

OrderYOYO merge with German app smart – creating the largest restaurant liberator in Europe

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OrderYOYO A/S
Inside Information

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OrderYOYO A/S (“OrderYOYO”) is joining forces with app smart GmbH (“app smart”), a market leader for shop systems and market leading in POS systems and digital infrastructure for delivery restaurants in Germany and Austria.

- OrderYOYO and app smart have reached an agreement to combine the two companies in a transaction where OrderYOYO will acquire app smart and the app smart shareholders will become shareholders in OrderYOYO.
- With the transaction, OrderYOYO is creating the largest restaurant liberator in Europe. app smart will add market leadership in Germany and Austria, as well as an initiated market entry into Switzerland. The combined company will be market leader in five markets, including the two largest takeaway markets in Europe, UK and Germany.
- The combined company will be well positioned for continued expansion and for driving further industry consolidation.
- Both companies have strong brands that will be kept in the local markets, i.e. the OrderYOYO brand will be used in Denmark, UK and Ireland and the app smart brand will be used in Germany, Austria and Switzerland.
- The combined (pro forma) annualized December 2021 ARR is DKK 173m and the combined (pro forma) annualized December 2021 GMV is DKK 2,066m. The combined number of Restaurant Partners will be more than 9,000.
- The combined company will target an annualized December 2022 ARR of DKK 175-190m and an annualized December 2022 GMV of DKK 2,050-2,200m. Net revenue for 2022 with app smart consolidated from 1 July 2022 is expected to be DKK 135-150m and EBITDA for 2022 is expected at DKK (10)-0m as integration costs will mainly occur in 2022. Outlook for 2023 for the combined company will be published in connection with the annual report for 2022.
- It is the goal for the combined entity to service more than 25,000 Restaurant Partners by end 2025.
- The transaction values the share capital of app smart at DKK 222m (based on last close OrderYOYO share price), which will be financed via issuance of new shares in OrderYOYO to the sellers and a cash payment.
- Closing of the transaction is expected to occur on July 1, 2022.

Jesper Johansen, CEO OrderYOYO, says: *“We are excited to join forces with app smart and are truly impressed of what the founders and employees have built since 2014 to claim leadership in Germany and Austria. app smart is the perfect match for OrderYOYO with a completely aligned vision and mission, market focus and business model. Combining OrderYOYO and app smart create a true European market leader from day 1 with an exciting combined joint potential. At the same time, the combined company is well positioned for further expansion and to drive further industry consolidation.”*

Matthias Thom, Founder and CEO app smart, says: *"We founded app smart in 2014 with the focus to help Quick Service Restaurants. Since foundation we have focused on building strong positions in the DACH region and are today market leader in Germany and Austria. We have been on a strong growth journey in the last years – a journey we now will continue together with OrderYOYO. We at app smart are equally excited about the opportunities the merger between app smart and OrderYOYO creates for us and for our Restaurant Partners as a European market leader."*

About app smart

app smart, founded in 2014, is a fast-growing market leader for shop systems and market leading in POS systems and digital infrastructure for delivery restaurants in Germany and Austria. app smart has as well initiated a market entry in Switzerland and has a minor position in Poland. The company is, prior to the transaction, owned by private German investors and its two founders Matthias Thom and Boris Pomeranets.

app smart's solution for delivery restaurants includes an all-in-one solution with modern digital infrastructure and online ordering shop system in addition to a POS solution tailor-made for the takeaway and restaurant market. The company focuses on direct sales to QSRs with own delivery.

app smart has more than 120 employees and is located in Wiesbaden, Frankfurt. As per May 2022, the company had more than 4,000 Restaurant Partners. app smart delivered annualized December 2021 ARR of DKK 53m and annualized December 2021 GMV of DKK 886m. Since 2019, app smart has delivered average growth in ARR per year of 81%.

Strategic rationale

The OrderYOYO and app smart combination creates the largest restaurant liberator in Europe, servicing more than 9,000 Restaurant Partners. The merger is the first step towards the combined company's overall goal of liberating more than 25,000 Restaurant Partners by end 2025. It combines two market leaders and extends the number of market leading positions in Europe from three to five and creates the European market leader from day one. OrderYOYO and app smart have a strong strategic match with completely aligned vision and mission, market focus and business model, and with no geographic overlap. The combined company will be market leader in the two largest takeaway markets in Europe, UK and Germany. Furthermore, the combined company will be well positioned for continued expansion and for driving further industry consolidation.

The transaction provides upsell potential – both ways. app smart will leverage OrderYOYO's marketing solutions and OrderYOYO is to leverage app smart's own POS system and create customer stickiness via combined offerings. It will also enable further scaling of technology development efforts. Both companies have strong brands that will be kept in the local markets, i.e. the OrderYOYO brand will be used in Denmark, UK and Ireland and the app smart brand will be used in Germany, Austria and Switzerland.

The combined (pro forma) annualized December 2021 ARR is DKK 173m and the combined (pro forma) annualized December 2021 GMV is DKK 2,066m.

The outlook for 2022 is updated, subject to closing of the transaction. The combined company will target an annualized December 2022 ARR of DKK 175-190m (compared to DKK 140-170m as previously communicated) and an annualized December 2022 GMV of DKK 2,050-2,200m (compared to DKK 1,400-1,700m as previously communicated). Net revenue for 2022 with app smart

consolidated from 1 July is expected to be DKK 135–150m (compared to DKK 120–135m as previously communicated) and EBITDA for 2022 is expected at DKK (10)–0m (compared to DKK 5–15m as previously communicated) as integration costs will mainly occur in 2022. Outlook for 2023 for the combined company will be published in connection with the annual report for 2022.

The transaction

OrderYOYO and app smart have reached an agreement to combine the two companies in a transaction where OrderYOYO will acquire app smart and the app smart shareholders will become shareholders in OrderYOYO. OrderYOYO will acquire certain shares in app smart by way of a share transfer, and the remaining shares in app smart will be contributed in-kind into OrderYOYO in exchange for new shares in OrderYOYO.

Payment to the sellers consists of 29,608,901 shares in OrderYOYO and DKK 22.3m in cash. The share payment of the transaction will be settled by issuance of new shares and the cash payment is funded by available cash. The new shares will be issued pursuant to the board's existing authorization in the articles of association and in accordance with the exemption to the obligation to publish a prospectus in article 1, subsection 4(b) of Regulation (EU) 2017/1129 of 14 June 2017 on prospectuses to be published when securities are offered to the public or admitted to trading on a regulated market (Prospectus Regulation). The app smart shareholders will enter into lock-up agreements with OrderYOYO on similar terms as the lock-up agreements entered into by certain existing shareholders prior to the admission to trading in July 2021 and extended in connection with the private placement in March 2022, meaning that 50% of the locked-up shares will be released 2 January 2023, additionally 25% of the locked-up shares will be released 2 July 2023 and the remaining 25% of the locked-up shares will be released 2 January 2024.

Based on the shares outstanding post issuance of new shares, the shareholders in app smart will own 33.9% of the outstanding shares in OrderYOYO, and the existing shareholders in OrderYOYO will own 66.1%.

The transaction values the share capital of app smart at DKK 222m based on last close OrderYOYO share price of DKK 6.75 per share.

app smart's management will both take significant leadership positions in the combined company. Matthias Thom will in addition to CEO DACH become Deputy Group CEO and Boris Pomeranets will in addition to CFO DACH become Chief Investment Officer of the combined company.

Updated outlook and financial impact from the acquisition are subject to exact timing of closing of the transaction. Closing is expected to occur on July 1, 2022.

Danske Bank is acting as financial adviser to OrderYOYO, Deloitte is acting as transaction service adviser to OrderYOYO. Accura is acting as main legal adviser to OrderYOYO.

Presentation

In connection with the publication of the acquisition, OrderYOYO will host an online conference on June 17, 2022 at 14:00 CEST.

Register for the conference at:

<https://hcandersencapital643.clickmeeting.com/orderyoyo/register>

For additional information, please contact

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About OrderYOYO

OrderYOYO is a leading European online ordering, payment, and marketing software solution provider. OrderYOYO's solution is offered as Software-as-a-Service (SaaS) and enables small independent takeaway restaurants to have their own-branded online presence direct to consumers. OrderYOYO helps takeaway restaurants drive online takeaway orders through their own tailored software solution in the individual takeaway restaurant's own brand. We liberate restaurants.

IMPORTANT INFORMATION

This announcement is not an offer to sell or a solicitation of any offer to buy any securities issued by OrderYOYO in any jurisdiction where such offer or sale would be unlawful and the announcement and the information contained herein are not for distribution or release, directly or indirectly, in or into such jurisdictions, including but not limited to, the United States, Australia, Canada or Japan.

This announcement does not constitute an offering circular, company description or other offer document and nothing herein contains an offering of securities. No one should purchase or subscribe for any securities in OrderYOYO except as described in this company announcement.

Neither the existing shares of OrderYOYO (the "Existing Shares") nor the new shares issued in connection with the transaction (the "New Shares") have been, or will be, registered under the United States Securities Act of 1933, as amended ("Securities Act"). Neither the Existing Shares nor the New Shares may be offered or sold, directly or indirectly, in or into the United States or to persons residing there. Moreover, the Private Placement is not made to persons resident in Australia, Hong Kong, Japan, Canada, New Zealand, South Africa, Switzerland, or Singapore or to persons whose participation would require the publication up of a prospectus, registration or other measures.

Certain statements in this announcement constitute forward-looking statements. Forward-looking statements are statements (other than statements of historical fact) relating to future events and the Company's anticipated or planned financial and operational performance. The words "targets", "believes", "expects", "aims", "intends", "plans", "seeks", "will", "may", "might", "anticipates", "would", "could", "should", "continues", "estimates" or similar expressions or the negative forms thereof, identify

certain of these forward-looking statements. Other forward-looking statements can be identified in the context in which the statements are made. OrderYOYO has based these forward-looking statements on its current views with respect to future events and financial performance. By their nature, forward-looking statements are based on certain assumptions and projections on future events and financial performance, which involve a number of risks and uncertainties that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial consequences of the plans and events described herein. Actual results are likely to differ from those set forth in the forward-looking statements. Any forward-looking statements speak only as at the date of this document and neither the Company nor any of its respective affiliates, directors, officers, employees, advisors, or any other person is under any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. You should not and may not rely on these forward-looking statements.