

OrderYOYO A/S publishes strong Q1 performance and announces acquisition of leading specialized UK and Irish online ordering company Kingfood. Guidance for 2023 raised

Company Announcement No. 51 - 2023
OrderYOYO A/S
Inside Information

Copenhagen, April 17, 2023

Highlights

Strong performance in Q1 2023 with March ARR of DKK 226m, growing 39% compared to March 2022 ARR despite challenging market conditions

EBITDA before other extraordinary items ("EBITDA") for Q1 2023 of DKK 2.7m – with all months in Q1 2023 being EBITDA positive – compared to Q1 2022 EBITDA loss of DKK (2.7)m – an improvement of DKK 5.4m

Acquisition of leading Irish and UK online ordering company Kingfood announced. Kingfood is a vertical market leader within the Asian cuisine segment serving more than 500 takeaway restaurants generating more than DKK 150m in annualised GMV (March 2023) and more than DKK 10m in annualised ARR (March 2023) within this lucrative segment

The acquisition of Kingfood is an important milestone in OrderYOYO's market consolidation strategy, bringing the number of liberated restaurants above the 10,000 mark – an important milestone towards our 25in25 vision. Kingfood will be integrated into OrderYOYO and will contribute to both ARR growth as well as increased profitability

Due to our strong Q1 performance and the acquisition of Kingfood our 2023 guidance is raised. December 2023 ARR guidance raised to DKK 245-255m from currently DKK 220-235m, December GMV guidance raised to DKK 2,500-2,700m from currently DKK 2,300-2,500m. Full year Net Revenue 2023 guidance raised to DKK 215-230m from currently DKK 195-210m and EBITDA guidance raised to DKK 13-18m from currently DKK 10-15m. EBITDA margin guidance is raised to 6-8% from currently 4-7%

Financial Highlights

(DKKm)	Consolidated		
	Q1 2023	Q1 2022	Growth (%)
Annual Recurring Revenue (ARR - Annualized March MRR)	226	163	39%
GMV (Annualized March GMV)	2,293	1,883	22%
Pro forma Net Revenue	54	42	29%
EBITDA before other extraordinary items	2.7	-2.7	nm

- Annualized March ARR of DKK 226m vs. DKK 163m March 2022 (proforma consolidated) corresponding to a growth of 39%
- Q1 2023 Net revenue of DKK 54m vs. DKK 42m in Q1 2022 (proforma consolidated) corresponding to a growth of 29%
- Annualized March GMV of DKK 2,293m vs. DKK 1,883m in March 2022 (proforma consolidated) corresponding to a growth of 22%
- Positive EBITDA for Q1 2023 of DKK 2.7m vs a EBITDA loss of DKK (2.7)m in Q1 2022

Acquisition of vertical market leader Kingfood

Today April 17, OrderYOYO has signed an agreement to acquire Irish and UK based vertical market leader Kingfood.

Founded in 2017 in Dublin, Kingfood has built a strong market leading position within the market for online ordering software for the Asian cuisine takeaway vertical in Ireland and UK. Serving more than 500 Restaurant Partners generating more than DKK 150m in gross merchandise value ("GMV") (March 2023 annualized). Kingfood will add more than DKK 10m to OrderYOYO annual recurring revenue ("ARR") and will contribute to further profitability.

Kingfood shares the same vision of liberating restaurants as OrderYOYO and the two companies have comparable business models. A strong match that will reinforce OrderYOYO's market leading position in UK and Ireland.

Kingfood will join the OrderYOYO organization and will be spearheading OrderYOYO's activities within the Asian cuisine vertical. We at OrderYOYO are excited about Kingfood joining our Group and welcome our new Kingfood colleagues.

The acquisition is a strong milestone in the continued execution of OrderYOYO's consolidation strategy, bringing the total number of liberated Restaurant Partners in OrderYOYO over 10,000.

OrderYOYO will acquire Kingfood in a transaction valuing Kingfood at DKK 13.4m, of which DKK 8.9m will be paid in newly issued OrderYOYO shares and the remaining DKK 4.5m will be paid in cash at closing. The newly issued shares correspond to less than 2% of OrderYOYO's share capital

Kingfood founder Bing Chen will continue as an active consultant to OrderYOYO in the twelve months following closing to ensure the successful integration of Kingfood into the OrderYOYO group.

Closing is expected to occur on April 28, 2023.

Consolidated 2023 guidance raised

Due to our strong performance in Q1 2023 and the acquisition of Kingfood, consolidated 2023 guidance is changed as follows:

(DKKm)	2023 Guidance	
	Current	Updated
December 2023 Annualized Annual Recurring Revenue	220-235	245-255
December 2023 Annualized GMV	2,300-2,500	2,500-2,700
Net Revenue 2023	195-210	215-230
EBITDA before other extraordinary items 2023	10-15	13-18

- December 2022 annualized ARR guidance is raised from DKK 220-235 to DKK 245-255m
- December 2023 annualized GMV guidance is raised from DKK 2,300-2,500m to DKK 2,500-2,700m
- Net revenue 2023 guidance is raised from DKK 195-210m to DKK 215-230m
- EBITDA 2023 guidance is raised from DKK 10-15m to DKK 13-18m

OrderYOYO consolidation strategy and focus on profitability

As European market leader, we continue to see increased consolidation opportunities in our markets. Our consolidation strategy focuses on two types of acquisition targets:

1. Local market leaders in European countries where OrderYOYO is currently not present to expand our European market leading position, and;
2. Local participants in the markets where OrderYOYO is already market leader to drive economies of scale and increased profitability for the Group.

In H2 2022, OrderYOYO was EBITDA profitable in all months. A strategic milestone for us driven by market leadership focus, strong commitment to profitable growth, increased economies of scale resulting from the OrderYOYO/app smart merger and a strict focus on cost management. The monthly EBITDA profitability has continued into Q1 2023 securing an EBITDA of DKK 2.7m vs a loss of DKK (2.7)m in the same period last year.

It is our goal to continue growing our EBITDA profitability and our raised guidance for 2023 EBITDA of DKK 13-18m corresponds to an EBITDA margin guidance of 6-8%, an increase from earlier EBITDA margin guidance of 4-7%.

As we continue our growth, both organically and through acquisition, economies of scale and cost control will increase EBITDA further. In addition, acquisitions of local participants in markets where we are already market leader will provide the opportunity to increase profitability through cost savings and efficiency gains.

We are confident that our strategy will result in a continued expansion of our EBITDA margin in the coming years.

Conference call

The Q1 2023 current trading and the acquisition of Kingfood will be presented at an online conference call on 21 April 2023 at 1300pm CET.

Register for the conference call at:

<https://www.inderes.dk/videos/orderyoyo-presentation-of-q1-2023-current-trading-update>.

For additional information, please contact

OrderYOYO A/S
Jesper Johansen, CEO
Mobile (+45) 21 67 84 92
Email jesper.johansen@orderoyo.com
OrderYOYO A/S Masnedøgade 26, 2100 Copenhagen Ø

Certified Advisor

Grant Thornton
Jesper Skaarup Vestergaard
Mobile (+45) 31 79 90 00
Grant Thornton Stockholmsgade 45, 2100 Copenhagen Ø

About OrderYOYO

OrderYOYO is the market 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.