

Strong operational progress driving profitable growth

Highlights¹

- **Good financial performance, with adjusted EBITDA ahead of guidance**
 - **Resilient year of growth given macroeconomic conditions** with gross profit up 13% and revenue and GTV* up 3% (2% and 3%, respectively at constant currency*).
 - **Growth trend improved in the second half** with H2 GTV up 5% year-on-year and orders recovering through the year to be flat year-on-year in Q4.
 - **Significant progress on profitability** with adjusted EBITDA* of £85 million (2022: £(45) million); adjusted EBITDA margin (as a % of GTV)* increased to 1.2% (2022: (0.7)%).
 - **Profit improvement levers included:** efficiencies in the delivery network, optimisation of marketing spend, overheads savings and a higher advertising contribution.
 - **Loss for the period reduced** by £262 million to £(32) million.
- **Further progress towards sustainable cash generation**
 - **Free cash outflow reduced** to £(38) million (2022: £(243) million), which included £(20) million cash exceptionals and excluded £32 million interest income.
 - **Net cash* of £679 million (2022: £1,000 million);** £309 million total return of capital completed in 2023, c.30% of net cash at the start of the year.
- **Delivering for our consumers focusing on service and value for money**
 - **Continued investment and innovation in consumer value proposition (CVP),** with enhanced selection and in-app experience, premium delivery, top-up grocery orders and launch of retail proposition.
 - **CVP initiatives driving clear benefits** with higher NPS, lower average mark-ups by restaurants on the platform, improvement in key service metrics and grocery reaching an annualised GTV run-rate of £1.0 billion in Q4, with particularly strong growth in mid-sized basket orders.
- **Strategic priorities and targets outlined at recent Capital Markets Event**
 - **Multiple opportunities for growth** including further enhancing CVP (selection, price/value, Deliveroo Plus and delivery experience) and new verticals and use cases (retail and mid-sized grocery baskets).
 - **Strong levers for profitability and cash flow** including reducing rider wait time and smarter order stacking, increased marketing efficiency, and greater automation to drive operating leverage as we scale.
 - **GTV growth:** targeting mid-teens percentage growth per annum in constant currency in the medium term.
 - **Profitability:** adjusted EBITDA margin (as % of GTV) target of 4%+ by 2026.

2024 outlook

- **GTV growth** (in constant currency) anticipated to be in the range of 5-9%; Q1 growth expected to be similar to Q4 2023, with an improvement in growth through the year as we continue to deliver on our plans.
- **Adjusted EBITDA** expected to be in the range of £110-130 million.
- **Free cash flow** expected to be positive for the full year 2024.

Will Shu, Founder and CEO of Deliveroo, said:

"2023 was a good year for Deliveroo and I am proud of what we have delivered financially, operationally and for our consumers. Our focus on service and value for money continues to build consumer trust, which are fundamental to unlocking future growth in this industry. Alongside this, our restaurant and grocery businesses are performing well, we launched our retail offering, Deliveroo Shopping, and we are scaling our advertising business. Building on the strong progress we made in 2023, I'm excited about the further opportunities ahead. We have clear strategic priorities and initiatives in place to achieve our medium term targets, and I am confident in our ability to deliver continued profitable growth."

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).

* Alternative performance measure ('APM'), refer to glossary on page 48 for further details

Summary financial information

£ 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%
<i>Revenue take rate (as % of GTV)*</i>	28.7%	28.8%	(10) bps
Gross profit	726.4	643.2	13%
<i>Gross profit margin (as % of GTV)*</i>	10.3%	9.4%	90 bps
Adjusted EBITDA*	85.4	(45.0)	n.m.
<i>Adjusted EBITDA margin (as % of GTV)*</i>	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)%

* Alternative performance measure ('APM'), refer to glossary on page 48 for further details

[^] Continuing and discontinued operations

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

Contact information

Investor Relations

David Hancock, VP Finance, Strategy & IR - investors@deliveroo.co.uk

Tim Warrington, Investor Relations Director

Rohan Chitale, Investor Relations Director

Media Relations

Joe Carberry, VP Policy & Communications - joe.carberry@deliveroo.co.uk

Brunswick Group: Rosie Oddy and Jono Astle - deliveroo@brunswickgroup.com

Analyst and investor call

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

Registration details as follows:

Conference call: +44 (0) 33 0551 0200 (quote 'Deliveroo FY23' when prompted by the operator)

Webcast: https://brrmedia.news/ROO_FY23

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

Upcoming events

Q1 2024 trading update: 18 April 2024

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

Deliveroo is an award-winning delivery service founded in 2013 by William Shu and Greg Orlowski. Deliveroo works with approximately 183,000 best-loved restaurants, grocery and retail partners, as well as around 135,000 riders to provide the best food delivery experience in the world. Deliveroo is headquartered in London, with offices around the globe. Deliveroo operates across 10 markets, including Belgium, France, Hong Kong, Italy, Ireland, Kuwait, Qatar, Singapore, United Arab Emirates and the United Kingdom.

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

Disclaimer

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 review²

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.

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). 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 48. More detailed discussion of statutory results is contained in the Financial Review beginning on page 9.

* Alternative performance measure ('APM'), refer to glossary on page 48 for further details

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.

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.

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.

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
<i>Year-on-year growth in MACs</i>	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 review³

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.

£ 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)%

* Alternative performance measure ('APM'), refer to glossary on page 48 for further details.

^ Continuing and discontinued operations

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

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

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.

³ 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 48 for further details

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 48 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 48 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%
<i>Revenue take rate (as % of GTV)*</i>	<i>28.9%</i>	<i>28.8%</i>	<i>10 bps</i>
Gross profit	457.5	405.5	13%
<i>Gross profit margin (as % of GTV)*</i>	<i>10.9%</i>	<i>10.4%</i>	<i>50 bps</i>
Marketing and overheads*	(204.9)	(247.6)	(17)%
<i>Marketing and overheads (as % of GTV)*</i>	<i>(4.9)%</i>	<i>(6.4)%</i>	<i>150 bps</i>
Segment adjusted EBITDA*	252.6	157.9	60%
<i>Segment adjusted EBITDA margin (as % of GTV)*</i>	<i>6.0%</i>	<i>4.1%</i>	<i>200 bps</i>

* Alternative performance measure ('APM'), refer to glossary on page 48 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.

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.

International⁴

£ 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)%
<i>Revenue take rate (as % of GTV)*</i>	<i>28.5%</i>	<i>28.9%</i>	<i>(40) bps</i>
Gross profit	268.9	237.7	13%
<i>Gross profit margin (as % of GTV)*</i>	<i>9.3%</i>	<i>8.0%</i>	<i>130 bps</i>
Marketing and overheads*	(189.0)	(189.5)	0%
<i>Marketing and overheads (as % of GTV)*</i>	<i>(6.6)%</i>	<i>(6.4)%</i>	<i>(20) bps</i>
Segment adjusted EBITDA*	79.9	48.2	66%
<i>Segment adjusted EBITDA margin (as % of GTV)*</i>	<i>2.8%</i>	<i>1.6%</i>	<i>110 bps</i>

* Alternative performance measure ('APM'), refer to glossary on page 48 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 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.

⁴ On 16 and 30 November 2022, Deliveroo ceased operations in Australia and the Netherlands respectively, and in Spain on 29 November 2021. These markets have been classified as a Discontinued Operation in accordance with IFRS 5 and as such the results from these markets are not included in this section.

3. Cash flow statement (see page 20)

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.

Free cash flow	2023 £m	2022 £m
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 48 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 page 18)

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).

Net cash*	2023 £m	2022 £m	H1 2023 £m
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 48 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.

Consolidated Income Statement and Statement of Comprehensive Loss

For the year ended 31 December 2023

	Note	2023 £m	2022 £m
Continuing operations			
Revenue	5	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		35.3	17.8
Finance costs		(2.5)	(2.8)
Loss before income tax		(10.9)	(230.6)
Income tax charge	7	(7.6)	(11.9)
Loss for the year from continuing operations		(18.5)	(242.5)
Discontinued operations			
Loss for the year from discontinued operations		(13.3)	(51.6)
Loss for the year	6	(31.8)	(294.1)

	Note	2023 £	2022 £
Loss per share			
From continuing operations			
- Basic	9	(0.01)	(0.13)
- Diluted	9	(0.01)	(0.13)
From continuing and discontinued operations			
- Basic	9	(0.02)	(0.16)
- Diluted	9	(0.02)	(0.16)



	Note	2023 £m	2022 £m
Other comprehensive (expense)/income			
Loss for the year	6	(31.8)	(294.1)
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 21 to 47.

Consolidated Statement of Financial Position

As at 31 December 2023

	Note	2023 £m	2022 £m
Non-current assets			
Property, plant and equipment	10	39.0	49.3
Right-of-use assets	11	55.2	73.5
Intangible assets	12	67.8	72.9
Deferred tax asset	13	1.8	4.1
Investments in financial assets		2.9	2.9
Trade and other receivables	14	14.1	22.6
Total non-current assets		180.8	225.3
Current assets			
Inventory		14.8	19.4
Trade and other receivables	14	147.6	109.6
Other treasury deposits		75.7	50.5
Cash and cash equivalents		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	11	(43.6)	(61.5)
Provisions	15	(69.1)	(143.2)
Total non-current liabilities		(112.7)	(204.7)
Current liabilities			
Trade and other payables	16	(326.4)	(332.8)
Lease liabilities		(16.0)	(12.3)
Provisions	15	(58.1)	-
Total current liabilities		(400.5)	(345.1)
Total liabilities		(513.2)	(549.8)
Net assets		508.8	804.1
Equity			
Share capital	17	8.1	9.3
Own shares	18	(51.5)	(66.0)
Merger reserve		1,288.5	1,288.5
Other reserves		1.2	-
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 21 to 47.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

	Note	Share capital (note 17)	Share premium	Own Shares (note 18)	Other reserves	Merger reserve	Share option reserve	Accumulated losses	Foreign currency translation reserve	Total
		£m	£m			£m	£m	£m	£m	£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	19	-	-	-	-	-	-	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	17	(1.2)	-	50.8	1.2	-	-	(303.8)	-	(253.0)
Own shares acquired during the year	17	-	-	(59.8)	-	-	-	-	-	(59.8)
Own shares utilised for share schemes		-	-	23.5	-	-	-	(23.5)	-	-
Employee share-based payment awards		-	-	-	-	-	-	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 21 to 47.

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	20	23.2	(144.2)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(7.6)	(30.1)
Acquisition of intangible assets	12	(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	11	(15.4)	(15.7)
Interest on lease liabilities	11	(2.5)	(2.8)
Purchase of own shares	18	(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
Net foreign exchange differences on cash and cash equivalents		(1.3)	6.8
Cash and cash equivalents at the end of the year		603.1	949.1

This statement should be read in conjunction with the notes to the consolidated financial statements on pages 21 to 47.

Notes to the condensed set of 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 ordinary shares to A ordinary shares on 7 April 2024.

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

2. Summary of accounting policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') and the International Financial Reporting Standards Interpretations Committee ('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, 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 policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all years presented.

The financial information set out in this announcement does not constitute the Company's statutory accounts for the years ended 31 December 2023 or 2022, within the meaning of Section 435 of the Companies Act 2006 (the "Act") but is derived from those accounts on which an unqualified audit opinion has been issued. Statutory accounts for 2022 have been delivered to the Registrar of Companies and those for 2023 will be delivered following the company's Annual General Meeting. The auditors have reported on those accounts: their reports were unqualified, did not draw attention to any matters by way of emphasis and did not contain statements under s498(2) or (3) of the Companies Act 2006.

Discontinued operations

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

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

Going concern

The Group's loss for the financial year amounted to £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 31 March 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 before 1 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 and are satisfied that 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
- 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.

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 beverage ordered on the platform, as it is not materially subject to inventory risk or pricing risk, but instead receives a commission as remuneration from merchants. Payment for the food, beverages and other products is collected by the Group from the end consumer, and funds are remitted to the merchant, net of the commission fee. Revenue from commissions is earned and recognised at the point of order fulfilment when all performance obligations are fulfilled.

Consumer fees

Consumer fees are paid per order, as well as on a subscription basis for Deliveroo Plus. Fees payable on an order-by-order basis are recognised at the point of order fulfilment, when the performance obligation is fulfilled. Subscription fees are recognised on a straight-line basis over the period of the subscription, and are invoiced in arrears. Payment terms are 30 days from invoice date.

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

Restaurant sign-up fees

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

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.

Exceptional items

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

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

Income taxes

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

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

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

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

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

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

Intangible assets

Initial recognition

Capitalised development costs

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

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

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

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

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

Subsequent measurement

All intangible assets, including internally developed software, are accounted for using the cost model whereby capitalised costs are amortised on a straight-line basis over their estimated useful lives, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. The useful life applied for all internally generated software is three years and for acquired software is 10 years. Amortisation of intangible assets is recorded within 'administrative expenses' in the consolidated income statement.

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

Property, plant and equipment

Property, plant and equipment consists of leasehold improvements, 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 subsequent accumulated depreciation and impairment losses. Assets under construction are not depreciated as they are not yet in use. Once construction is completed, the assets are transferred to the relevant fixed asset category.

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

- leasehold improvements: the shorter of the lease term or 10 years;
- 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.

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.

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

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

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

Goodwill

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

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

Trade and other payables

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

Provisions and contingent liabilities

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

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

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

Equity and reserves

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

Other components of equity include the following:

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

3. Significant accounting judgements and estimates

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 15) and associated contingent liabilities (note 21) 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 15 and 21 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.

4. Segment information

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

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

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

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

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

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

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. 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
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 accrued National Insurance on share options	-	-	-	(64.3)	(64.3)
Exceptional items*	-	-	-	14.1	14.1
Impairments	(2.4)	(2.6)	(5.0)	-	(5.0)
Depreciation and amortisation					(73.9)
Finance income					35.3
Finance costs					(2.5)
Loss before income tax					(10.9)
Income tax charge					(7.6)
Loss for the year from discontinued operations					(13.3)
Loss after tax and discontinued operations					(31.8)

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

* Alternative performance measure ('APM'), refer to glossary on page 48 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 this note disclosure as this information is not regularly reviewed by the CODM for decision-making purposes.

Geographical information

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

	2023	2022
Non-current assets	£m	£m
UK and Ireland	128.1	147.0
International	33.9	48.7
Total non-current assets	162.0	195.7

5. Revenue

The Group's revenue is analysed as follows:

	2023	2022
	£m	£m
UK & Ireland	1,209.0	1,119.4
International	821.0	855.3
Total revenue	2,030.0	1,974.7

	2023	2022
	£m	£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.

6. Loss for the year

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

	2023	2022
	£m	£m
Depreciation of plant, property and equipment (see note 10)	13.0	12.8
Depreciation of right-of-use assets (see note 11)	19.9	18.7
Amortisation (see note 12)	41.0	30.3
Loss on disposal of property, plant and equipment (see note 10)	4.0	2.6
Auditor's remuneration	2.2	2.4
Sales and marketing costs	185.8	225.8
Staff costs	370.2	382.0
Exceptional items* (see note 8)	(0.8)	92.4
Impairment of right-of-use assets (see note 11)	1.7	3.7

* Alternative performance measure ('APM'), refer to glossary on page 48 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).

7. Income tax expense

	2023	2022
	£m	£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.

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	2022
	£m	£m
Loss before income 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 had 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.

8. 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 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	2022
	£m	£m
From continuing operations		
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 48 for further details

9. Loss per share

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

	2023	2022
Loss	£m	£m
Loss for the year from continuing operations	(18.5)	(242.5)
Loss for the year	(31.8)	(294.1)

	2023	2022
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)
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.

10. Property, plant and equipment

	Leasehold improvements	IT and office equipment	Rider, restaurant and store equipment	Assets under construction	Total
	£m	£m	£m	£m	£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 the year	(8.1)	(1.0)	(3.7)	-	(12.8)
Eliminated on disposal	0.4	-	0.5	-	0.9
Currency translation	(0.6)	0.2	-	-	(0.4)
At 31 December 2022	(23.7)	(8.1)	(11.3)	-	(43.1)
Charge for the year	(7.8)	(1.4)	(3.8)	-	(13.0)
Elimination 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

11. Leases

Right-of-use assets	Buildings	Equipment	Total
	£m	£m	£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 charge for the year	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 to be recognised in profit and loss	2023	2022
	£m	£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. There are also a smaller number of leases held in relation to equipment, primarily at our Editions sites.

Lease liabilities	2023	2022
	£m	£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	Equipment	Total
	£m	£m	£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



Maturity analysis	2032	2022
	£m	£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

12. Intangible assets

	Goodwill	Acquired software	Capitalised development expenditure	Total
	£m	£m	£m	£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 to 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.

13. Deferred tax

	2023	2022
	£m	£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
Total deferred tax assets	1.8	4.1

	1 January 2023	Recognised in income*	Recognised in equity	Foreign exchange differences	Total
	£m	£m	£m	£m	£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

	1 January 2022	Recognised in income*	Recognised in equity	Foreign exchange differences	Total
	£m	£m	£m	£m	£m
Tax value of loss carry-forwards utilised	8.0	(5.5)	-	-	2.5
Fixed asset temporary differences	1.3	(0.5)	-	-	0.8
Share-based payments	-	-	-	-	-
Other	1.4	(0.6)	-	-	0.8
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.

14. Trade and other receivables

	Current		Non-current	
	2023	2022	2023	2022
	£m	£m	£m	£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.

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).

15. Provisions

	2023	2022
	£m	£m
Legal provision	113.9	129.3
Dilapidations	13.3	13.9
Total provisions	127.2	143.2

	2023	2022
	£m	£m
Legal provision		
Current	58.1	-
Non-current	55.8	129.3
Total provisions	113.9	129.3

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

	Legal provisions	Dilapidations
	£m	£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 21.

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.

16. Trade and other payables

	2023	2022
	£m	£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

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.

17. Share capital

Shares issued and fully paid:	2023	2022	2023	2022
	shares	shares	£	£
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.

18. Own shares

	2023	2022
	£m	£m
Balance at 1 January	66.0	-
Acquired in the year	59.8	66.0
Bought back and cancelled	(50.8)	-
Exercise of share options	(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).

19. Share-based payments

The Company operates share schemes for qualifying employees of the Group. The following table sets out the movement in share awards during the period:

	Employee share options	Employee share options (France and US)	Performance Share Plans	Total	Weighted average exercise price (£)
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

	Employee share options	Employee share options (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
Exercisable at 31 December 2022	31,049,260	230	-	31,049,490	0.07

In addition to the totals above, 2,939,400 non-employee share options were outstanding as at 31 December 2023 (31 December 2022: 4,331,600).

20. Reconciliation of cash used in operations

	2023	2022
	£m	£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 generated from/(used in) operations	23.2	(144.2)

21. 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.



22. Events after the reporting period

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

Alternative Performance Measures and Glossary

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

Metric	Definition and purpose	Reconciliation to GAAP measure
Financial measures		
Adjusted EBITDA	Adjusted EBITDA represents loss for the year before income tax charge/credit, finance costs, finance income, depreciation and amortisation, exceptional costs, exceptional income and provisions, and share-based payments charge and accrued national insurance on share options. Adjusted EBITDA is considered to be a measure of the underlying trading performance of the Group and is used, amongst other measures, to evaluate operations from a profitability perspective, to develop budgets, and to measure performance against those budgets. EBITDA less capital expenditure and capitalised development costs is used as a further measure of underlying operating profitability of the business. Australia and Netherlands discontinued operations are excluded from adjusted EBITDA in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from adjusted EBITDA in 2020-22 but included for 2018-19.	See below for reconciliation
Adjusted EBITDA margin (as % of GTV)	Adjusted EBITDA margin is defined as adjusted EBITDA divided by GTV. It is used, amongst other metrics, as a measure of operating profitability. Australia and the Netherlands discontinued operations are excluded from adjusted EBITDA (as % of GTV) in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from adjusted EBITDA (as % of GTV) in 2020-22 but included for 2018-19.	See definition for calculation method
Constant currency	Constant currency adjusts for period-to-period local currency fluctuations. The Group uses constant currency information because the Directors believe it allows the Group to assess consumer behaviour on a like-for-like basis to better understand the underlying trends in the business	See definition for calculation method
Exceptional items (income/costs)	Exceptional income and exceptional costs are items where there is separately identifiable income and expenditure arising from activities or events outside the normal course of business and are deemed material to the understanding of the Group's accounts.	See note 8 for further information
Free cash flow	Free cash flow is defined as net cash used in operating activities less: purchase of property, plant and equipment; acquisition of intangible assets; payment of lease liabilities; and interest on lease liabilities. It is used, amongst other metrics, as a measure of cash inflow or outflow from the Group's operating and investing activities.	See below for reconciliation
Gross profit margin (as % of GTV)	Gross profit margin (as % of GTV) is defined as gross profit divided by GTV. It is considered a good measure of profitability at a transactional level. Australia and the Netherlands discontinued operations are excluded from gross profit margin (as % of GTV) in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from gross profit margin (as % of GTV) in 2020-22 but included for 2018-19.	See definition for calculation method
Gross transaction value ('GTV')	GTV comprises the total value of food baskets (net of any discounts) and consumer fees, excluding those from our Signature offering, and is represented including VAT and other sales-related taxes but excluding any discretionary tips. As such, GTV represents the total value paid by consumers, excluding any discretionary tips. It is a widely used measure for understanding the total value spent by consumers on our marketplace. Australia and the Netherlands discontinued operations are excluded from GTV in 2021-22 but included for 2018-20. Spain discontinued operations are excluded from GTV in 2020-22 but included for 2018-19.	See definition for calculation method

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

Metric **Definition**

Non-financial measures

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

Reconciliation to financial statements

	2023 £m	2022 £m
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

	2023 £m	2022 £m
Net cash 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)
Payment of lease liabilities	(15.4)	(15.7)
Interest on lease liabilities	(2.5)	(2.8)
Free cash flow*	(38.4)	(243.1)

	2023 £m	2022 £m
Cash and cash equivalents	603.1	949.1
Other treasury deposits	75.7	50.5
Less: debt	-	-
Net cash	678.8	999.6

* Alternative performance measure ('APM'), refer to glossary on page 48 for further details