 2022, Deliveroo has further developed the Editions concept, adding c.50 new kitchens to bring the total to over 350.

Deliveroo also continues to rapidly develop its on-demand grocery offering. In H1 2022, on-demand grocery represented 10% of total GTV* (H2 2021: 8%), with growth driven by the expansion of key partnerships. In UKI, Deliveroo now has close to 7,000 grocery sites live with major partners and smaller independent partners. Growth has been driven by expanded partnerships with Waitrose, Sainsbury's and Co-op. In International, Deliveroo now has close to 9,000 partner sites live. Growth has been driven by continued rollout with key grocery partners, such as Carrefour in France, Italy and Belgium, Casino in France, and ParknShop in Hong Kong.

To complement its leading network of partner store-picked grocery sites, Deliveroo is developing 'Deliveroo Hop', which operates from delivery-only grocery stores run by Deliveroo, working in partnership with established grocers. In H1 2022, Deliveroo also launched a 'Hop as a Service' model allowing partners to use the Hop technology in their own locations with their own staff to pick and pack orders that are fulfilled by the Deliveroo rider network. The model allows partners of all sizes to offer ultra-fast delivery, with rapid pick times and near 100% inventory accuracy, as well as in-store ordering via a kiosk or 'click and collect'. Deliveroo-operated Hop stores and Hop as a Service sites are now live in the UKI and International segments, with partners including Morrisons, Waitrose, Co-op, Carrefour, Auchan, Esselunga and ParknShop.

Riders

Riders are a vital part of Deliveroo's three-sided marketplace and Deliveroo works with around 180,000 riders globally. Riders value the flexible work Deliveroo offers, enabling them to set their own work patterns without having to plan ahead, to select which orders to accept or reject, and to work with multiple companies simultaneously. This is reflected in consistently high satisfaction ratings, with 80% of riders globally saying they are satisfied or very satisfied working with Deliveroo at the end of Q2 2022.

Deliveroo continues to see strong rider application pipelines and rider retention rates. In the first half of 2022, rider applications and retention remained robust, despite unfilled employment vacancies continuing to increase, underlining the popularity of the work Deliveroo offers.

Since 2018, Deliveroo has provided riders with free and automatic accident and injury cover, and third-party liability insurance. During Q3 of 2021, Deliveroo extended this to provide riders with enhanced protection in several markets. The new insurance coverage Deliveroo offers includes earnings support for riders working regularly with the company who are unwell and unable to work, and a one-off lump sum payment for qualifying riders following the birth or adoption of a child. Deliveroo continues to explore extending these enhanced entitlements to additional markets.

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

The independent contractor status of riders continues to be the subject of scrutiny in certain markets. During H1 2022, the 31st Chamber Criminal Court of Paris issued a first instance decision finding against Deliveroo France regarding the independent contractor status of riders for the period March 2015 to December 2017. This decision has created a more challenging environment in France during H1 2022. Deliveroo does not agree with the decision and is appealing.

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

4. Proposal to end operations in the Netherlands

Deliveroo is today announcing that it proposes to consult on ending its operations in the Netherlands. This proposal is consistent with the Company's disciplined approach to capital allocation. Management is committed to driving profitable growth and delivering on the path to profitability and sustainable cash flow generation. To generate attractive financial returns in the food delivery business, hyperlocal network effects are more powerful than overall scale. Improving and winning local market share positions yields outsized unit economics, and unit economics are the key to overall profitability.

In the Netherlands, Deliveroo does not hold a strong local position and the Netherlands represented 1% of Deliveroo's Group GTV in H1 2022. The Company has determined that it would require a disproportionate level of investment, with uncertain returns, to reach and sustain a top tier market position, and therefore has decided to consult on ending its operations in the Netherlands. Deliveroo anticipates that the consultation process with relevant stakeholders will commence in August and is working towards a potential date for the final day of operations in the Netherlands towards the end of November.

5. Share purchase programme

Deliveroo is today announcing a share purchase programme of up to £75 million to acquire Class A Ordinary Shares for the purpose of mitigating dilution from share-based compensation plans. The programme is expected to commence shortly and to be completed no later than the announcement of the Group's 2022 preliminary results in March 2023. Shares will be purchased by Deliveroo's Employee Benefit Trust (EBT). Repurchased shares will be held by the EBT and used to satisfy employee share-based compensation awards.

6. Outlook and guidance

Deliveroo is committed to continuing to drive sustainable growth and strengthen the levers of profitability in 2022 and beyond. Management expectations for 2022 reflect current uncertainties, particularly across European markets, due to inflationary pressures, post-COVID consumer behaviour, and the broader geopolitical and economic impacts of the conflict in Ukraine. As a result of increased consumer headwinds and a more cautious economic outlook, Deliveroo updated 2022 GTV* guidance in a Q2 2022 trading update on 18 July 2022. Full year GTV growth is now expected to be in the range of 4–12% (in constant currency). GTV growth (year-on-year and in constant currency) was 12% in Q1 and 2% in Q2; the 'exit rate' of growth in June and July was stronger than in Q2, against an easing comparison base. Deliveroo's balance sheet remains strong and management is confident in the Company's ability to continue to adapt financially to a rapidly changing macroeconomic environment through gross margin improvements, more efficient marketing expenditure and tight cost control.

Guidance

- **2022 GTV* growth:** expected to be in the range of 4–12% (in constant currency*);
- **2022 adjusted EBITDA*:** expected to be in the range of (1.5)–(1.8)% as a % of GTV*, an improvement against (2.0)% in FY 2021 and (3.2)% in H2 2021;
- **Medium-term guidance:** GTV* growth expected to be in the range of 20–25% p.a. (in constant currency*); Deliveroo aims to reach adjusted EBITDA* breakeven at some point during H2 2023–H1 2024, the next key milestone on the path to achieving its longer-term profit ambitions; and
- **Longer-term guidance:** Deliveroo aims to reach an adjusted EBITDA margin (as % of GTV)* of 4%+ by 2026, with further upside potential beyond 2026, driven by an expansion of gross profit margin (as % of GTV)* and reduction of marketing and overheads (as % of GTV)*.

Financial Review[3]

Profit and loss

Revenue

Revenue was £1,013.1 million in H1 2022 compared to £907.0 million in H1 2021, an increase of 12% or £106.1 million. This increase was primarily driven by growth in commission revenues and consumer fees, and a nascent contribution from advertising revenue.

Cost of sales

Cost of sales increased to £712.2 million in H1 2022 from £646.6 million in H1 2021, an increase of 10% or £65.6 million. This increase was driven by higher aggregate rider costs as a result of increased orders.

Administrative expenses

Administrative expenses were £452.5 million in H1 2022 compared to £351.2 million in H1 2021, an increase of 29% or £101.3 million. This increase was principally driven by an increase in staff costs, with a particular focus on technology roles.

Other operating income

Other operating income was £1.8 million in H1 2022 compared to £1.2 million in H1 2021, an increase of £0.6 million.

Other operating expenses

Other operating expenses were £8.0 million in H1 2022, the same as in H1 2021.

Finance income

Finance income was £11.4 million in H1 2022 compared to £2.8 million in H1 2021, an increase of £8.6 million. This movement was primarily due to an increase in unrealised foreign exchange gains, alongside an increase in interest received from bank deposits.

Finance costs

Finance costs were £0.9 million in H1 2022 compared to £0.6 million in H1 2021, an increase of £0.3 million.

Income tax

Income tax charge was £5.9 million in H1 2022 compared to a tax charge of £3.6 million in H1 2021. This movement was primarily due to an increase in overseas taxable profits.

Loss for the period from continuing and discontinued operations

Loss for the period was £153.8 million in H1 2022 compared to £108.7 million in H1 2021, as a result of the movements described above.

[3] In this section, all growth rates are year-on-year and in reported currency unless otherwise stated

Alternative performance measures*

Gross transaction value*

Gross transaction value (GTV*) is a widely used measure for understanding the total value spent by consumers on the marketplace. GTV* was £3,558.1 million in H1 2022 compared to £3,325.4 million in H1 2021, an increase of 7% (7% in constant currency*). This increase was primarily the result of increased orders, driven by growth in monthly active consumers.

Gross profit margin (as % of GTV)*

Gross profit margin (as % of GTV)* is considered a measure of profitability at a transactional level. The gross profit margin (as % of GTV)* was 8.5% in H1 2022 compared to 7.8% in H1 2021 and 7.2% in H2 2021.

Marketing and overheads*

Management believes that Deliveroo's business model has a high degree of operating leverage on its fixed cost base over time. For the purposes of assessing and managing performance, the fixed cost base has been split into two major categories: marketing and overheads. Marketing and overheads* were £368.8 million in H1 2022, compared to £286.2 million in H1 2021, an increase of £82.6 million or 29%.

Adjusted EBITDA*

Adjusted EBITDA* is considered to reflect the underlying trading performance of the business and is used, amongst other measures, to evaluate operations from a profitability perspective, as well as developing and measuring budgets. Adjusted EBITDA* was £(67.9) million in H1 2022 compared to £(25.8) million in H1 2021. The movement of £42.1 million was the result of increased gross profit being more than offset by investments in overheads since H1 2021. Adjusted EBITDA margin (as % of GTV)* was (1.9)% in H1 2022 and (0.8)% in H1 2021.

	Reconciliation to financial statements	
	H1 2022 £m	H1 2021 £m
Operating loss	(157.8)	(97.6)
Depreciation and amortisation	26.6	19.0
EBITDA	**(131.2)**	**(78.6)**
Share based payments charge and accrued national insurance on share options	25.2	26.9
Legal provisions and other settlements	29.1	1.3
Exceptional items*	9.0	24.6
Adjusted EBITDA*	**(67.9)**	**(25.8)**
Marketing and overheads*	368.8	286.2
Gross profit	**300.9**	**260.4**

Cash flow

Cash flows from operating activities

Net cash outflow from operating activities was £128.4 million in H1 2022 compared to a net cash inflow of £134.0 million in H1 2021. Besides the increase in adjusted EBITDA* loss from £25.8 million in H1 2021 to £67.9 million in H1 2022, the difference was mainly attributable to the timing of employee tax and social security payments on share options. These timing differences drove a positive impact of £132.1 million in H1 2021 and a negative impact of £39.7 million in H1 2022. Management does not expect any further timing impact in H2 2022 from employee tax and social security payments on share options.

Cash flows used in investing activities

Net cash flows used in investing activities were £40.9 million in H1 2022 compared to £24.6 million in H1 2021, an increase of £16.3 million. This was primarily due to increased investment in capitalised development costs in connection with the growth of the technology team, and an increase in purchases of property, plant and equipment, principally related to the continued rollout of Editions delivery-only kitchens and Hop delivery-only grocery stores run by Deliveroo.

Cash flows from financing activities

Net cash outflow from financing activities was £6.2 million in H1 2022 due to payment of lease liabilities. This compares to a net cash inflow of £1,143.4 million in H1 2021, primarily due to £1,011.7 million net proceeds (after costs) from the IPO in April 2021, as well as £135.3 million net proceeds (after costs) from the Series H fundraising round in January 2021.

Financial position

Cash and cash equivalents

Deliveroo has a strong financial position at the end of H1 2022. Cash and cash equivalents were £1,130.1 million at 30 June 2022 compared to £1,290.9 million at 31 December 2021 and £1,626.7 million at 30 June 2021 (which benefited from the timing of payments of trade and other payables described below). As at 30 June 2022, Deliveroo had no debt outstanding. The Company has £75.0 million and €87.5 million of available loan finance in the form of a revolving credit facility ('RCF'), none of which has been drawn down.

Property, plant and equipment

Property, plant and equipment was £46.4 million at the end of H1 2022 compared to £26.8 million at the end of H1 2021, an increase of £19.6 million. This is principally related to increased investment in the Editions business. Approximately 50 new Editions kitchens were added during the period to bring the total to over 350.

Intangible assets

Intangible assets were £65.3 million at the end of H1 2022 compared to £48.4 million at the end of H1 2021. This increase of £16.9 million was driven by an increase in capitalised development costs as a result of the growth of the technology team working on projects to drive financial benefits through revenue generation, and provide enabling technologies and supporting infrastructure for scaling the business efficiently.

Trade and other payables

Trade and other payables were £316.7 million at the end of H1 2022 compared to £489.0 million at the end of H1 2021. The reduction of £172.3 million was principally attributable to the timing of employee tax and social security payments on share options, coupled with the impact of timing of payments to restaurant partners.

Provisions

Provisions were £101.2 million at the end of H1 2022 compared to £118.5 million at the end of H1 2021. The reduction of £17.3 million was principally driven by the release of certain provisions at 31 December 2021 where amounts were settled, offset by the recognition of new provisions where management's assessment of the potential outflow in the event of an adverse outcome was updated.

Dividend and Dividend Policy

No interim 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 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.

Events After the Reporting Period

Deliveroo is today announcing a share purchase programme of up to £75 million to acquire Class A Ordinary Shares for the purpose of mitigating dilution from share-based compensation plans. The programme is expected to commence shortly and to be completed no later than the announcement of the Group's 2022 preliminary results in March 2023.

Deliveroo is today announcing that it proposes to consult on ending its operations in the Netherlands. This proposal is consistent with the Company's disciplined approach to capital allocation. Management anticipates that the consultation process with relevant stakeholders will commence in August and is working towards a potential date for the final day of operations in the Netherlands towards the end of November.

Going Concern

The Group's loss for the period amounted to £153.8 million (6 months ended 30 June 2021: £108.7 million). The Group had net assets of £965.5 million as at 30 June 2022 (30 June 2021: net assets of £1,232.9 million), including cash and cash equivalents of £1,130.1 million at 30 June 2022 (30 June 2021: £1,626.7 million). As at 30 June 2022, the Group also had £75 million (30 June 2021: £75 million) and €87.5 million (30 June 2021: €87.5 million) of available loan finance in the form of a revolving credit facility ('RCF') which is available to 7 April 2026, and which remains undrawn at the date of this report, and therefore remains available to draw down if required. No associated covenants have been breached, nor are there any forecasted breaches.

In assessing whether to adopt the going concern basis of accounting, management has considered whether there are any material uncertainties surrounding the Group's ability to continue operating over a period of at least twelve months from the date of this report. Management has prepared detailed forecasts which have been approved by the Board. Assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook over the forecast period, and sensitivities have been applied in order to stress test the model, focusing in particular on the challenging trading environment and the impact of increased consumer headwinds, in particular considering situations in which future trading is weaker than forecasted. Management has also considered available undrawn cash facilities, which are not included in our forecasts as we do not currently anticipate needing to draw on these over the forecast period.

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

Principal Risks and Uncertainties

The Group faces a number of risks and uncertainties that may have an adverse impact on the Group's operations and performance. The Directors regularly assess the risks and uncertainties that the Group faces. The Directors consider that the principal risks and uncertainties remain consistent with those set out in the Annual Report for the year ended 31 December 2021, while recognising that the magnitude of certain risks has increased, particularly in respect of the economic environment and consumers' discretionary spending. The principal risks can be found in the 2021 Annual Report on pages 60 to 63. These risks are expected to apply for the remaining half of the financial year and are summarised as follows:

- **Service availability** - 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.
- **Cyber and data security -** We are responsible for protecting all personal data we receive from consumers, riders, partners and employees. For the sensitive data we hold and process, we could face significant reputational and legal consequences as well as financial loss if we fail to protect this information from security threats, including ransomware.
- **Three-sided marketplace** - Our business model relies on a three-sided marketplace, and to achieve profitability, we must continue to acquire and retain consumers and restaurant and grocery partners, and maintain a balance between supply and demand for riders, as well as growing average order value (AOV*) and/or order frequency to develop our business, which may be difficult to maintain.
- **Rider model and rider status** - 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.
- **Key commercial relationships** - We rely on various national and global brands in each of the markets in which we operate, sometimes on an exclusive basis. The loss of such relationships or the inability to enter into new relationships (on commercially attractive terms or at all) could adversely affect our business.
- **Reputation and brand** - 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 the misconduct by our employees, partners or riders). This could negatively impact our future performance and prospects.
- **Attracting and retaining key personnel** - 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.
- **Competition** - 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.
- **Managing growth** - We are a rapidly growing company and if we do not manage our growth and evolution successfully, or we fail to execute on our strategy, our business will suffer.
- **Financial condition** - We have in past periods incurred, and may in future periods incur, net losses, which could affect our need and ability to access additional capital to grow our business.
- **Compliance with other laws and regulations** - We are subject to the laws and regulations of numerous national and local authorities and changes to, or uncertainty regarding, the applicable laws, regulations or regulatory environment may adversely affect our business.
- **External environment and events** - Our business could be affected by the actions of governments, political events or instability, or changes in public policy in the countries in which we operate. Adverse economic conditions could impact consumers' discretionary spending, and in turn, our growth and profitability.

To the Members of Deliveroo plc

This Interim Management Report (IMR) has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The IMR should not be relied on by any other party or for any other purpose.

The IMR contains certain forward-looking statements. These statements are made by the Directors in good faith based on the information available to them up to the time of their approval of this report but such statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information.

This IMR has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Deliveroo plc and its subsidiary undertakings when viewed as a whole.

Responsibility Statement

We confirm that to the best of our knowledge:

(a) the condensed set of financial statements has been prepared in accordance with UK-adopted IAS 34 'Interim Financial Reporting';

(b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events and their impact during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and

(c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By the order of the Board of Directors,

Adam Miller
Chief Financial Officer
9 August 2022

Condensed Consolidated Statement of Profit or Loss

Six months ended 30 June 2022 (unaudited)

	Note	6 months ended 30 June 2022 £m (unaudited)	6 months ended 30 June 2021 (restated)* £m (unaudited)	Year-ended 31 December 2021 £m (audited)
Revenue	4	1,013.1	907.0	1,824.4
Cost of sales		(712.2)	(646.6)	(1,327.1)
Gross profit		**300.9**	**260.4**	**497.3**
Other operating income		1.8	1.2	3.1
Administrative expenses		(452.5)	(351.2)	(785.9)
Other operating expenses		(8.0)	(8.0)	(18.8)
Operating loss		**(157.8)**	**(97.6)**	**(304.3)**
Finance income		11.4	2.8	7.3
Finance costs		(0.9)	(0.6)	(1.2)
Loss before income tax		**(147.3)**	**(95.4)**	**(298.2)**
Income tax charge	5	(5.9)	(3.6)	(5.5)
Loss for the period from continuing operations		**(153.2)**	**(99.0)**	**(303.7)**
Discontinued operations				
Loss for the period from discontinued operations	6	(0.6)	(9.7)	(4.8)
Loss for the period attributable to owners of the company		**(153.8)**	**(108.7)**	**(308.5)**

*Results for the 6 months ended 30 June 2021 have been restated to reflect the reclassification of Roofoods Spain, S.L. as a discontinued operation.

Loss per share	Note	6 months ended 30 June 2022 £ (unaudited)	6 months ended 30 June 2021 (restated)* £ (unaudited)	Year-ended 31 December 2021 £ (audited)
From continuing operations				
- Basic	8	(0.08)	(0.06)	(0.18)
- Diluted	8	(0.08)	(0.06)	(0.18)
From continuing and discontinued operations				
- Basic	8	(0.08)	(0.07)	(0.18)
- Diluted	8	(0.08)	(0.07)	(0.18)

*Results for the 6 months ended 30 June 2021 have been restated to reflect the reclassification of Roofoods Spain, S.L. as a discontinued operation.

Condensed Consolidated Statement of Comprehensive Income

Six months ended 30 June 2022 (unaudited)

Other comprehensive income/(loss)	Note	6 months ended 30 June 2022 £m (unaudited)	6 months ended 30 June 2021 £m (unaudited)	Year-ended 31 December 2021 £m (audited)
Loss for the period		**(153.8)**	**(108.7)**	**(308.5)**
Items that may be reclassified subsequently to the profit or loss:				
Currency translation		5.8	(6.3)	(8.5)
Total comprehensive loss for the period		**(148.0)**	**(115.0)**	**(317.0)**

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 25 to 38.

Condensed Consolidated Statement of Financial Position

Six months ended 30 June 2022 (unaudited)

	Note	30 June 2022 £m (unaudited)	30 June 2021 £m (unaudited)	31 December 2021 £m (audited)
Non-current assets				
Property, plant and equipment	9	46.4	26.8	33.7
Intangible assets	10	65.3	48.4	52.8
Right-of-use assets	11	69.9	33.9	39.8
Trade and other receivables		20.1	16.6	17.3
Investment in financial assets		2.9	-	2.9
Deferred tax asset	5	8.5	10.1	10.7
Total non-current assets		**213.1**	**135.8**	**157.2**
Current assets				
Trade and other receivables		102.7	103.6	103.7
Cash and cash equivalents		1,130.1	1,626.7	1,290.9
Inventory		17.5	14.5	18.2
Total current assets		**1,250.3**	**1,744.8**	**1,412.8**
Total assets		**1,463.4**	**1,880.6**	**1,570.0**
Current liabilities				
Trade and other payables	12	(316.7)	(489.0)	(368.0)
Lease liabilities	11	(16.6)	(9.1)	(10.2)
Total current liabilities		**(333.3)**	**(498.1)**	**(378.2)**
Non-current liabilities				
Provisions	13	(101.2)	(118.5)	(81.7)
Lease liabilities	11	(63.4)	(31.1)	(36.4)
Total non-current liabilities		**(164.6)**	**(149.6)**	**(118.1)**
Total liabilities		**(497.9)**	**(647.7)**	**(496.3)**
Net assets		**965.5**	**1,232.9**	**1,073.7**
Equity				
Share capital	14	9.3	9.0	9.3
Share premium		1,013.0	1,012.0	1,013.0
Merger reserve		1,288.5	1,288.3	1,288.5
Share option reserve		161.2	161.2	161.2
Accumulated losses		(1,500.7)	(1,228.2)	(1,386.7)
Foreign currency translation reserve		(5.8)	(9.4)	(11.6)
Total equity		**965.5**	**1,232.9**	**1,073.7**

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 25 to 38.

Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2022 (unaudited)

	Note	Share capital	Share premium	Merger reserve	Share option reserve	Accumulated losses	Foreign currency translation reserve	Total
		£m	£m	£m	£m	£m	£m	£m
At 31 December 2021		**9.3**	**1,013.0**	**1,288.5**	**161.2**	**(1,386.7)**	**(11.6)**	**1,073.7**
Loss for the period		-	-	-	-	(153.8)	-	(153.8)
Other comprehensive gain for the period		-	-	-	-	-	5.8	5.8
Total comprehensive (loss)/gain for the period		**-**	**-**	**-**	**-**	**(153.8)**	**5.8**	**(148.0)**
Employee share-based payment awards		-	-	-	-	39.8	-	39.8
At 30 June 2022		**9.3**	**1,013.0**	**1,288.5**	**161.2**	**(1,500.7)**	**(5.8)**	**965.5**

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 25 to 38.

Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2021 (unaudited)

	Note	Share capital	Share premium	Merger reserve	Share option reserve	Accumulated losses	Foreign currency translation reserve	Total
		£m	£m	£m	£m	£m	£m	£m
At 31 December 2020		**7.1**	**-**	**1,153.5**	**153.3**	**(1,135.7)**	**(3.1)**	**175.1**
Loss for the period		-	-	-	-	(108.7)	-	(108.7)
Other comprehensive loss for the period		-	-	-	-	-	(6.3)	(6.3)
Total comprehensive loss for the period		**-**	**-**	**-**	**-**	**(108.7)**	**(6.3)**	**(115.0)**
Employee share-based payment awards		-	-	-	13.6	16.2	-	29.8
Deferred tax	5	-	-	-	(5.7)	-	-	(5.7)
Issue of share capital	14	1.9	1,012.0	134.8	-	-	-	1,148.7
At 30 June 2021		**9.0**	**1,012.0**	**1,288.3**	**161.2**	**(1,228.2)**	**(9.4)**	**1,232.9**

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 25 to 38.

Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2022 (unaudited)

	Note	6 months ended 30 June 2022 £m (unaudited)	6 months ended 30 June 2021 £m (unaudited)	Year-ended 31 December 2021 £m (audited)
Cash flows from operating activities				
Net cash (used in)/generated from operating activities	15	**(128.4)**	**134.0**	**(167.7)**
Cash flows from investing activities				
Purchase of property, plant and equipment	9	(17.0)	(8.2)	(21.4)
Acquisition of intangible assets	10	(25.8)	(16.5)	(34.6)
Purchase of financial assets		-	-	(2.9)
Interest received		1.9	0.1	0.5
Net cash used in investing activities		**(40.9)**	**(24.6)**	**(58.4)**
Cash flows from financing activities				
Net proceeds from issue of share capital	14	-	1,148.7	1,150.2
Payments of lease liabilities		(5.3)	(4.7)	(10.0)
Interest on lease liabilities		(0.9)	(0.6)	(1.2)
Net cash (used in)/from financing activities		**(6.2)**	**1,143.4**	**1,139.0**
Net (decrease)/increase in cash and cash equivalents		**(175.5)**	**1,252.8**	**912.9**
Cash and cash equivalents at the beginning of the period		1,290.9	379.1	379.1
Effect of foreign exchange rate changes		14.7	(5.2)	(1.1)
Cash and cash equivalents at the end of the period		**1,130.1**	**1,626.7**	**1,290.9**

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 25 to 38.

Notes to the Condensed set of Financial Statements

Six months ended 30 June 2022 (unaudited)

1. General information

Deliveroo plc ('the Company') (together with its subsidiaries, 'the Group') is a public limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006 (Registration number 13227665).

This report for the six months ended 30 June 2022 is the half-yearly financial report presented by the Group. This half-yearly financial report presents results for the Deliveroo Group of companies for the period from 1 January 2022 to 30 June 2022.

The information for the year ended 31 December 2021 does not constitute statutory accounts as defined in section 434 of the Companies Act 2006. A copy of the statutory accounts for that year has been delivered to the Registrar of Companies. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

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

Basis of preparation

The annual financial statements of Deliveroo plc are prepared in accordance with International Financial Reporting Standards ("IFRS") and the International Financial Reporting Standards Interpretations Committee ("IFRS IC"), and with those parts of the Companies Act 2006 applicable to companies reporting under UK-adopted IFRS. The condensed set of financial statements included in this half yearly financial report has been prepared in accordance with UK-adopted International Accounting Standard 34 'Interim Financial Reporting'.

The annual financial statements of Deliveroo plc will be prepared in accordance with United Kingdom adopted International Financial Reporting Standards.

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 period amounted to £153.8 million (6 months ended 30 June 2021: £108.7 million). The Group had net assets of £965.5 million as at 30 June 2022 (30 June 2021: net assets of £1,232.9 million), including cash and cash equivalents of £1,130.1 million at 30 June 2022 (30 June 2021: £1,626.7 million). As at 30 June 2022, the Group also had £75 million (30 June 2021: £75 million) and €87.5 million (30 June 2021: €87.5 million) of available loan finance in the form of a revolving credit facility ('RCF') which is available to 7 April 2026, and which remains undrawn at the date of this report, and therefore remains available to draw down if required. No associated covenants have been breached, nor are there any forecasted breaches.

In assessing whether to adopt the going concern basis of accounting, management has considered whether there are any material uncertainties surrounding the Group's ability to continue operating over a period of at least twelve months from the date of this report. Management has prepared detailed forecasts which have been approved by the Board. Assumptions have been made in respect of order growth and profitability, based on the estimated economic outlook over the forecast period, and sensitivities have been applied in order to stress test the model, focusing in particular on the challenging trading environment and the impact of increased consumer headwinds, in particular considering situations in which future trading is weaker than forecasted. Management has also considered available undrawn cash facilities, which are not included in our forecasts as we do not currently anticipate needing to draw on these over the forecast period.

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

Accounting policies

The accounting policies and significant accounting judgements and estimates that have been used in the preparation of these condensed financial statements have been noted in the basis of preparation note above, or are the same as those applied in the Deliveroo plc Annual Report and Financial Statements for the year ended 31 December 2021. New standards effective on or after 1 January 2022 have been reviewed and do not have a material effect on the Group's financial statements.

3. Segment information

Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance focuses on a geographical split of the Group between 'UK and Ireland' and 'International' (being overseas jurisdictions other than UK and Ireland). These geographical segments comprise both the operating and reportable segments under IFRS 8.

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

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

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

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

Spain operations were discontinued in November 2021. The segment information reported on the next pages does not include any amounts for these discontinued operations, which are described in more detail in note 6. The following is an analysis of the Group's revenue and results by reportable segment:

		UK and Ireland	International	Segments total	Other	Total
6 months ended 30 June 2022 (unaudited)	**Note**	**£m**	**£m**	**£m**	**£m**	**£m**
Total revenue	4	544.4	468.7	1,013.1	-	1,013.1
Cost of sales		(356.2)	(356.0)	(712.2)	-	(712.2)
Other operating income		1.2	0.6	1.8	-	1.8
Administrative expenses		(125.0)	(116.8)	(241.8)	(120.8)	(362.6)
Other operating expenses		(4.5)	(3.5)	(8.0)	-	(8.0)
Segment adjusted EBITDA*		**59.9**	**(7.0)**	**52.9**	**(120.8)**	**(67.9)**
Share based payments charge and accrued national insurance on share options		-	-	-	(25.2)	(25.2)
Legal and regulatory settlements and provisions	13	-	-	-	(29.1)	(29.1)
Exceptional costs*	7	(7.0)	-	(7.0)	(2.0)	(9.0)
Depreciation and amortisation						(26.6)
Finance income						11.4
Finance costs						(0.9)
Loss before income tax						**(147.3)**
Income tax charge						(5.9)
Loss for the period from discontinued operations						(0.6)
Loss after tax and discontinued operations						**(153.8)**

6 months ended 30 June 2021 (unaudited)	Note	UK and Ireland £m	International £m	Segments total £m	Other £m	Total £m
Total revenue	4	480.7	426.3	907.0	-	907.0
Cost of sales		(314.5)	(332.1)	(646.6)	-	(646.6)
Other operating income		0.1	0.5	0.6	-	0.6
Administrative expenses		(107.7)	(100.3)	(208.0)	(70.8)	(278.8)
Other operating expenses		(3.3)	(4.7)	(8.0)	-	(8.0)
Segment adjusted EBITDA*		**55.3**	**(10.3)**	**45.0**	**(70.8)**	**(25.8)**
Share based payments charge and accrued national insurance on share options		-	-	-	(26.9)	(26.9)
Legal and regulatory settlements and provisions	13	-	-	-	(1.3)	(1.3)
Exceptional income*	7	-	0.6	0.6	-	0.6
Exceptional costs*	7	(11.4)	(7.2)	(18.6)	(6.6)	(25.2)
Depreciation and amortisation						(19.0)
Finance income						2.8
Finance costs						(0.6)
Loss before income tax						**(95.4)**
Income tax charge						(3.6)
Loss for the period from discontinued operations						(9.7)
Loss after tax and discontinued operations						**(108.7)**

Year-ended 31 December 2021 (audited)	Note	UK and Ireland £m	International £m	Segments total £m	Other £m	Total £m
Total revenue	4	980.7	843.7	1,824.4	-	1,824.4
Cost of sales		(650.4)	(676.7)	(1,327.1)	-	(1,327.1)
Other operating income		0.2	2.3	2.5	-	2.5
Administrative expenses		(229.8)	(216.1)	(445.9)	(166.5)	(612.4)
Other operating expenses		(9.6)	(9.2)	(18.8)	-	(18.8)
Segment adjusted EBITDA*		**91.1**	**(56.0)**	**35.1**	**(166.5)**	**(131.4)**
Share based payments charge and accrued national insurance on share options		-	-	-	(87.6)	(87.6)
Legal and regulatory settlements and provisions	13	-	(0.8)	(0.8)	(6.7)	(7.5)
Exceptional income*	7	-	0.6	0.6	-	0.6
Exceptional costs*	7	(18.0)	(7.7)	(25.7)	(9.7)	(35.4)
Depreciation and amortisation						(43.0)
Finance income						7.3
Finance costs						(1.2)
Loss before income tax						**(298.2)**
Income tax charge						(5.5)
Loss for the period from discontinued operations						(4.8)
Loss after tax and discontinued operations						**(308.5)**

No single customer contributed 10 per cent or more to the Group's revenue in the 6 months ended 30 June 2022 or the 6 months ended 30 June 2021.

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

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

Geographical information

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

Non-current assets	30 June 2022 £m (unaudited)	30 June 2021 £m (unaudited)	31 December 2021 £m (audited)
UK and Ireland	134.9	86.4	97.7
Rest of the World	46.7	22.7	28.6
Total non-current assets	**181.6**	**109.1**	**126.3**

4. Revenue

	6 months ended 30 June 2022 £m (unaudited)	6 months ended 30 June 2021 £m (unaudited)	Year-ended 31 December 2021 £m (audited)
UK and Ireland	544.4	480.7	980.7
Rest of the World	468.7	426.3	843.7
Total revenue	**1,013.1**	**907.0**	**1,824.4**

	6 months ended 30 June 2022 £m (unaudited)	6 months ended 30 June 2021 £m (unaudited)	Year-ended 31 December 2021 £m (audited)
Point in time	980.1	878.7	1,760.2
Over time	33.0	28.3	64.2
Total revenue	**1,013.1**	**907.0**	**1,824.4**

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 period.

5. Taxation

Tax for the six month period is calculated at (4.6)% (six months ended 30 June 2021: (6.1)%), representing the best estimate of the annual effective tax rate expected for the full year by geographical unit applied to the pre-tax income of the six month period, which is then adjusted for tax on exceptional items*.

A current year deferred tax charge of £2.3 million was recognised in the six months ended 30 June 2022 (30 June 2021: a deferred tax charge of £2.0 million) which predominantly relates to the utilisation of carried forward losses in overseas markets. The Group has unrecognised tax losses of £1,598.6 million (six months ended 30 June 2021: £980.2 million; year-ended 31 December 2021: £1,425.9 million) available for offset against future taxable profits. There are also unrecognised temporary differences of £43.2 million relating to share based payments (six months ended 30 June 2021: £68.7 million; year-ended 31 December 2021: £90.7 million). The significant portion of the unrecognised temporary differences arise in the UK where there is no expiry date for utilisation.

6. Discontinued operations

On 29 November 2021, the Group ended operations in Spain. The Group has determined that achieving and sustaining a top tier market position in Spain would require a disproportionate level of investment with highly uncertain long-term potential returns that could impact the economic viability of the market for the Group. The results of the discontinued operations, which have been included in the loss for the period, were as follows:

	6 months ended 30 June 2022 £m (unaudited)	6 months ended 30 June 2021 £m (unaudited)	Year-ended 31 December 2021 £m (audited)
Revenue	0.1	15.5	24.3
Expenses	(0.7)	(24.9)	(28.6)
Loss before tax	(0.6)	(9.4)	(4.3)
Attributable tax expense	-	(0.3)	(0.5)
Net loss attributable to discontinued operations (attributable to owners of the Company)	**(0.6)**	**(9.7)**	**(4.8)**

7. Exceptional items*

The following have been recognised as exceptional items* where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business that are deemed material to the understanding of the accounts. Exceptional items* for the period include redundancy costs and COVID-19 related costs (primarily relating to the purchase of personal protective equipment for riders). Proposed mergers and acquisitions (M&A) and other project costs, legal and professional fees in relation to a regulatory investigation and costs associated with preparation for the Initial Public Offering have also been deemed exceptional and are split out below.

	6 months ended 30 June 2022 £m (unaudited)	6 months ended 30 June 2021 £m (unaudited)	Year-ended 31 December 2021 £m (audited)
Coronavirus relief grants	-	(0.6)	(0.6)
Coronavirus related costs	0.5	-	1.3
Legal and regulatory fees	1.2	-	6.0
Proposed M&A and other project costs	0.2	(1.2)	1.0
Initial public offering related costs	0.4	26.4	27.1
Restructuring and redundancy costs	6.7	-	-
Total exceptional items* from continuing operations	**9.0**	**24.6**	**34.8**
From discontinued operations	0.7	0.1	9.9
Total exceptional items*	**9.7**	**24.7**	**44.7**

8. Loss per share

The calculation of the basic and diluted loss per share is based on the following data.

Loss	6 months ended 30 June 2022 £m (unaudited)	6 months ended 30 June 2021 £m (unaudited)	Year-ended 31 December 2021 £m (audited)
Loss from continuing operations for the period ended	(153.2)	(99.0)	(303.7)
Loss from continuing and discontinued operations for the period ended	(153.8)	(108.7)	(308.5)

Number of shares	6 months ended 30 June 2022 No. (unaudited)	6 months ended 30 June 2021 No. (unaudited)	Year-ended 31 December 2021 No. (audited)
Weighted average number of ordinary shares outstanding	1,855,457,799	1,526,798,382	1,707,650,646

Loss per share	6 months ended 30 June 2022 £ (unaudited)	6 months ended 30 June 2021 £ (unaudited)	Year-ended 31 December 2021 £ (audited)
From continuing operations			
- Basic	(0.08)	(0.06)	(0.18)
- Diluted	(0.08)	(0.06)	(0.18)
From continuing and discontinued operations			
- Basic	(0.08)	(0.07)	(0.18)
- Diluted	(0.08)	(0.07)	(0.18)

There is no difference between basic and diluted loss per share for the 6 months ended 30 June 2022, 6 months ended 30 June 2021 and the year ended 31 December 2021.

9. Property, plant and equipment

During the six months to 30 June 2022, the group has capitalised fixed asset expenditure of £17.0 million. There were no material disposals in the period.

During the six months to 30 June 2021, the group had capitalised fixed asset expenditure of £8.2 million. There were no material disposals in the period.

10. Intangible assets

During the six months to 30 June 2022, the group has capitalised development expenditure of £25.8 million. There were no material disposals in the period.

During the six months to 30 June 2021, the group had capitalised development expenditure of £16.5 million. There were no material disposals in the period.

11. Leases

During the six months to 30 June 2022, the group entered into a number of leases and capitalised £37.3 million of lease payments. There were no material disposals in the period.

During the six months to 30 June 2021, the group entered into a number of leases and capitalised £9.0 million of lease payments. There were no material disposals in the period.

12. Trade and other payables

	30 June 2022	30 June 2021	31 December 2021
	£m (unaudited)	£m (unaudited)	£m (audited)
Trade payables	33.8	12.5	25.2
Amounts due to restaurants	55.9	104.4	62.8
Accruals and deferred income	156.4	164.8	165.6
Other tax and social security payables	55.4	163.7	99.3
Other payables	11.8	39.7	15.1
Corporation tax payable	3.4	3.9	-
Total payables	**316.7**	**489.0**	**368.0**

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

13. Provisions

	30 June 2022 £m (unaudited)	30 June 2021 £m (unaudited)	31 December 2021 £m (audited)
Legal provision	101.2	118.4	81.7
Earn-out provision	-	0.1	-
Total provisions	**101.2**	**118.5**	**81.7**

	Legal provisions £m	Earn-out provision £m
At 31 December 2021	**81.7**	**-**
Foreign exchange revaluation	(2.9)	-
Additional amounts provided for	28.8	-
Amounts utilised	(5.6)	-
Amounts released	(0.8)	-
At 30 June 2022	**101.2**	**-**

	Legal provisions £m	Earn-out provision £m
At 31 December 2020	112.2	0.1
Foreign exchange revaluation	(2.0)	-
Additional amounts provided for	8.4	-
Amounts released	(0.2)	-
At 30 June 2021	**118.4**	**0.1**

	Legal provisions £m	Earn-out provision £m
At 31 December 2020	112.2	0.1
Foreign exchange revaluation	(3.3)	-
Additional amounts provided for	13.1	-
Amounts utilised	(12.2)	(0.1)
Amounts released	(6.1)	-
Amounts transferred to accruals	(22.0)	-
At 31 December 2021	**81.7**	**-**

The Group is involved in a number of ongoing legal and arbitration proceedings with third parties, primarily across its European territories. The amounts provided in the legal provision represent our best estimate of associated economic outflows based on the status of proceedings at the time of approval of these financial statements, and are based on current claims from regulators, even where we dispute the amounts claimed. In some instances, court proceedings and investigations are expected to extend for at least 12 months. Depending on the outcomes, the total economic outflow could be different to that currently provided. The Directors will review and revise the amounts of such provisions, as necessary, as and when new information becomes available. Provisions assessed during the period include a new provision in relation to a regulatory challenge, which remains at an early stage. 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 based on the information available to us at this time. We will continue to refine our assessment as further information is available.

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

In addition to proceedings where the Company has assessed there to be a probable economic outflow and for which a corresponding provision has been made, there are other in-country proceedings where the Company has assessed the likely outflow is possible but not probable at this time. These are disclosed as contingent liabilities and are discussed in Note 16.

The earn-out provision relates to the earn-out arrangement arising on the acquisition of Cultivate Software Ltd. This was payable in two tranches a year, for two years post-acquisition.

14. Share capital

Shares issued, allotted and fully paid:	30 June 2022	30 June 2021	31 December 2021	30 June 2022	30 June 2021	31 December 2021
	Shares (unaudited)	Shares (unaudited)	Shares (audited)	£ (unaudited)	£ (unaudited)	£ (audited)
Ordinary A	1,755,425,173	1,716,048,895	1,754,496,973	8,777,126	8,580,244	8,772,485
Ordinary B	100,299,642	93,420,841	100,299,642	501,498	467,104	501,498
Total shares issued	**1,855,724,815**	**1,809,469,736**	**1,854,796,615**	**9,278,624**	**9,047,348**	**9,273,983**

15. Reconciliation of cash used in operations

	6 months ended 30 June 2022 £m (unaudited)	6 months ended 30 June 2021 £m (unaudited)	Year-ended 31 December 2021 £m (audited)
Cash flows from operating activities			
Operating loss	(158.4)	(107.2)	(308.8)
Depreciation and amortisation	26.6	19.1	43.3
Loss on disposal of fixed assets	0.2	-	1.3
Loss on disposal of right-of-use asset	-	0.1	0.3
Impairment of right-of-use asset	-	-	0.2
Gain on disposal of lease liability	-	-	(0.2)
Share-based payments charge	39.8	29.8	71.1
Decrease/(increase) in inventories	0.7	(6.3)	(10.0)
Increase in trade and other receivables	(1.8)	(13.3)	(14.1)
(Decrease)/increase in trade and other payables	(55.0)	203.6	79.8
Increase/(decrease) in provisions	19.5	8.2	(30.6)
Cash (used in)/generated from operations	**(128.4)**	**134.0**	**(167.7)**

16. Contingent liabilities

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

Depending on the outcomes, the total economic outflow in relation to the quantifiable contingent liabilities is estimated to be £50.5 million (year ended 31 December 2021: £37.3 million).

In addition to this, there is a regulatory challenge that remains at an early stage. As such, it remains difficult at this time to quantify the potential economic outflow, and we will continue to refine our assessment, as we have done during this period. At the time of signing of this interim report, we have assessed a range of economic outflows representing our best estimate in the event of a potential adverse outcome. Based on progress since year end, this could range from £50 million to £200 million.

There are further contingent liabilities which are not quantifiable at this time, due to the lack of available information to enable such estimation. The Directors will review the amounts of such contingent liabilities as necessary throughout the duration of the relevant proceedings and revise amounts accordingly as and when new information is available.

17. Related party transactions

The Group's related party transactions are with key management personnel and other related parties as disclosed in Deliveroo plc's Annual Report and Financial Statements for the year ended 31 December 2021.

18. Events after the reporting period

Deliveroo is today announcing a share purchase programme of up to £75 million to acquire Class A Ordinary Shares for the purpose of mitigating dilution from share-based compensation plans. The programme is expected to commence shortly and to be completed no later than the announcement of the Group's 2022 preliminary results in March 2023.

Deliveroo is today announcing that it proposes to consult on ending its operations in the Netherlands. This proposal is consistent with the Company's disciplined approach to capital allocation. Management anticipates that the consultation process with relevant stakeholders will commence in August and is working towards a potential date for the final day of operations in the Netherlands towards the end of November.

Alternative Performance Measures and Glossary

The Group assesses performance using alternative performance measures ('APM's) 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		
Gross merchandise value ('GMV')	Gross merchandise value ('GMV') is the total value of food baskets (net of any discounts), excluding those from our Signature offering, and is represented excluding any consumer fees, tips, VAT, or other sales-related taxes. GMV is commonly used among platform companies for understanding the value of goods traded on a marketplace.	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.	See definition for calculation method
Average order value ('AOV')	Average order value ('AOV') is defined as the total gross merchandise value divided by the total number of orders. AOV is considered a key driver of the Group's GTV.	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.	See definition for calculation method
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.	See definition for calculation method
Gross profit margin (as % of GTV)	Gross profit margin as a percentage of GTV is defined as gross profit divided by GTV. It is considered a good measure of profitability at a transactional level.	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.	See below for reconciliation
Marketing and overheads as % of GTV	Marketing and overheads as a percentage of GTV is defined as marketing and overheads divided by GTV. It is considered a good measure of the Group's operating efficiency.	See definition for calculation method

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, legal and regulatory settlements and provisions, and share-based payments charge and accrued national insurance on share options. Adjusted EBITDA is considered to be a measure of the underlying trading performance of the Group and is used, amongst other measures, to evaluate operations from a profitability perspective, to develop budgets, and to measure performance against those budgets. EBITDA less capital expenditure and capitalised development costs is used as a further measure of underlying operating profitability of the business.	See below for reconciliation
Adjusted EBITDA margin (as % of GTV)	Adjusted EBITDA margin is defined as adjusted EBITDA divided by GTV. It is used, amongst other metrics, as a measure of operating profitability.	See definition for calculation method
Segment adjusted EBITDA	Information reported to the Group's Chief Executive Officer (the Chief Operating Decision Maker (CODM)) for the purposes of resource allocation and assessment of segment performance focuses on a geographical split of the Group between 'UK and Ireland' and 'International' (being overseas jurisdictions other than UK and Ireland). The CODM primarily uses segment adjusted EBITDA to assess the performance of the operating segments.	See note 3 for further information
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 7 for further information
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

	Reconciliation to financial statements	
	H1 2022 £m	**H1 2021 £m**
Operating loss	(157.8)	(97.6)
Depreciation and amortisation	26.6	19.0
EBITDA	**(131.2)**	**(78.6)**
Share based payments charge and accrued national insurance on share options	25.2	26.9
Legal provisions and other settlements	29.1	1.3
Exceptional items*	9.0	24.6
Adjusted EBITDA*	**(67.9)**	**(25.8)**
Marketing and overheads*	368.8	286.2
Gross Profit	**300.9**	**260.4**

Metric	Definition
Non-financial measures	
Orders	The total number of orders delivered from our platform, including from our Marketplace and Signature offering, over the period of measurement.
Monthly active consumers	The monthly active consumers (‘MAC’s) is the number of individual consumer accounts that have placed an order on our platform in a given month.
Average order frequency	The average number of orders placed by active consumers in a month.

Independent Review Report to Deliveroo plc

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 which comprises the statement of profit or loss, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and related notes 1 to 18.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2022 is not prepared, in all material respects, in accordance with United Kingdom adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the group will be prepared in accordance with United Kingdom adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with United Kingdom adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusion relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE (UK), however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the group'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 Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly financial report, we are responsible for expressing to the group a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Financial Reporting Council. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review 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, for our review work, for this report, or for the conclusions we have formed.

Deloitte LLP
Statutory Auditor
London, United Kingdom
9 August 2022