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("Naspers")

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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**9 December 2019**

**INCREASED CASH OFFER**

for

**JUST EAT PLC**

by

**MIH FOOD DELIVERY HOLDINGS B.V.**

**a wholly-owned indirect subsidiary of Prosus N.V.**

**1. Increased Cash Offer**

On 22 October 2019, Prosus N.V. (**Prosus**) announced the terms of a cash offer by its wholly-owned indirect subsidiary MIH Food Delivery Holdings B.V. (**MIH**), to acquire the entire issued and to be issued share capital of Just Eat plc (**Just Eat**) (the **Offer Announcement**). On 11 November 2019, the Offer Document setting out the full terms and conditions of the Offer was published.

Today, Prosus is pleased to announce the terms of an increased cash offer for the entire issued and to be issued share capital of Just Eat by MIH (the **Increased Offer**).

Under the terms of the Increased Offer, Just Eat Shareholders will be entitled to receive:

**740 pence in cash for each Just Eat Share**

The terms of the Increased Offer value the entire issued and to be issued ordinary share capital of Just Eat at approximately £5.1 billion and represent a premium of approximately:

- 25.6 per cent. to the Closing Price of 589 pence per Just Eat Share on 21 October 2019 (being the last Business Day before the date of the Offer Announcement); and
- 24.6 per cent. to the value of the Takeaway.com Offer of 594 pence per Just Eat Share based on Takeaway.com's Closing Price of €71.00 on 21 October 2019 (being the last Business Day before the date of the Offer Announcement);

MIH also announces today that it has reduced the level of acceptances required to satisfy the Acceptance Condition to a simple majority (50 per cent. plus one Just Eat Share) of Just Eat Shares, thereby significantly increasing deal certainty.

As a consequence of today's announcement, the closing date of the Increased Offer has been extended to 1.00 p.m. on 27 December 2019.

Save as set out in this announcement, the Increased Offer is subject to the same terms and conditions as the Offer. The Increased Offer is a revision to the Offer and should be construed accordingly.

Commenting on the Increased Offer, Bob van Dijk, the Group CEO of Prosus said:

*"Following the announcement of our offer, we have had the opportunity to listen to the views of Just Eat Shareholders, share our perspective on the global food delivery sector and reflect on the unquestionable challenges Just Eat faces, as clearly seen in its Q3 results. We have also had extensive discussions with our own shareholders with regards to our long term strategy for food delivery and Just Eat's role within that. We continue to believe in the sector and, as we have demonstrated in Brazil, if you act decisively and invest effectively in technology as well as the opportunities of own-delivery, then you can build an attractive growth business that is equipped to win in the long-term. We believe the investment required is substantial and this impacts our view of potential returns. As disciplined investors we obviously need to factor the required investment into our value considerations.*

*Just Eat is a quality business, which we believe has all the ingredients to be transformed into a long-term sector winner. In recognition of this potential, we have decided to increase our offer to 740 pence per share, which we believe provides Just Eat Shareholders with compelling value and therefore good reason to accept our all-cash offer. Unlike the Takeaway.com Offer, which relies on shares remaining at an above sector multiple, our cash offer provides certainty of value to Just Eat Shareholders. We urge shareholders to accept our offer, as it is the only one that delivers certainty in the face of undeniable industry change."*

## **2. Overview of the Increased Offer**

Following Prosus's offer for Just Eat, Prosus's management have had extensive discussions with Just Eat Shareholders to explain the rationale for the Offer and the compelling value it represents. Prosus's management have also had extensive discussions with Prosus's own shareholders, including at Prosus's recent Capital Markets Day with regards to Prosus's long-term strategy for food delivery and Just Eat's role in this strategy.

Prosus continues to believe that Just Eat is an attractive business, albeit one that requires investment which has now also been acknowledged by the Just Eat Board, which Prosus has taken into account when assessing the targeted return on investment for its shareholders and the price it can justify offering for Just Eat.

Following careful consideration, and in the interest of bringing the process to a close, Prosus has decided to increase its offer to 740 pence per Just Eat Share in cash, whilst also reducing its acceptance condition to a simple majority (50 per cent. plus one Just Eat Share). Prosus believes the Increased Offer underscores its commitment to the transaction and constitutes attractive and certain value for Just Eat Shareholders, while allowing Prosus to target appropriate risk-adjusted returns for its own shareholders.

The Increased Offer is at a 25.6 per cent premium to Just Eat's closing share price on 21 October 2019 (the last Business Day before the date of the Prosus Offer Announcement), which Prosus

believes compares favourably with precedent premia for such transactions in a UK context when taking into account that the Just Eat share price on the day before the Offer Announcement (21 October 2019) of 589 pence already included a premium from the Takeaway.com Offer. The Increased Offer also represents a 10.4 per cent. premium to the initial offer of 670p made to the Just Eat Board by Prosus. Further, the value of the Increased Offer comes at a premium to the value of the Takeaway.com Offer when it was announced of 731 pence, which was recommended by the Just Eat Board. Prosus encourages the Just Eat Board to recognise the superior value of Prosus's Increased Offer.

The Increased Offer is superior to the look through value of the Takeaway.com Offer and provides certainty of value for Just Eat Shareholders, in contrast to the significant risks associated with swapping into the shares of a company currently trading on a revenue multiple 3 times higher than Just Eat's own unaffected multiple.

## **2.1 Prosus's Increased Offer provides compelling and certain value for a business that is facing substantial challenges**

While Prosus believes Just Eat is an attractive business with strong long-term potential, it is currently facing significant challenges. Just Eat's historically strong market positions are being eroded by intensifying competition in the UK and other core markets, including Spain and Italy, with market share loss recently accelerating in a number of markets. Just Eat has seen UK year-on-year order growth deteriorate substantially from 30.9 per cent. in 2016 to 8 per cent. in Q3 2019 and UK EBITDA margin decrease from 51.4 per cent. in 2016 to 35.2 per cent. in H1 2019. Just Eat has lost its leading position in five of its thirteen markets. Unsurprisingly, shareholder returns have similarly suffered - over the last two years Just Eat has delivered a negative shareholder return of -15.6 per cent. (versus +4.3 per cent. for FTSE 350).

While the Just Eat price on the day before the date of the Prosus Offer Announcement (21 October 2019) was 589 pence, in Prosus's view there is significant further downside risk to this share price. The Just Eat Board has now acknowledged that increased investment is required and that this "may impact" profitability. This statement was made after Prosus's Offer Announcement and is not reflected in the current Just Eat share price, which Prosus believes has decoupled from fundamentals and is currently trading on M&A speculation. In a comparable context, Grubhub has seen significant derating, and is now trading at 2.9x 2020 revenues – if Just Eat were trading at this multiple, the illustrative share price would be 526 pence to which Prosus's Increased Offer represents an illustrative 40.7 per cent. premium (calculated by multiplying Just Eat's consensus 2020 revenue by 2.9x and applying Just Eat's enterprise value to equity bridge of -£31 million to get an illustrative equity value of £3,614 million, then dividing by Just Eat's fully diluted shares of 687 million to get an illustrative share price of 526 pence per share).<sup>1</sup>

Prosus believes Takeaway.com's claims about the lack of comparability between Just Eat's and Grubhub's situations are flawed and fail to appreciate the competitive dynamics the two companies are facing. Both companies are marketplace incumbents with a history of market leadership and strong profitability. Both have been disrupted by intensifying competition from well-funded and rapidly growing entrants operating an own-delivery led model. Despite attempts to defend their position by rolling out own-delivery operations both companies have continued to lose market share and experience slowing growth and decreased profitability.

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<sup>1</sup> This calculation is illustrative and should not be interpreted as a valuation estimate or profit forecast under the Takeover Code

## **2.2 Prosus's Increased Offer takes into account significant investments required in own-delivery, product, technology and marketing**

Prosus believes Just Eat has underinvested in addressing the challenges outlined above, with only £51 million invested in growth initiatives in 2018, substantially less than peers including iFood, Grubhub and Delivery Hero. Prosus believes that this underinvestment has prevented Just Eat from effectively transitioning to a hybrid model.

In Prosus's view the 25 per cent. share of own-delivery orders that the Just Eat Board quotes masks Just Eat's lack of traction with its own-delivery rollout as it represents a blend of Canada (acquired by Just Eat in December 2016) with 100 per cent. own-delivery and other geographies where own-delivery represented only 7.8 per cent. of orders in H1 2019. Notably, within Just Eat's portfolio, Canada (100 per cent. own-delivery), and Brazil (greater than 20 per cent. own-delivery) exhibit vastly superior growth compared to other assets such as UK, Spain and Italy where Just Eat is losing market share at an accelerating pace to own-delivery competitors with a superior customer proposition.

Just Eat's track record in Australia and New Zealand starkly demonstrates how underinvestment can erode value. Just Eat acquired Menulog in May 2015 for £421 million. Prosus believes Menulog was slow to react to the intensifying competitive pressure after Deliveroo and Uber Eats entered the market, investing less than £10 million in 2018 to enhance its proposition. As a result, Menulog lost market leadership and market share and suffered declining revenue. In 2017 Just Eat incurred a £180 million impairment relating to Menulog, and current broker consensus for Menulog's SOTP value is £104 million, 75 per cent. below the acquisition price.

This is in contrast to Brazil, where, with Prosus's operating support and investment (in 2018, Prosus announced an additional investment commitment of US\$400 million in iFood) in partnership with Just Eat, iFood has been able to swiftly react to competitive pressures, rapidly building out its own-delivery capabilities and accelerating its growth.

As consistently stated by Prosus, and now acknowledged by Just Eat's Board, Just Eat requires increased investment, which Prosus intends to make in own-delivery, marketing, product and technology. This investment need is taken into account in the value of the Increased Offer.

## **2.3 Prosus's Increased Offer provides certainty whilst the Takeaway.com Offer carries significant risks for Just Eat Shareholders**

The Takeaway.com Offer carries significant risk for Just Eat Shareholders with Takeaway.com's current share price of €86.50 marginally below its all-time high. Takeaway.com is trading at 9.9x 2020E enterprise value/revenue, two to three times the level of peers. This is in the context of Takeaway.com's Q3 2019 order growth slowing to 15 per cent. for the Netherlands and 21 per cent. for Germany (by comparison, Prosus's food assets are growing at 320 per cent. for Swiggy, 122 per cent. for iFood and 92 per cent. for Delivery Hero). At these valuation levels, Prosus believes that there is little room for execution missteps, further growth slowdown or increased competition.

Immediately prior to acquiring Delivery Hero's German assets in 2018, Takeaway.com's share price was €44.90. Prosus believes that one of the key drivers of Takeaway.com's strong share price performance since the transaction has been an increase in the share of orders from Low Competition Markets, which has increased from 37 per cent. in the nine months to September 2018 to 65 per cent. in H1 2019. Combining with Just Eat would reduce Takeaway.com's share of orders in Low Competition Markets to 28 per cent.,<sup>2</sup> which is materially below pre-Germany deal levels. Prosus

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<sup>2</sup> Based on H1 2019 orders

believes that this indicates that there is a very meaningful downside risk to the valuation of the combined entity.

The limited synergies that Takeaway.com and Just Eat have announced represent just 1.6 per cent. of the combined cost base. These limited synergies do not, in Prosus's view, compensate for the risks outlined above. These synergies also primarily come from "operational and technology efficiency", which Prosus believes relies on the 3 per cent. headcount reductions referenced by Takeaway.com. This is in contrast to Prosus's focus on investment.

#### **2.4 Takeaway.com's playbook developed in Germany and the Netherlands would not address Just Eat's challenges**

Prosus believes that Takeaway.com takes a narrow view of the food delivery sector based principally on its experience in the Netherlands and Germany. These markets have so far been relatively insulated from innovative and well-funded global own-delivery competitors meaning Takeaway.com has limited experience of competing against own-delivery players operating at scale.

In contrast, in the UK both Uber Eats and Deliveroo have been operating at scale for years with large and growing market share and consumers have come to expect the superior selection and service quality these platforms deliver. As just one example, 20 of the Tripadvisor top 50 ranked restaurants in London are listed on Deliveroo or Uber Eats, compared to six of 50 listed on Just Eat. Prosus believes this illustrates the ability of innovative own-delivery platforms to unlock superior selection for customers, leading to increasing variety / frequency of delivery occasions and ultimately superior growth compared to underinvesting marketplace incumbents.

Prosus believes that the severe market share loss suffered by Menulog in Australia at the hands of the same two own-delivery competitors provides a cautionary tale for Just Eat in the UK and other markets. If the consumer demand for superior selection and service quality provided through the own-delivery model is not addressed, then Just Eat Shareholders may well face the same reality of meaningful market share loss and value erosion, but on a much larger scale.

Prosus does not believe Takeaway.com is well-positioned to help Just Eat address this challenge. In both Berlin and Amsterdam, Takeaway.com offers only four of the Tripadvisor top 50 restaurants on its platforms. While this marketplace-driven approach has so far worked in Takeaway.com's markets given the absence or lack of focus of global own-delivery competitors, Prosus believes the UK situation is different and Takeaway.com's playbook will not help address the significantly higher customer expectations in Just Eat's markets.

#### **2.5 Takeaway.com is not the right partner to help Just Eat transition to an own-delivery focused hybrid model**

The Just Eat Board is now acknowledging that building a hybrid own-delivery / marketplace model is required for long-term success. Takeaway.com has very limited own-delivery experience and no meaningful track record, with an own-delivery order share of just 4.9 per cent. Takeaway.com's management has repeatedly stated that it believes own-delivery to be an inferior business model that cannot be profitable, which in Prosus's view is not true and reflects Takeaway.com's lack of own-delivery experience and narrow view of the food delivery industry restricted to the European markets Takeaway.com operates in. Prosus is confident that the own-delivery model is profitable at scale, as shown by the performance of Swiggy, Just Eat Canada, Meituan Dianping and Wolt, which profitably operates an own-delivery model in a number of European markets.

Furthermore, Just Eat and Takeaway.com appear not to be aligned on own-delivery strategy. Just Eat plans to leverage their "world-class Skip technology and operational know-how to build own-delivery capabilities" while Takeaway.com intends to roll-out its "Scoober restaurant delivery services in the

UK". Just Eat and Takeaway.com also appear to disagree on the expected impact of such growth investments on profitability. Just Eat acknowledges the potentially negative impact on profitability, whilst Takeaway.com claims that the roll out of own delivery (Scoober) will have "no material negative impact on the bottom line".

These contradictions demonstrate the reactive nature of Just Eat and Takeaway.com's response to the changing dynamics in the sector raised by Prosus and represent a lack of strategic alignment and consistency, highlighting the operational execution risk attached to Takeaway.com's offer. In contrast, Prosus has been consistent throughout in its stated strategy for Just Eat.

**Prosus believes that its initial Offer to Just Eat Shareholders provided fair and certain value. The Increased Offer provides even more compelling and certain value for Just Eat's Shareholders at a further premium to Takeaway.com's all-share offer, which comes with significant risk.**

**Just Eat Shareholders are urged to accept the Increased Offer as soon as possible and, in any event, by no later than 1.00 p.m. (London time) 27 December 2019.**

### **3. Financing of the Increased Offer**

The cash consideration payable by MIH pursuant to the Increased Offer will be financed by a bridge loan agreement with J.P. Morgan Chase Bank, N.A., London Branch, BNP Paribas Fortis SA/NV, Citibank, N.A., London Branch, Citibank, N.A., Jersey Branch, Deutsche Bank Luxembourg S.A., Morgan Stanley Senior Funding, Inc. and Intesa Sanpaolo S.p.a., Filiale Frankfurt am Main as original lenders (the **Original Lenders**), providing for a term loan bridge facility. The proceeds of the bridge facility will be used to fund the cash consideration payable by MIH to Just Eat Shareholders in connection with the Increased Offer. Prosus has secured the fully committed bridge financing from the Original Lenders.

J.P. Morgan Cazenove, as financial adviser to Prosus and MIH, is satisfied that the resources available to MIH are sufficient to enable it to satisfy in full the cash consideration payable to Just Eat Shareholders under the terms of the Increased Offer.

### **4. How to accept the Increased Offer**

A revised offer document (the **Revised Offer Document**) containing the full terms of, and conditions to, the Increased Offer together with the associated revised form of acceptance (the **Revised Form of Acceptance**) will be posted to Just Eat Shareholders and be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Prosus's website at [www.prosus.com/investors/justeat](http://www.prosus.com/investors/justeat), in due course.

**Just Eat Shareholders wishing to accept the Increased Offer in respect of certificated Just Eat Shares, should complete either (i) the Form of Acceptance accompanying the Offer Document dated 11 November 2019; or (ii) the Revised Form of Acceptance which will accompany the Revised Offer Document to be posted in due course.**

**Just Eat Shareholders wishing to accept the Increased Offer in respect of uncertificated shares should do so electronically through CREST.**

**Pursuant to the terms of the Offer, Just Eat Shareholders who have already accepted the Offer will automatically be deemed to have accepted the Increased Offer, by virtue of their prior acceptance and do not need to take any further action.**

If you have any questions relating to this announcement or the Offer Document, please contact the Receiving Agent, Computershare on 0370 707 1066, (if calling within the UK) or on +44 370 707 1066 (if calling from outside the UK). Lines are open Monday to Friday 8.30 a.m. to 5.30 p.m. (London time).

**Just Eat Shareholders are urged to accept the Increased Offer as soon as possible and, in any event, by no later than 1.00 p.m. (London time) on 27 December 2019.**

## **5. Level of acceptances and disclosure of interests in relevant securities**

As at 3.00 p.m. on 6 December 2019, MIH had received valid acceptances of the Offer in respect of 12,295 Just Eat Shares representing approximately 0.0018 per cent. of the current issued share capital of Just Eat, all of which may count towards the Acceptance Condition. MIH does not own any Just Eat Shares.

The percentages of Just Eat Shares referred to in this announcement are based on a figure of 682,985,706<sup>3</sup> Just Eat Shares in issue on 6 December 2019.

## **6. General**

The Increased Offer will be subject to the terms and conditions set out in the Revised Offer Document which will be published in due course. The Offer Document will remain available, subject to certain restrictions relating to persons resident in certain jurisdictions, on Prosus's website at [www.prosus.com/investors/justeat](http://www.prosus.com/investors/justeat). The contents of Prosus's website are not incorporated into and do not form part of this announcement.

Capitalised terms in this announcement, unless otherwise defined, have the same meanings as set out in the offer document dated 11 November 2019 in respect of the Offer.

### **Enquiries:**

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<b>Media Enquiries</b> Sarah Ryan, International Media Relations Finsbury (PR adviser to Prosus)	<b>+44 207 251 3801</b>
<b>J.P. Morgan Cazenove (Financial adviser to Prosus and MIH)</b> Charles Harman Barry Weir Bill Hutchings James Robinson Chris Wood	<b>+44 20 7742 4000</b>
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<sup>3</sup> Basic shares outstanding

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Allen & Overy LLP is retained as legal adviser to Prosus and MIH.

***Important notice related to financial advisers***

*J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove (J.P. Morgan Cazenove) and which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Prosus and MIH and no one else in connection with the Increased Offer and will not regard any other person as its client in relation to the Increased Offer and shall not be responsible to anyone other than Prosus or MIH for providing the protections afforded to clients of J.P. Morgan Cazenove, or for providing advice in relation to the Increased Offer or any matter referred to in this announcement. Neither J.P. Morgan Cazenove nor any of its affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, in delict, under statute or otherwise) to any person who is not a client of J.P. Morgan Cazenove in connection with this announcement, any statement contained herein, the Increased Offer or otherwise.*

*Morgan Stanley & Co. International plc (Morgan Stanley), which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting as financial adviser exclusively for Prosus and MIH and no one else in connection with the matters set out in this Increased Offer. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in connection with the contents of this Increased Offer or any other matter referred to herein.*

***Further information***

*This Announcement is provided for information purposes only. It is not intended to and does not constitute or form part of, an offer, invitation, inducement or the solicitation of an offer to purchase, otherwise acquire, subscribe for, exchange, sell or otherwise dispose of or exercise rights in respect of any securities, or the solicitation of any vote or approval of an offer to buy securities in any jurisdiction, pursuant to the Increased Offer or otherwise nor shall there be any sale, issuance or transfer of any securities pursuant to the Increased Offer in any jurisdiction in contravention of any applicable laws.*

*The Increased Offer will be subject to English law and to the applicable requirements of the City Code, the Panel, the Listing Rules, the London Stock Exchange and the FCA.*

*The Increased Offer will be being implemented solely pursuant to the terms of the Revised Offer Document, which will contain further information about the Increased Offer.*

*This Announcement does not constitute a prospectus or prospectus exempted document.*

***Overseas shareholders***

*The release, publication or distribution of this announcement in, and the availability of the Increased Offer to persons who are residents, citizens or nationals of, jurisdictions other than England and Wales and the Netherlands may be restricted by law and regulation and therefore any persons into*



*whose possession this announcement comes who are subject to the laws of any jurisdiction other than the United Kingdom and the Netherlands should inform themselves about and observe any applicable requirements. In particular, the ability of persons who are not resident in the United Kingdom or the Netherlands, or who are subject to the laws of another jurisdiction, to participate in the Increased Offer or to accept or procure the acceptance of the Increased Offer, may be affected by the laws of the relevant jurisdictions in which they are located. Just Eat Shareholders who are in any doubt regarding such matters should consult an appropriate independent financial adviser in their relevant jurisdiction without delay. Any failure to comply with such requirements may constitute a violation of the laws and/or regulation of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and other persons involved in the Increased Offer disclaim any responsibility or liability for any violation of such restrictions by any person.*

*This Announcement has been prepared for the purpose of complying with English law and the City Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales and/or the Netherlands.*

*The receipt of cash pursuant to the Increased Offer by Just Eat Shareholders may be a taxable transaction under applicable national, state and local, as well as foreign and other tax laws. Each Just Eat Shareholder is urged to consult their independent professional adviser regarding the tax consequences of the Increased Offer applicable to him.*

*Unless otherwise determined by MIH or required by the City Code, and permitted by applicable law and regulation, the Increased Offer is not being made and will not be made available directly or indirectly in, into or from or by any use, means, instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction or where to do so would violate the laws of that jurisdiction. No person may accept or procure the acceptance of the Increased Offer by any use, means, instrumentality of, or from within, any Restricted Jurisdiction or where to do so would violate the laws of that jurisdiction, and the Increased Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or, from or within a Restricted Jurisdiction or any other jurisdiction, if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and any documentation relating to the Increased Offer are not being, and must not be, directly or indirectly, mailed, transmitted or otherwise forwarded, distributed or sent in, into or from any Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws of that jurisdiction and persons receiving such documents (including agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction or any other jurisdiction where to do so would violate the laws in that jurisdiction. If the Increased Offer is implemented by way of a Scheme (unless otherwise permitted by applicable law and regulation), no person may vote in favour of the Scheme by any use, means, instrumentality or form and the Increased Offer will not be capable of acceptance from or within a Restricted Jurisdiction or any other jurisdiction, if to do so would constitute a violation of the laws of that jurisdiction.*

*Further details in relation to Just Eat Shareholders who are resident in, ordinarily resident in, or citizens of, jurisdictions outside England and Wales is contained in the Offer Document dated 11 November 2019.*

#### **Notice to US investors**

*The Increased Offer is being made to Just Eat Shareholders resident in the United States in reliance on, and compliance with, the applicable US tender offer rules, including Section 14(e) of the Exchange Act, and Regulation 14E thereunder. The Increased Offer is being made in the United*

States by MIH and no one else. None of J.P. Morgan Cazenove, Morgan Stanley or any of their respective affiliates will be making the Increased Offer in or outside the United States.

The Increased Offer relates to the shares of a UK incorporated company and is subject to disclosure and other procedural requirements, which are different from certain United States disclosure and procedural requirements, including with respect to withdrawal rights, offer timetable, settlement procedures and timing of payments.

Furthermore, the payment and settlement procedure with respect to the Increased Offer will comply with the relevant United Kingdom rules, which differ from US payment and settlement procedures, particularly with regard to the date of payment of consideration.

In accordance with normal UK practice and consistent with Rule 14e-5(b) under the US Exchange Act, MIH, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Just Eat other than pursuant to the Increased Offer, before or during the period in which the Increased Offer remains open for acceptance (or, if the Increased Offer is implemented by way of a Scheme, until the date on which the Scheme becomes effective, lapses or is otherwise withdrawn). If such purchases or arrangements to purchase were to be made they would be made outside the United States either in the open market at prevailing prices or in private transactions at negotiated prices and would comply with applicable law, including, to the extent applicable, the US Exchange Act. Any information about such purchases will be disclosed as required in the UK and the United States, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). In addition, in accordance with normal UK practice and consistent with Rule 14e-5(b) under the US Exchange Act, J.P. Morgan Cazenove and Morgan Stanley & Co. International plc and their affiliates may continue to act as exempt principal traders in Just Eat Shares on the London Stock Exchange and engage in certain other purchasing activities consistent with their respective normal and usual practice and applicable law. Any information about such purchases will be disclosed as required in the UK and the United States, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is made public in the United Kingdom, it will also be publicly disclosed in the United States.

Financial information included in this announcement, the Offer Document dated 11 November 2019 and the Revised Offer Document has been or will have been prepared in accordance with accounting standards applicable in the UK and the Netherlands, as applicable, and may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.

The receipt of consideration by a US holder for the transfer of its Just Eat Shares pursuant to the Increased Offer may be a taxable transaction for United States federal income tax purposes and under applicable United States state and local, as well as non-US and other, tax laws. Each Just Eat Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of the Increased Offer applicable to them, including under applicable United States federal, state and local, as well as non-US and other, tax laws.

It may be difficult for US holders to enforce their rights, effect service of process within the United States and/or enforce any claim arising out of the US federal securities laws, since Just Eat is incorporated under the laws of England and Wales. Prosus and MIH are organised under the laws of the Netherlands and the majority of the officers and directors of Just Eat, Prosus and MIH are residents of countries other than the United States. It may not be possible to sue Prosus, MIH or Just Eat, or any of their respective directors, officers or affiliates, in a non-US court for violations of US securities laws. It may be difficult to compel Prosus, MIH, Just Eat and their respective directors, officers and affiliates to subject themselves to the jurisdiction and judgment of a US court. There is

*substantial doubt as to the enforceability in the United Kingdom of original actions, or of actions for enforcement of judgments of US courts, based on civil liability provisions of US federal securities laws and judgments of a US court.*

*Neither the US Securities and Exchange Commission nor any US state securities commission has approved or disapproved the Increased Offer, or passed upon the fairness of the Increased Offer or passed upon the adequacy or accuracy of this document. Any representation to the contrary is a criminal offence in the United States.*

*No offer to acquire securities or to exchange securities for other securities has been made, or will be made, directly or indirectly, in or into, or by the use of the mails of, or by any means or instrumentality of interstate or foreign commerce or any facilities of a national securities exchange of, the United States or any other country in which such offer may not be made other than: (i) in accordance with the tender offer requirements under the Exchange Act, or the securities laws of such other country, as the case may be; or (ii) pursuant to an available exemption from such requirements.*

### **Forward looking statements**

*This Announcement contains certain statements that are or may be forward looking statements, including with respect to the Increased Offer. Forward-looking statements are prospective in nature and are not based on current or historical facts, but rather on assumptions, expectations, valuations, targets, estimates, forecasts and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results, performance or events to differ materially from the future results, performance or events expressed or implied by the forward looking statements. All statements other than statements of historical facts included in this announcement may be forward looking statements. Without limitation, forward looking statements often include words such as “targets”, “plans”, “believes”, “hopes”, “continues”, “expects”, “is expected”, “objective”, “outlook”, “risk”, “seeks”, “aims”, “intends”, “will”, “may”, “should”, “would”, “could”, “anticipates”, “estimates”, “will look to”, “budget”, “strategy”, “would look to”, “scheduled”, “goal”, “prepares”, “forecasts”, “cost-saving”, “is subject to”, “synergy”, “projects” or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might”, “probably” or “will” be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.*

*By their nature, forward-looking statements involve risk and uncertainty, because they relate to events and depend on circumstances that will occur in the future and the factors described in the context of such forward-looking statements in this announcement could cause actual results and developments to differ materially from those expressed in or implied by such forward-looking statements. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this announcement. Any forward-looking statements made in this announcement on behalf of Prosus or MIH are made as of the date of this announcement based on the opinions and estimates of directors of Prosus or MIH respectively and no assurance can be given that such opinions or estimates will prove to have been correct.*

*No forward-looking or other statements have been reviewed by the auditors of Prosus, MIH or Just Eat. All forward looking statements contained in this announcement and all subsequent oral or written forward-looking statements attributable to Prosus, MIH or Just Eat or their respective members, directors, officers, advisers or employees or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section.*

*Each forward-looking statement speaks only as of the date of this announcement. None of Prosus, MIH or Just Eat, or any of their respective members, associates or directors, officers or advisers and any person acting on behalf of one or more of them, provides any representation, warranty, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this announcement will actually occur. Other than in accordance with their legal or regulatory obligations (including under the City Code, the Listing Rules and the Disclosure Guidance and Transparency Rules), no member of the Prosus Group is under, or undertakes, any obligation, and each of the foregoing expressly disclaims any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **No profit forecasts or estimates**

*No statement in, or referred to in, this announcement or incorporated by reference into this announcement is intended as or shall be deemed to be a profit forecast or estimate for any period. No statement in, or referred to in, this announcement or incorporated by reference into this announcement should be interpreted to mean that income of persons (where relevant), cash flow from operations, free cash flow, earnings or earnings per share for Just Eat, Prosus or the Enlarged Group (as applicable) for the current or future financial years would necessarily match or exceed the historic published cash flow from operations, free cash flow, earnings, earnings per share or dividend for Just Eat, Prosus, MIH or Naspers or the Enlarged Group (as applicable).*

### **Disclosure requirements of the City Code**

*Under Rule 8.3(a) of the City Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of an offer period and, if later, following the announcement in which any securities exchange offeror is first identified.*

*An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure. Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of: (i) the offeree company; and (ii) any securities exchange offeror, save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the business day following the date of the relevant dealing. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons*

acting in concert with any of them (see Rules 8.1, 8.2 and 8.4). Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Electronic communications**

Please be aware that addresses, electronic addresses and certain other information provided by Just Eat Shareholders, persons with information rights and other relevant persons for the receipt of communications from Just Eat may be provided to MIH during the Offer Period as required under Section 4 of Appendix 4 of the City Code.

### **Publication on website and availability of hard copies**

A copy of this announcement and the documents required to be published by Rule 26 of the City Code will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), on Prosus's website at [www.prosus.com/investors/justeat](http://www.prosus.com/investors/justeat) in accordance with Rule 26 of the City Code. For the avoidance of doubt, the contents of the website is not incorporated into, and does not form part of, this announcement.

Just Eat Shareholders may request a hard copy of this announcement by contacting Computershare Investor Services PLC at Corporate Actions Projects, Bristol, BS99 6AH during business hours on 0370 707 1066 (lines are open from 8.30a.m. to 5.30p.m., Monday to Friday (excluding public holidays in England and Wales)). If you have received this announcement in electronic form, copies of this announcement and any document or information incorporated by reference into this document will not be provided unless such a request is made. Just Eat Shareholders may also request that all future documents, announcements and information to be sent to them in relation to the Increased Offer should be in hard copy form.

If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

### **Rounding**

Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

### **Time**

Unless otherwise indicated, all references to time in this announcement are to London time.

## APPENDIX 1

### SOURCES AND BASES

- (a) All prices and Closing Prices for Just Eat Shares are closing middle market quotations derived from the London Stock Exchange Daily Official List (SEDOL).
- (b) All prices and Closing Prices for Takeaway.com Shares are closing middle market quotations derived from the Euronext Amsterdam Daily Official List.
- (c) The aggregate value of the Increased Offer Consideration of approximately £5.1 billion is calculated by multiplying the offered amount of 740 pence in cash per Just Eat Share by Just Eat's fully diluted share capital (as referred to below).
- (d) The fully diluted share capital of Just Eat is 687,127,131 shares (as published by Just Eat in its circular to shareholders dated 25 November 2019).
- (e) The references made to Just Eat's Board acknowledging the need for additional investment refer to the Chairman's Letter as published by Just Eat in the circular to its shareholders dated 25 November 2019.
- (f) The values of the Takeaway.com Offer are calculated as:
  - i. the value of the Takeaway.com Offer as at 21 October 2019 of 594 pence per Just Eat Share is obtained by:
    - a) dividing Takeaway.com's Closing Price of €71.00 as at 21 October 2019 (being the last Business Day prior to the date of the Offer Announcement) by the exchange rate of £:€ of £1:€1.165 as at 21 October 2019 (being the last Business Day prior to the date of the Offer Announcement) as derived from data provided by Bloomberg; and
    - b) multiplying the number obtained by the exchange ratio of 0.09744 Takeaway.com Shares per Just Eat Share as set out in the announcement pursuant to Rule 2.7 of the City Code released on 5 August 2019 in connection with the Takeaway.com Offer; and
  - ii. the value of the Takeaway.com Offer as at 26 July 2019 of 731 pence is taken from the announcement pursuant to Rule 2.7 of the City Code released on 5 August 2019 in connection with the Takeaway.com Offer.
- (g) Grubhub's enterprise value / 2020 revenue is based on:
  - i. Grubhub's enterprise value of US\$4,199 million is calculated as Grubhub's equity value of US\$3,882 million (based on diluted shares outstanding of 94.7 million and share price of US\$41.01 as at 6 December 2019) plus net debt of US\$317 million. 2020 revenue reflects the Capital IQ broker consensus of US\$1,461 million; and
  - ii. the illustrative value of Just Eat at the Grubhub 2020 enterprise value / revenue multiples is for illustrative purposes only and should not be interpreted as a valuation estimate or profit forecast under the Takeover Code. It is calculated by applying Grubhub's enterprise value / 2020 revenue multiple (as calculated above) of 2.9x to Just Eat's 2020 consensus revenue of £1,276 million (as detailed below) to obtain an illustrative enterprise value of £3,699 million, and using net debt of £32 million, and other adjustments of £(63) million to

obtain an illustrative equity value of £3,614 million. Dividing by shares outstanding of 687 million obtains the illustrative share price of 526 pence per share.

- (h) Shareholder returns have been sourced from Bloomberg and reference the period from 21 October 2016 to 21 October 2019.
- (i) Prior to acquiring Delivery Hero's German assets in 2018, Takeaway.com's share price was €44.90 (as at 20 December 2018).
- (j) Just Eat invested £51 million in growth initiatives in 2018 according to their H1 2019 investor presentation. This compares to a US\$400 million multi-year investment commitment announced in November 2018 for iFood, US\$200 million in marketing and delivery expansion in 2018 for Grubhub, and €350 million in growth initiatives in 2019 for Delivery Hero.
- (k) The less than £10 million investment in Menulog by Just Eat referenced by Prosus is calculated as their £19 million investment in Canada and Australia announced in Just Eat's 2018 annual report, less the £12 million uEBITDA loss in Canada reported in their 2018 annual report. The Menulog writedown of £180 million was reported in Just Eat's 2017 annual report. Menulog's broker valuation of £104 million is the arithmetic average of the value assigned to Australia and New Zealand by those brokers available to Prosus which provide an SOTP valuation of Just Eat dated after 31 July 2019 (that being the date of Just Eat's H1 2019 results). These brokers include:
  - i. Barclays (1 August 2019), Exane BNP Paribas (30 October 2019) and Macquarie (6 August 2019);
  - ii. the minimum ANZ valuation estimate per the consensus is £76 million, the maximum is £128 million, and the arithmetic average is £104 million; and
  - iii. in accordance with Rule 28.8(c) of the City Code, the consensus estimates are not shown with the agreement or the approval of Takeaway.com.
- (l) The source for Just Eat own-delivery orders referenced by Prosus is Just Eat's H1 2019 results presentation.
- (m) The source for Takeaway.com own-delivery orders referenced by Prosus is Takeaway.com's H1 2019 results presentation.
- (n) Takeaway.com all time high share price is based on €86.85 (30 August 2019) which is defined as the highest Close Price on any given day after its first trading day following IPO on 30 September 2016.
- (o) Takeaway.com broker consensus is based on the following:
  - i. Takeaway.com consensus comprises all analyst notes available to Prosus since 31 July 2019 (the date of Takeaway.com's H1 2019 results statement) as at 6 December 2019 (the last practicable date prior to the publication of this Announcement) and includes group level estimates from the following analysts: Barclays (9 October 2019), Credit Suisse (19 November 2019), Deutsche Bank (9 October 2019), Exane BNP Paribas (26 November 2019), HSBC (23 October 2019), ING Bank (2 December 2019), Jefferies (9 October 2019), Macquarie, (18 October 2019) and RBC Capital Markets (9 October 2019). Estimates from Goldman Sachs and UBS have been excluded from the consensus as they are connected advisors to Just Eat. Estimates from J.P. Morgan Cazenove and Morgan Stanley have been excluded as they are connected advisors to Prosus.

Estimates from Bank of America Merrill Lynch have been excluded as they are a connected advisor to Takeaway.com;

- ii. the minimum 2020 group revenue estimate per the consensus is €509 million, the maximum is €589 million, and the arithmetic average is €556 million; and
  - iii. in accordance with Rule 28.8(c) of the City Code, the consensus estimates are not shown with the agreement or the approval of Takeaway.com.
- (p) Takeaway.com's enterprise value / 2020 revenue of 9.9x is based on Takeaway.com's enterprise value of €5,481 million is calculated as Takeaway.com's equity value of €5,294 million (based on total shares outstanding of 61.2 million as per the Just Eat Scheme Document and share price of €86.50 as at 6 December 2019) plus net debt of €166 million, and other adjustments of €21 million. 2020 revenue reflects the arithmetic average broker consensus of €556 million as defined above.
- (q) Delivery Hero Financial Information is taken from Delivery Hero's Q3 trading update published on 31 October 2019.
- (r) Delivery Hero's enterprise value / 2020 revenue is based on Delivery Hero's enterprise value of €8,240 million is calculated as Delivery Hero's equity value of €9,630 million (based on total shares outstanding of 195.2 million and share price of €49.33 as at 6 December 2019) plus net debt of €(715) million, and other adjustments of €(676) million. 2020 revenue reflects the Capital IQ broker consensus of €2,054 million.
- (s) Just Eat broker consensus as at 6 December 2019 is based on the following:
- i. Just Eat consensus comprises all analyst notes available to Prosus since 31 July 2019 (the date of Just Eat's H1 2019 results statement) as at 6 December 2019 (the last practicable date prior to the publication of this Announcement) and includes group level estimates from the following analysts: Arete Research Services (4 November 2019), Barclays (22 October 2019), Berenberg (9 August 2019), Credit Suisse (13 November 2019), Exane BNP Paribas (30 October 2019), HSBC (23 October 2019), Investec (04 November 2019), Jefferies (22 October 2019), Liberum (23 October 2019), Macquarie (2 October 2019), Numis Securities (31 October 2019), Peel Hunt (30 October 2019) and RBC Capital Markets (24 October 2019). Estimates from Goldman Sachs and UBS have been excluded from the consensus as they are connected advisors to Just Eat. Estimates from J.P. Morgan Cazenove and Morgan Stanley have been excluded as they are connected advisors to Prosus. Estimates from Bank of America Merrill Lynch have been excluded as they are a connected advisor to Takeaway.com;
  - ii. the minimum 2020 group revenue estimate per the consensus is £1,191 million, the maximum is £1,458 million, and the arithmetic average is £1,276 million; and
  - iii. in accordance with Rule 28.8(c) of the City Code, the consensus estimates are not shown with the agreement or the approval of Just Eat.
- (t) Just Eat broker consensus as at 26 July 2019 is based on the following:
- i. Just Eat consensus comprises all analyst notes available to Prosus since 6 March 2019 (the date of Just Eat's FY 2018 Results statement) as at 26 July 2019 (the unaffected date) and includes group level estimates from the following analysts: Barclays (9 July 2019), Berenberg (8 July 2019), Exane BNP Paribas (16 July 2019), Investec (26 April 2019), Liberum (19 July 2019), Macquarie (26 April 2019), Peel Hunt (23 July 2019) and



RBC Capital Markets (3 July 2019). Estimates from Goldman Sachs and UBS have been excluded from the consensus as they are connected advisors to Just Eat. Estimates from J.P. Morgan Cazenove and Morgan Stanley have been excluded as they are connected advisors to Prosus. Estimates from Bank of America Merrill Lynch have been excluded as they are a connected advisor to Takeaway.com;

- ii. the minimum 2020 group revenue estimate per the consensus is £1,247 million, the maximum is £1,458 million, and the arithmetic average is £1,301 million; and
  - iii. in accordance with Rule 28.8(c) of the City Code, the consensus estimates are not shown with the agreement or the approval of Just Eat.
- (u) Just Eat's enterprise value / 2020 revenue of 3.4x as at 26 July 2019 is based on:
- i. Just Eat's enterprise value of £4,419 million is calculated as Just Eat's equity value of £4,364 million (based on total shares outstanding of 687 million as per the Just Eat H1 2019 report and share price of £6.36 as at 26 July 2019) plus net debt of £118 million, and other adjustments of £(63) million; and
  - ii. 2020 revenue reflects the arithmetic average broker consensus of £1,301 million as defined above.
- (v) The statement that Takeaway.com is currently trading on a revenue multiple 2.9 times Just Eat's own unaffected multiple is based on Takeaway.com's current multiple of 9.9x as defined above, divided by Just Eat's unaffected multiple of 3.4x.
- (w) Low Competition Markets are defined as those markets where the leader holds more than 80 per cent. market share (based on Google Trends).
- (x) The calculation of synergies that Takeaway.com and Just Eat have announced representing just 1.6 per cent. of the combined cost base is calculated based on the sum of Just Eat and Takeaway.com cost bases as at H1 2019, FY 2019 and H1 2018 (last twelve months = H1 2019 + FY 2019 – H1 2018). Cost base is defined as Revenue – operating profit, as reported in H1 2019 and FY 2018 reports of both companies. Just Eat figures are converted to euro at the average exchange rate of the respective periods, as per Capital IQ.
- (y) The synergy figures for the Takeaway.com / Just Eat combination referenced by Prosus are sourced from the Just Eat Scheme Document published on 22 October 2019, and Takeaway.com's investor presentation dated 29 July 2019. The investor presentation states that 60 per cent. of the cost savings are derived from operational and technology efficiency, whilst the Just Eat Scheme Document states that the potential reduction in headcount is approximately three per cent. across the Combined Group.
- (z) Top restaurants defined as those included in the TripAdvisor Top 50 for the relevant city as at 8 December 2019.

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