

Just Eat Host A/S
Lyngbyvej 20, 2., 2100 København Ø

Annual report
2020

Company reg. no. 25 48 73 89

The annual report was submitted and approved by the general meeting on the 30 June 2021.

Carsten Boldt
Chairman of the meeting

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Notes:

- To ensure the greatest possible applicability of this document, British English terminology has been used.
- Please note that decimal points have not been used in the usual English way. This means that for instance DKK 146.940 means the amount of DKK 146,940, and that 23,5 % means 23.5 %.

Management's report

The board of directors and the managing director have today presented the annual report of Just Eat Host A/S for the financial year 1 January to 31 December 2020.

The annual report has been presented in accordance with the Danish Financial Statements Act.

We consider the accounting policies used appropriate, and in our opinion the annual accounts provide a true and fair view of the company's assets and liabilities and its financial position at 31 December 2020 and of the company's results of its activities in the financial year 1 January to 31 December 2020.

We are of the opinion that the management's review includes a fair description of the issues dealt with.

We recommend that the annual report be approved by the general meeting.

Copenhagen, 30 June 2021

Managing Director

Carsten Boldt
Managing Director

Board of directors

Sven Oddens
Chairman

Thomas Anthony Pereira

Carsten Boldt

Independent auditor's report

To the shareholder of Just Eat Host A/S

Opinion

We have audited the annual accounts of Just Eat Host A/S for the financial year 1 January to 31 December 2020, which comprise accounting policies, profit and loss account, balance sheet, statement of changes in equity and notes. The annual accounts are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the annual accounts give a true and fair view of the company's assets, liabilities and financial position at 31 December 2020 and of the results of the company's operations for the financial year 1 January to 31 December 2020 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with international standards on auditing and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the below section "Auditor's responsibilities for the audit of the annual accounts". We are independent of the company in accordance with international ethics standards for accountants (IESBA's Code of Ethics) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these standards and requirements. We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

The management's responsibilities for the annual accounts

Management is responsible for the preparation of annual accounts that give a true and fair view in accordance with the Danish Financial Statements Act. Management is also responsible for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, management is responsible for evaluating the company's ability to continue as a going concern, and, when relevant, disclosing matters related to going concern and using the going concern basis of accounting when preparing the annual accounts, unless management either intends to liquidate the company or to cease operations, or if it has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report including an opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error and may be considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions made by users on the basis of the annual accounts.

Independent auditor's report

As part of an audit conducted in accordance with international standards on auditing and the additional requirements applicable in Denmark, we exercise professional evaluations and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used by management and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's preparation of the annual accounts being based on the going concern principle and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may raise significant doubt about the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the annual accounts, including the disclosures in the notes, and whether the annual accounts reflect the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal control that we identify during our audit.

Statement on the management's review

Management is responsible for the management's review.

Our opinion on the annual accounts does not cover the management's review, and we do not express any kind of assurance opinion on the management's review.

Independent auditor's report

In connection with our audit of the annual accounts, our responsibility is to read the management's review and in that connection consider whether the management's review is materially inconsistent with the annual accounts or our knowledge obtained during the audit, or whether it otherwise appears to contain material misstatement.

Furthermore, it is our responsibility to consider whether the management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we believe that the management's review is in accordance with the annual accounts and that it has been prepared in accordance with the requirements of the Danish Financial Statement Acts. We did not find any material misstatement in the management's review.

Copenhagen, 30 June 2021

Deloitte

State Authorised Public Accountants
Company reg. no. 33 96 35 56

Flemming Larsen

State Authorised Public Accountant
mne27790

Company information

The company	Just Eat Host A/S Lyngbyvej 20, 2. 2100 København Ø
	Company reg. no. 25 48 73 89 Domicile: Copenhagen Financial year: 1 January - 31 December
Board of directors	Sven Oddens, Chairman Thomas Anthony Pereira Carsten Boldt
Managing Director	Carsten Boldt, Managing Director
Auditors	Deloitte Statsautoriseret Revisionspartnerselskab Weidekampsgade 6 2300 København S
Parent company	Just Eat Denmark Holding ApS, Lyngbyvej 20, 2, 2100 København Ø

Management commentary

The principal activities of the company

The Company's activity is operation of a trading and service business within the restaurant and catering sector

Development in activities and financial matters

The Just Eat Takeaway Group, under which the Company is incorporated, has revised its franchise model, which affects the Company's revenue. The Company's revenue has been entirely comprised of the Host Fee recharged to Group franchisees, to cover the cost of server maintenance and management. As per the 1. January 2018, Group has decided to abolish the Host Fee, as costs for server maintenance and management no longer are borne by the Company, but rather have been moved to the franchisor, Just Eat Holding. Therefore, the company is without any commercial activity in 2020.

The loss for the year amounts to DKK -8.608 thousand after tax, which the Management finds expectedly. At 31 December 2020 the equity totals DKK -29.845 thousand.

COVID-19 is not viewed to have significant impact on the 2020 results, and will not impact the 2021 results.

Capital resources

The management notes, that the profit for the year results in a negative equity for the company. In relation to this, the management informs that a parent company guarantee from Just Eat Takeaway.com NV, has been provided, which ensures sufficient liquidity for continuing the operations, should this become needed. Based on this the company has filed the annual accounts in accordance with the going concern principles. The management refers to note 2 for further information.

Events subsequent to the financial year

No events have occurred after the balance sheet date to this date which would influence the evaluation of this annual report.

Accounting policies

The annual report for Just Eat Host A/S is presented in accordance with those regulations of the Danish Financial Statements Act concerning companies identified as class B enterprises. Furthermore, the company has chosen to comply with some of the rules applying for class C enterprises.

The accounting policies used are unchanged compared to last year, and the annual accounts are presented in Danish kroner (DKK).

Material misstatement

A correction of an error in 2019 related to the corporate tax provision calculation, totalling to the amount of 16mDKK is discovered. The correction is made in comparative figures in 2019. An adjustment of last year's tax provision and corporate tax has been made

The restatement of prior year revenue has the following effect on prior year:

Corporate tax expense for the year 2019 has been reduced with DKK 16m.

Corporate tax liability 31.12.2019 has been reduced with DKK 16m to DKK 10m.

Equity 31.12.2019 has been increased with DKK 16m.

Recognition and measurement in general

Assets are recognised in the balance sheet when the company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

At the first recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

Anticipated risks and losses that arise before the time of presentation of the annual report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year.

Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials. If currency positions are considered to hedge future cash flows, the value adjustments are recognised directly in equity in a fair value reserve.

Accounting policies

Receivables, payables, and other foreign currency monetary items are translated using the closing rate. The difference between the closing rate and the rate at the time of the occurrence or initial recognition in the latest financial statements of the receivable or payable is recognised in the income statement under financial income and expenses.

Fixed assets acquired and paid for in foreign currency are measured at the exchange rate prevailing at the date of the transaction.

Group enterprises abroad, associates, and equity investments are considered to be independent entities. The income statements are translated at an average exchange rate for the month, and the balance sheet items are translated at the closing rates. Currency translation differences, arising from the translation of the equity of group enterprises abroad at the beginning of the year to the closing rate and from the translation of income statements from average prices to the closing rate, are recognised directly in equity in the fair value reserve. This also applies to differences arising from translation of income statements from average exchange rate to closing rate.

Translation adjustment of balances with group enterprises abroad that are considered part of the total investment in group enterprises are recognised directly in equity in the fair value reserve. Likewise, foreign exchange gains and losses on loans and derived financial instruments for currency hedging independent group enterprises abroad are recognised directly in equity.

When recognising foreign group enterprises which are integral units, the monetary items are translated using the closing rate. Non-monetary items are translated using the exchange rate prevailing at the time of acquisition or at the time of the subsequent revaluation or writedown for impairment of the asset. Income statement items are translated using the exchange rate prevailing at the date of the transaction. However, items in the income statement derived from non-monetary items are translated using historical prices.

Income statement

Gross loss

Gross loss comprises of other external expenses.

Other external expenses

Other external expenses include expenses relating to the Entity's ordinary activities, including expenses for premises, stationery and office supplies, marketing costs, etc. This item also includes writedowns of receivables recognised in current assets.

Accounting policies

Financial income and expenses

Financial income and expenses are recognised in the income statement with the amounts concerning the financial year. Financial income and expenses comprise interest income and expenses, financial expenses from financial leasing, realised and unrealised capital gains and losses relating to securities, debt and transactions in foreign currency, amortisation of financial assets and liabilities as well as surcharges and reimbursements under the advance tax scheme, etc.

Tax of the results for the year

The tax for the year comprises the current tax for the year and the changes in deferred tax, and it is recognised in the profit and loss account with the share referring to the results for the year and directly in the equity with the share referring to entries directly on the equity.

The company is subject to the Danish legislation concerning compulsory joint taxation with the Danish group enterprises.

The current Danish corporate tax is allocated among the jointly taxed companies in proportion to their respective taxable income (full allocation with reimbursement of tax losses).

The balance sheet

Receivables

Receivables are measured at amortised cost, which usually corresponds to nominal value.

In order to meet expected losses, impairment takes place at the net realisable value.

Prepayments

Prepayments comprise incurred costs relating to subsequent financial years. Prepayments are measured at cost.

Cash

Cash comprise cash in hand and bank deposits.

Income tax and deferred tax

Current tax liabilities and current tax receivable are recognised in the statement of financial position as calculated tax on the taxable income for the year, adjusted for tax of previous years' taxable income and for tax paid on account.

Joint taxation contributions payable and receivable are recognised in the statement of financial position as "Income tax receivable" or "Income tax payable".

Accounting policies

According to the rules of joint taxation, Just Eat Host A/S is unlimitedly, jointly, and severally liable to pay the Danish tax authorities the total income tax, including withholding tax on interest, royalties, and dividends, arising from the jointly taxed group of companies.

Deferred tax is measured based on the tax rules and tax rates applying under the legislation prevailing in the respective countries on the reporting date when the deferred tax is expected to be released as current tax. Changes in deferred tax due to changed tax rates are recognised in the income statement, except for items included directly in the equity.

Deferred tax assets, including the tax value of tax losses allowed for carryforward, are recognised at the value at which they are expected to be realisable, either by settlement against tax of future earnings or by set-off in deferred tax liabilities within the same legal tax unit. Any deferred net tax assets are measured at net realisable value.

Liabilities other than provisions

Other liabilities concerning payables to suppliers, group enterprises, and other payables are measured at amortised cost which usually corresponds to the nominal value.

Income statement 1 January - 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Gross loss	-127.755	-27.841
3 Other financial income	8.663.131	0
4 Other financial expenses	<u>-1.691.216</u>	<u>-9.250.790</u>
Pre-tax net profit or loss	6.844.160	-9.278.631
5 Tax on ordinary results	<u>-15.452.421</u>	<u>-244.101.951</u>
Net profit or loss for the year	<u>-8.608.261</u>	<u>-253.380.582</u>
Proposed appropriation of net profit:		
Allocated from retained earnings	<u>-8.608.261</u>	<u>-253.380.582</u>
Total allocations and transfers	<u>-8.608.261</u>	<u>-253.380.582</u>

Statement of financial position at 31 December

All amounts in DKK.

Assets		
<u>Note</u>	<u>2020</u>	<u>2019</u>
Current assets		
Receivables from group enterprises	130.235.573	92.439.646
Receivable corporate tax	2.016.676	3.670.507
Other receivables	89.508	58.896
Prepayments	38.656	38.656
Total receivables	<u>132.380.413</u>	<u>96.207.705</u>
Cash	<u>82.068</u>	<u>243.263</u>
Total current assets	<u>132.462.481</u>	<u>96.450.968</u>
Total assets	<u>132.462.481</u>	<u>96.450.968</u>

Statement of financial position at 31 December

All amounts in DKK.

<u>Note</u>	<u>2020</u>	<u>2019</u>
Equity and liabilities		
Equity		
Contributed capital	1.000.000	1.000.000
Results brought forward	-30.845.301	-22.237.040
Total equity	-29.845.301	-21.237.040
 Liabilities other than provisions		
Debt to group enterprises	138.605.205	107.782.443
Corporate tax	23.702.577	9.903.987
Other debts	0	1.578
Total short term liabilities other than provisions	<u>162.307.782</u>	<u>117.688.008</u>
 Total liabilities other than provisions	 <u>162.307.782</u>	 <u>117.688.008</u>
 Total equity and liabilities	 <u>132.462.481</u>	 <u>96.450.968</u>

2 Going concern

1 Uncertainties concerning recognition and measurement

7 Contingencies

8 Related parties

Statement of changes in equity

All amounts in DKK.

	<u>Contributed capital</u>	<u>Other reserves</u>	<u>Retained earnings</u>	<u>Total</u>
Equity 1 January 2019	1.000.000	109.515	107.834.027	108.943.542
Provisions of the results for the year	0	0	-253.380.582	-253.380.582
Transfer from other reserves to retained earnings	0	-109.515	109.515	0
Other entries on equity	<u>0</u>	<u>0</u>	<u>123.200.000</u>	<u>123.200.000</u>
Equity 1 January 2020	1.000.000	0	-22.237.040	-21.237.040
Provisions of the results for the year	<u>0</u>	<u>0</u>	<u>-8.608.261</u>	<u>-8.608.261</u>
	<u>1.000.000</u>	<u>0</u>	<u>-30.845.301</u>	<u>-29.845.301</u>

Notes

All amounts in DKK.

1. Uncertainties concerning recognition and measurement

The loss for the year amounts to DKK -8.608 thousand tax, which is a result of a material tax provision related to the ongoing tax case. . The tax provision is calculated based on probability weighting of a range of possible outcomes, the most extreme of which is the full claim made by the Danish Tax Authority. The key assumptions which are factored into our estimate of the likely outcome are: whether the basis for the claim made by the Danish Tax Authority is valid; the valuation applied to the relevant assets; and the length of time over which royalty relief may be applied, ranging from five years to 25 years. Due to the size of the full claim, it is possible that a change in our estimate could result in a material adjustment within the next year, should arbitration be concluded and result in an unexpected outcome. Where the final amounts payable are different to the liabilities recognised in previous years, the required adjustments in respect of prior years will be recorded in the current year income statement. We have made significant payments on account to the Danish Tax Authority, which in no way reflect our position or the expected outcome, but as a means of mitigating against interest charges applied on the final agreed tax payment.

2. Going concern

The management notes that the loss for the current year results in a negative total equity. In relation to this the management inform that a company guarantee from Just Eat Takeaway.com NV, has been provided, which ensures sufficient liquidity for continuing the operations, should this become needed. Based on this the company has filed the annual accounts in accordance with the going concern principles.

	<u>2020</u>	<u>2019</u>
3. Other financial income		
Exchange differences	8.663.131	0
	<u>8.663.131</u>	<u>0</u>
4. Other financial expenses		
Financial costs, group enterprises	1.680.000	1.680.000
Other financial costs	11.216	7.570.790
	<u>1.691.216</u>	<u>9.250.790</u>

Notes

All amounts in DKK.

	<u>2020</u>	<u>2019</u>
5. Tax on ordinary results		
Tax of the results for the year	15.452.421	244.095.575
Adjustment for the year of deferred tax	<u>0</u>	<u>6.376</u>
	<u>15.452.421</u>	<u>244.101.951</u>

In 2012, our transfer pricing arrangements were updated, in-line with the OECD Transfer Pricing Guidelines, to reflect the commercial and economic reality of our headquarters being established in the UK, whereas previously the Group was headquartered in Denmark. An Advanced Pricing Agreement (“APA”) was submitted to the Danish and UK Competent Authorities to obtain certainty over the position taken.

Subsequently, the Danish Tax Authority opened a local transfer pricing audit into the periods covered by the APA and in January 2018 issued a formal notice of assessment from their findings, making a claim that the taxable income for financial year 2013 should be increased in relation to intellectual property income, equaling an additional tax payment of £126 million, including penalties and interest (which have continued to accrue since then).

We strongly disagree with the claim made by the Danish Tax Authority and have appealed the assessment through the Mutual Agreement Process (“MAP”) between the UK HMRC and the Danish Tax Authority. During the MAP, the two tax authorities enter into discussions with the intention of resolving the transfer pricing dispute. Our case was formally accepted into the MAP in April 2018. Under the MAP, the tax authorities have two years to reach a resolution.

As a resolution has not been reached, we are able to refer the case to an independent arbitration panel who will consider the facts and reach their own conclusion. We expect the outcome to be a full elimination of the potential double taxation. Such an outcome may result in a reallocation of income between the UK and Denmark with different tax rates applying over a different period, with net interest charges. As a result of the adaption of IFRIC 23, the management have incurred a tax cost of DKK 260.303 thousand whereas this in prior years, was included in the notes for the contingent liabilities.

As of 31st of December 2020 the breakdown of the tax provision related to the tax audit is:

Provision	DKK 260.303 thousand
On account payment	DKK -236.600 thousand
Included in the liabilities	DKK 23.703 thousand

Notes

All amounts in DKK.

	<u>31/12 2020</u>	<u>31/12 2019</u>
6. Deferred tax assets		
Deferred tax assets 1 January 2020	0	6.375
Deferred tax of the results for the year	<u>0</u>	<u>-6.375</u>
	<u>0</u>	<u>0</u>

7. Contingencies

Contingent liabilities

As at 31 December 2019, Just Eat had access to a committed £350 million RCF, expiring in November 2023. However, on 9 March 2020, the RCF was amended and extended. The facility level was increased and denominated in two tranches. £268 million and €308 million, and the term extended to 9 March 2025. The RCF also includes an option to increase the facility by a further £200 million (subject to bank credit committee approval) and an option to extend the facility by two further years (subject to bank credit committee approval). The RCF is unsecured and contains common financial covenants (related to leverage and interest cover). The financial covenants are tested on 30 June and 31 December each year and to date have been complied with at all measurement points.

Following the business combination, the RCF has been amended to include Takeaway.com Group 8.V. as an additional borrower and companies in the wider Just Eat Takeaway.com group as additional guarantors. The RCF is undrawn at year end.

Joint taxation

Just Eat Denmark Holding ApS, company reg. no 35 14 34 16 being the administration company, the company is subject to the Danish scheme of joint taxation and unlimited jointly and severally liable with the other jointly taxed companies for the total corporation tax.

The company is unlimited jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends.

8. Related parties

Consolidated annual accounts

The company is included in the consolidated annual accounts of Just Eat Takeaway.com NV, Oosterdoksstraat 80, 1011 DK Amsterdam, The Netherlands.