

# A Flurry of Activity in Restaurant Tech



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# I. Executive Summary



# A Flurry of Activity in Restaurant Tech

## Executive Summary

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- ➡ The COVID pandemic has been a major catalyst, forcing restaurants to adopt new technologies in order to respond to changing consumer preferences...all the while providing seamless experiences.
  - In particular, restaurants must adapt to an omni-channel environment as e-commerce has taken hold, similar to what retailers have been dealing with for many years now.
- ➡ Even as consumers return to dining at restaurants, demand for off-premise interactions and omni-channel experiences is unlikely to dissipate considering the degree of convenience they provide.
  - In order to effectively meet this demand, restaurants must be able to handle and coordinate online ordering and delivery (whether their own channel or through third parties), order ahead and pick-up, indoor and outdoor dining options, touchless / cashless in-person interactions including new payment mechanisms, and challenges in marketing to and engaging with consumers across multiple channels.
- ➡ These are daunting challenges that can only be solved with technology solutions; the silver lining for the restaurant industry is that the pandemic dramatically accelerated adoption of these solutions by both brands and consumers...and investors have taken notice.
- ➡ In response to these dynamics and in anticipation of a restaurant technology boom, capital markets activity across the restaurant technology ecosystem is heating up with a flurry of recent activity across M&A and capital raising.
  - On the M&A front, consolidation is taking hold as various solutions are becoming more integrated, such as with PAR Technology's acquisition of loyalty and engagement platform Punchh. Lightspeed has also been driving consolidation at the point-of-sale (POS) with the acquisitions of ShopKeep, Upserve, and Vend, all just since its IPO in 2019. Other recent M&A includes Squarespace's acquisition of hospitality platform Tock, Wix's acquisition of online ordering and payment provider SpeedETab, and GoDaddy's acquisition of POS provider Poynt.
  - On the capital raising front, online ordering platform Olo just completed its IPO in March, POS solution provider SpotOn raised its \$60 million Series C round last year, and press reports suggest that POS provider Toast is planning an IPO for later this year.
- ➡ *In this report*, we profile many of these transactions and include an in-depth interview with Andrew Robbins, the founder and CEO of Paytronix, the only customer experience platform with a powerful combination of loyalty, digital ordering, and CRM products that is helping restaurants adapt and thrive in an omni-channel environment.



## II. Selected Company and Transaction Profiles



# i. PAR Acquires Punchh for ~\$500 million



## PAR Acquires Punchh for ~\$500 million

### Transaction Summary

- On April 8, 2021, PAR Technology Corporation (NYSE: PAR) announced that it has acquired Punchh, a provider of loyalty and guest engagement solutions, for approximately \$500 million paid in cash and shares of PAR common stock
  - The consideration consists of \$390 million in cash, which was funded by \$160 million from a concurrent issuance of common stock and warrants, \$180 million from a concurrent term loan, and \$50 million from PAR's balance sheet
  - The remainder of the total consideration consists of \$110 million in shares of common stock of PAR issued directly to Punchh
- Punchh is a customer engagement and loyalty platform that enables brands to deliver omni-channel customer loyalty programs both in-store and digitally
  - The Company serves 210 brands with 45k active restaurant locations in 2020
  - Punchh ended 2020 with \$32 million in ARR and 115% net dollar retention
- The acquisition makes PAR a unified commerce cloud platform for enterprise restaurants with integrated point-of-sale, back office, payment and guest engagement solutions
  - The acquisition also deepens the PAR engineering bench and almost doubles ARR while maintaining growth

### Transaction Commentary

*"Today there is a conflict between restaurants and technology. The quantity of new software applications is making it difficult for restaurants to navigate complex integration networks and taking away from focusing on their guests. Meanwhile, online marketplaces are becoming intermediaries between restaurants and their guests. With the Punchh acquisition, we are building a platform that enables restaurants to scale quickly, own their path to innovation, and take back their guest relationship. This eliminates the need for juggling disjointed vendors, developing cumbersome point-to-point integrations, and relying on 3rd party dependencies. At the same time, Punchh advances our ability to provide customers with an end-to-end solution, from guest-to-kitchen, through one unified data source."*



**Savneet Singh**  
CEO & President



*"With its Brink POS®, PAR has been a Punchh partner for many years. We've gotten to know them while jointly servicing customers and have always been impressed with their focus on their customer's success. PAR's point-of-sale and back-office solutions combined with our loyalty and engagement platform give customers an end-to-end solution for top-line growth, profitable guest relationships and operational efficiencies. We're excited to join the PAR team and further our offerings to the hospitality industry."*



**Shyam Rao**  
Co-Founder and President



## PAR Acquires Punchh for ~\$500 million (cont.)

### Company Overview



**CEO & Co-Founder:** Shyam Rao  
**Headquarters:** San Mateo, CA  
**Founded:** 2010

- Punchh provides an omni-channel, SaaS customer engagement platform for brick-and-mortar enterprise businesses
- Delivered both in-store and digitally, the Company’s suite of AI-powered solutions encompasses loyalty, marketing, and consumer insights, enabling more efficient customer acquisition and more effective campaigns and offers
  - Punchh leverages an extensive ecosystem of integration partners across eCommerce, payments, messaging and more
- The Company services restaurants, convenience stores, and physical retailers with a particular focus on “fast casual” chains like Blaze Pizza and TGI Fridays

### Key Metrics

<b>45k</b> Active Restaurant Locations	<b>\$32 mm</b> 2020 ARR	<b>54%</b> ARR CAGR 2017-2020
<b>95%</b> SaaS Revenue	<b>115%</b> Net Dollar Retention	<b>200+</b> Global Brands on Platform

### Products & Services Overview



**Punchh Platform**  
Fully-integrated, AI-powered merchant-facing platform that unifies customer data and informs effective campaigns



**Punchh Loyalty**  
Complete program management with customer acquisition solutions, marketing campaign automation, integrated offers, and data analytics



**Punchh Offers**  
Real-time POS integration and campaign management for omni-channel offer delivery and redemption



**Punchh Campaigns**  
Real-time marketing offers, easy identity resolution, automated customer segmentation, and seamless campaign execution via email, SMS, and more



**Punchh Merlin AI**  
Dynamic loyalty and engagement through a comprehensive suite of machine learning capabilities

### Selected Financing History

Selected Financing History		
Date	Size (\$ mm)	Investor(s)
11/14/19	\$40	Adams Street, SAPPHIRE VENTURES, AB ALLIANCEBERNSTEIN
04/12/18	20	Cervin, SAPPHIRE VENTURES

Source: Company website, Company press release, FT Partners’ Proprietary Transaction Database

## PAR Acquires Punchh for ~\$500 million (cont.)

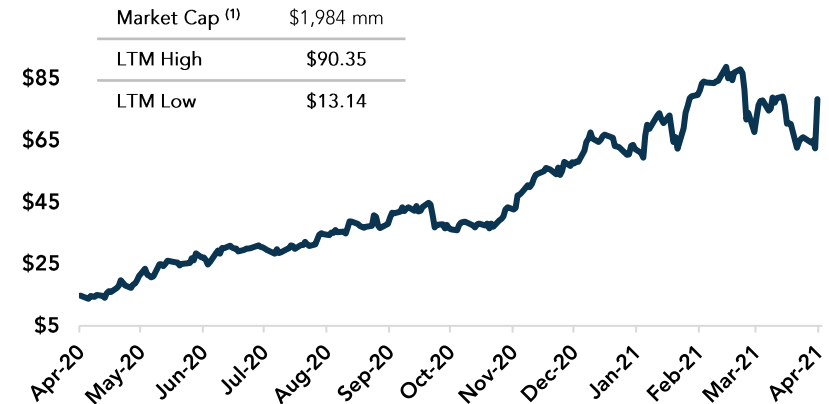
### Company Overview



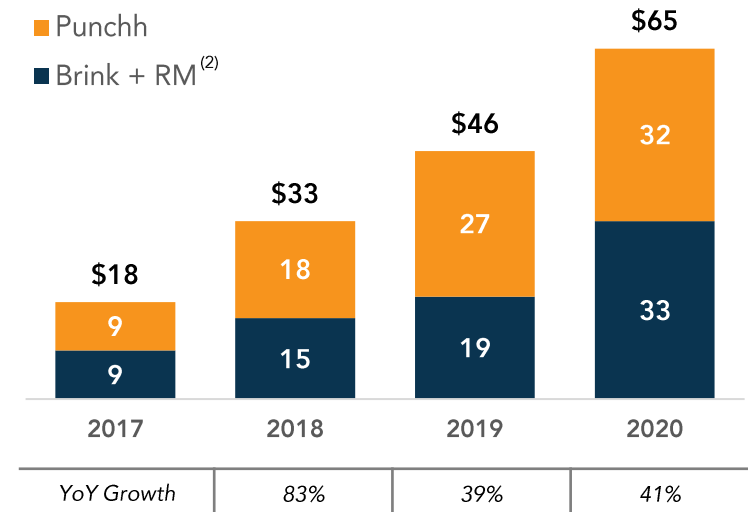
**CEO & President:** Savneet Singh  
**Headquarters:** New Hartford, NY  
**Founded:** 1968

- **PAR Technology Corporation, together with its subsidiaries, provides point-of-sale (POS) solutions to the restaurant and retail industries worldwide while also providing government solutions**
  - The Company operates in two segments, Restaurant/Retail and Government
- **The Restaurant/Retail segment offers POS technology solutions including:**
  - Brink POS: an open solution that integrates with third party products and in-house systems
  - PixelPoint: an on-premise integrated software solution that provides a self-service ordering, back-office management, and enterprise level loyalty and gift card information sharing services
  - PAR merchant card payment services
  - Data Central: a cloud software platform of back-office applications
  - PAR EverServ POS platforms
- **PAR's Government Businesses is a leader in providing computer-based system design, engineering and technical services to the Department of Defense and various federal agencies**

### Stock Performance (NYSE: PAR)



### Combined Company Pro Forma ARR (\$ in mm)



Source: Company website, PAR Investor Presentation, CapIQ

1) As of 04/08/21

2) RM refers to Restaurant Magic; Brink+RM ARR numbers do not include historical RM numbers prior to PAR's 2020 acquisition

## ii. Squarespace Acquires Tock for \$415 million





## Squarespace Acquires Tock for \$415 million

### Transaction Summary

- On March 31, 2021, Squarespace announced that it has acquired Tock, a unified platform serving the hospitality industry, for \$415 million in cash and stock
- Founded in 2014, Tock powers reservations, table management, carryout operations, and events for more than 7,000 hospitality operators in 30 countries
  - The Company's customers range from neighborhood pizzerias to Michelin-starred destinations, wineries, and pop-ups
  - Tock has processed over \$1 billion prepaid experiences in addition to millions of standard reservations across 200 cities around the world, recording \$23 million in revenue and \$13 million in gross profit in 2020
- The acquisition of Tock continues Squarespace's evolution of its product suite and comes ahead of its direct listing on the NYSE
  - The addition of Tock will enable Squarespace customers to integrate a solution for managing reservations, accelerate sales, provide marketing integrations, and connect directly with their customers
- Squarespace's acquisition of Tock follows its acquisitions of Acuity Scheduling, an online appointment scheduling platform, and Unfold, an app that helps anyone create elevated and engaging stories for social media, in 2019

### Transaction Commentary

*"Ecommerce within the restaurant and hospitality industries is a large and growing market opportunity. I've long admired Tock's vision to reimagine how reservation-based businesses connect with their customers. We believe that together we will continue building on their success, bringing Tock's capabilities to our all-in-one product suite in service of our customers in the hospitality industry and beyond."*



**Anthony Casalena**  
Founder & CEO



*"Squarespace and Tock have a shared mission of elevating and enabling our customers' success and passion. Combining Tock's unified platform and years of hospitality industry expertise with Squarespace's reach, resources, and design-forward products, in our view, creates an opportunity to deliver a best-in-class solution to millions of entrepreneurs and small businesses around the world."*



**Nick Kokonas**  
Founder and CEO



## Squarespace Acquires Tock for \$415 million (cont.)

### Company Overview



**CEO & Founder:** Nick Kokonas  
**Headquarters:** Chicago, IL  
**Founded:** 2014

- Tock is a unified platform that provides online reservations, table management, takeout, and events for the hospitality industry
- Initially created to reduce customer no-shows at restaurants by deploying reservation fees and a prepay model, the Company has adapted to help clients offer takeout, delivery, and other services, particularly important in the wake of COVID-19
  - Instead of charging up to 30% in fees like Seamless and DoorDash, Tock charges restaurants a flat monthly rate of \$199 plus 2-3% on orders, while also critically letting its clients retain customer data <sup>(1)</sup>
- Pre-pandemic, Tock was largely focused on high-end restaurants like French Laundry in California, but the Company has now expanded into dive bars, local pop-ups, and even wineries

### Key Metrics

**140+**

Employees

**7,000+**

Restaurants and Wineries

**\$23 mm**

2020 Revenue

**\$1 bn**

2021E GMV

**30**

Countries

**\$13 mm**

2020 Gross Profit

### Products & Services Overview



#### Pickup and Delivery

Search convenient pickup and delivery options



#### Dine-in

Quickly find restaurants and make reservations



#### Events

Find and pay for concerts, happy hours, fitness events, and other experiences



#### Wineries

Discover vineyards and tasting rooms, schedule visits, and more



#### Produce

Order and delivery farm fresh produce nationwide



#### Arts & Culture

Explore art galleries, museums, and exhibitions

### Selected Financing History

Selected Financing History		
Date	Amount (\$ mm)	Investor(s)
05/12/20	\$10	Valor Siren Ventures; Origin Ventures
11/28/18	10	Valor Equity Partners
10/05/16	8	Origin Ventures

## Squarespace Acquires Tock for \$415 million (cont.)

### Company Overview



**CEO & Founder:** Anthony Casalena  
**Headquarters:** New York, NY  
**Founded:** 2003

- Squarespace is a website creation and hosting platform for a wide array of customers around the world
- The Company offers core website design and domain solutions alongside eCommerce tools, marketing, analytics, SEO, scheduling tools and a growing list of other products
  - Initially born out of a dorm room in 2003 as an easy way to build a website, Squarespace has since expanded into online shopping, hospitality, and more, all while historically breaking even
- The Company serves businesses, entrepreneurs, artists, and other creative-focused groups around the world

### Key Metrics

**\$706 mm**  
2020 ARR

**3.7+ mm**  
Unique Subscriptions

**29%**  
2020 ARR Growth

**\$150 mm**  
2020 Operating Cash Flow

**1,200+**  
Employees

**180+**  
Countries

### Products & Services Overview



#### Create a Website

Scalable templates, blogging, portfolios, analytics, connected services, and expert advice



#### Sell Anything

Merchandising tools, eCommerce stores, checkout and payments, scheduling and bookings, memberships, and extensions



#### Build Your Brand

Marketing, SEO tools, social content, and engagement

#### Get a Domain

Finding, transferring, and managing domains

### Selected Financing History

Selected Financing History			
Date	Amount (\$ mm)	EV (\$ mm)	Investor(s)
03/16/21	\$300	\$10,000	Dragoneer; Tiger Global; D1 Capital Partners; Fidelity; T.Rowe Price; Spruce House; Accel; General Atlantic
04/15/14	40	na	General Atlantic
07/13/10	39	na	Index Ventures; Accel

### iii. Wix Acquires SpeedETab



## Wix Acquires SpeedETab

### Transaction Summary

- On March 2, 2021, Wix (NASDAQ: WIX) announced that it has acquired SpeedETab, a Miami-based ordering technology provider
  - All SpeedETab employees will become Wix team members
- Founded in 2013, SpeedETab provides users with an end-to-end online and mobile ordering solution and partners with multiple providers in the restaurant ecosystem to improve the experience for diners and drive revenue growth for restaurant owners
- The acquisition will further enhance Wix Restaurants, a solution to create and manage a full-service restaurant platform, by delivering a complete online experience for restaurant owners and ensuring their online success
  - Wix Restaurants allows restaurant owners to create an online and mobile presence, provide menus, take online orders and reservations, and receive payments
  - In the last two years, Wix Restaurants experienced strong growth as the number of restaurants selling online grew by 143%, the number of online orders grew by 378% and the GPV grew by 449%
- With the SpeedETab acquisition, Wix Restaurants will be able to integrate with various industry-leading restaurant POS systems, enabling restaurant owners to seamlessly manage all online and offline orders in one place
  - Restaurant owners will also be able to easily manage orders from multiple channels in a unified experience

### Transaction Commentary

*"It's more vital now than ever for restaurant owners, from small, local, and family-run, to fine dining and multi-locations to optimize their services with a strong, reliable online presence. We're excited to bring the online expertise of SpeedETab to join our mission of providing the best online platform for restaurants. Wix Restaurants is already the leading industry solution, and now our combined platform will provide a high value product for the new era of the restaurant industry."*



**Ronny Elkayam**  
SVP Strategic Products



*"We are thrilled to join the Wix Restaurants team and provide an amazing solution for restaurants around the world. Since inception, SpeedETab has been focused on empowering restaurants to increase revenue, engage with their customers, and provide a superior guest experience. As part of Wix Restaurants, we look forward to making it easier than ever for any restaurant to have all the digital tools they need to succeed in one place."*



**Adam Garfield**  
Co-Founder & CEO



## Wix Acquires SpeedETab (cont.)

### Company Overview



**CEO & Co-Founder:** Adam Garfield  
**Headquarters:** Coral Gables, FL  
**Founded:** 2013

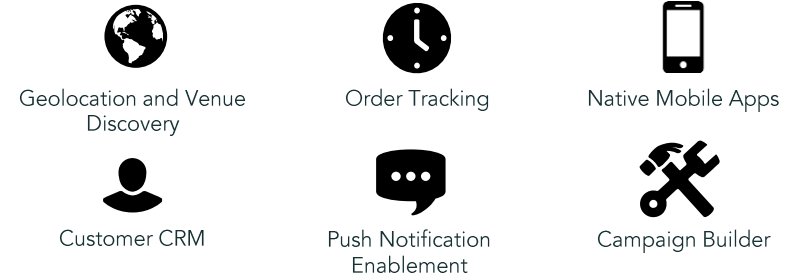
- SpeedETab provides mobile ordering, payment, and analytics software solutions for restaurants and consumers across the US and Latin America
- The Company offers custom-built apps, CRM and notification tools, and secure mobile payments for merchants alongside a user-centric ordering marketplace and platform for consumers
  - SpeedETab partners with POS systems, loyalty platforms, payment providers, and more to help bolster its suite of solutions
- The Company's clientele ranges from Fortune 100 enterprise clients to SMBs and single-location operations

### Selected Financing History

Selected Financing History		
Date	Type	Investor(s)
03/02/21	M&A	Wix
05/18/17	M&A	paymentez

### Products & Services Overview

#### For Merchants:



#### For Consumers:



#### Ordering App and Marketplace

Order management and tracking, restaurant discovery and recommendations, social media integrations, and more – all with no extra fees and no order minimums

### Key Partners





## Wix Acquires SpeedETab (cont.)

### Company Overview



**CEO & Co-Founder:** Abrahami Avishai  
**Headquarters:** Tel Aviv, Israel  
**Founded:** 2006

- Wix (NASDAQ:WIX) is a cloud-based website development and eCommerce platform that delivers a suite of solutions to brands, organizations, individuals, and partners
- Offered via free and premium subscriptions, the Company's platform provides website design, eCommerce fulfillment and payments, analytics, automated marketing and social media integrations, and more
  - Wix's platform also includes over 250 app integrations and professional solutions that help power a client's website
- While its Restaurants division is growing exponentially, the Company services clients across verticals and geographies

### Key Metrics

**200 mm+**  
Registered Users

**5.5 mm**  
Premium Subscriptions

**\$989 mm**  
2020 Revenue

**+30%**  
2020 YoY Revenue Growth

**+449%**  
2018-2020 Restaurant GPV Growth

**68%**  
2020 Gross Margin

### Products & Services Overview

#### Creation

Website design, page templates, logo makers, web hosting, mobile apps, analytics, and more



#### Business

Ecommerce store setup and management, payment acceptance, multichannel sales, point of sale, scheduling, services and memberships, and dropshipping

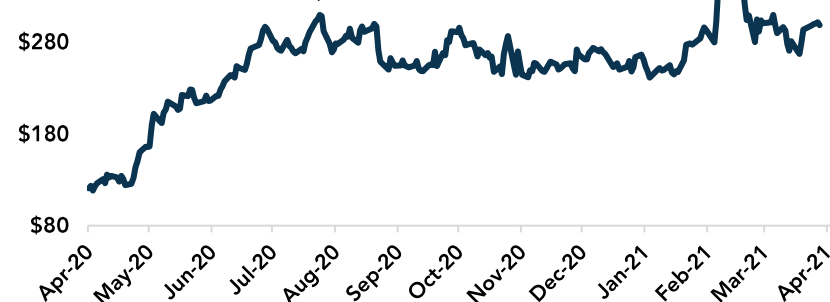


#### Growth

Marketing, promotions, social media integrations, CRM, financial tools, and community management

### Stock Performance (NASDAQ:WIX)

	Market Cap <sup>(1)</sup>	\$16,656 mm
\$380	LTM High	\$116.75
	LTM Low	\$362.07



# iv. OLO Raises \$450 million in its IPO



## OLO Raises \$450 Million in its IPO



- On March 17, 2021, Olo raised approximately \$450 million in its IPO, pricing at \$25 per share, well above both its initial and revised filing ranges
  - On its first day of trading, the Company's share price closed at \$34.75, representing a 39% increase from its \$25 offering price and a market capitalization of ~\$4.9 billion <sup>(1)</sup>
  - On March 15, 2021, Olo had increased its price range to \$20 – 22 per share from its initial range of \$16 – 18, representing an implied market cap of approximately \$3.0 billion based on the midpoint <sup>(1)</sup>
  - Olo plans to use the IPO to build its profile beyond large chain restaurants, increase its capitalization and financial flexibility, support general corporate purposes, including working capital operating expenses, and capital expenditures, and potentially acquire complementary businesses and technologies
- Olo's listing comes ahead of Toast's expected IPO later this year that could value the fellow restaurant software provider at around \$20 billion, demonstrating the continued momentum in the space <sup>(2)</sup>
  - Uniquely, Olo has raised less than \$100 million in financing, a stark contrast to Toast and other payments and software companies which have raised significant capital before going public in recent months
- Olo has benefited greatly from the surge in popularity of online ordering during the COVID-19 pandemic, helping the Company turn profitable and continue to build the scale and quality of its revenue
  - Largely driven by the growth and efficiency of the Company's platform revenues, Olo's gross revenue nearly doubled from \$50.7 million in 2019 to \$98.4 million in 2020, with its gross profit increasing 127% in that period
  - Even with its high-growth trajectory, the Company broke even in 2020, recording \$3 million in bottom-line income

## OLO Raises \$450 Million in its IPO (cont.)

### Key IPO Statistics

Founder & CEO:	Noah Glass
Headquarters:	New York, NY
Founded:	2005
Employees:	400+
<hr/>	
Prospectus File Date:	February 19, 2021
Ticker:	NYSE: OLO
Gross Proceeds:	\$450,000,000*
Shares:	18,000,000*
Initial Filing Range	\$16 – 18
Revised Filing Range	\$20 – 22
Listing Date:	March 17, 2021
Offer Price:	\$25
03/17/21 Closing Price:	\$34.75

### Use of Proceeds

Olo intends to use the net proceeds to increase its capitalization and financial flexibility, invest in general corporate purposes, and potentially acquire complementary businesses, products, services, or technologies

Source: Company website, prospectus  
\*excludes greenshoe

UNITED STATES  
SECURITIES & EXCHANGE COMMISSION

Form S-1

Olo, Inc.



Noah Glass  
Founder and Chief Executive Officer  
285 Fulton Street  
One World Trade Center, 82nd Floor  
New York, New York 10007  
United States of America

## Olo Overview

### Company Overview



**Founder & CEO:** Noah Glass  
**Headquarters:** New York, New York  
**Founded:** 2005

- Olo provides a cloud-based order processing platform for enterprise, multi-location restaurants
  - The Company leverages a hybrid “transactional SaaS model”, generating both subscription and transaction-based revenue streams designed to align with the success and growth of its clients
- Olo deploys its platform around three key themes and modules: **commerce**, **fulfillment**, and **channel management**, enabling seamless digital ordering and quick, efficient, delivery
  - The Company integrates with 100+ restaurant technology solutions including POS systems, DSPs, aggregators, payment processor, loyalty programs, and more
- Unlike other enterprise software businesses, the Company secures contracts at a corporate level rather than location-by-location, creating a highly efficient go-to-market model and enabling significant upsell opportunities
  - As of Dec. 31, 2020, **71%** of Olo’s customers used all three of its modules

### Products & Services Overview



**Ordering:** Fully-integrated, white-label commerce solution that enables consumers to order directly from and pay restaurants via mobile, web, kiosk, and other channels



**Dispatch:** Back-office fulfillment solution that allows restaurants to offer, manage, and expand direct delivery while optimizing price, quality, and efficiency



**Rails:** An aggregator and channel management solution that provides control and syndication over menu, pricing, location data, etc., all while directly integrating orders from third-parties into the restaurants’ POS

### Selected Olo Customers

**FIVE GUYS**



SHAKE  SHACK



## Olo Overview (cont.)

### How it Works

#### Step One

##### Customer places order



- Omni-channel, fully integrated ordering through front-end, white-labeled apps, web portals, kiosks, voice and more
- Payment acceptance enabled by partner gateways and processors

#### Step Two

##### Order routed to POS and delivery partners



- Integrates order – regardless of channel – into a restaurant's POS system
- Manages each restaurant's delivery options and selects DSPs, including in-house couriers, based on optimal price, timing, availability, and other factors

#### Step Three

##### Order prepared and delivered



- Delivery provider gets details before picking up order
- Restaurant receives, prepares, and fulfills order, seamlessly connecting with delivery provider or, if an in-store pickup, with the customer themselves

### Positioning

#### Two-Sided Network

400+

Restaurant Brands



100+

Technology Partners

### Key Metrics

64k

Active Locations

1.8 mm

Orders / Day

\$14.6 bn

2020 GMV

94%

2020 YoY  
Revenue Growth

120%+

Net Revenue  
Retention

94%+

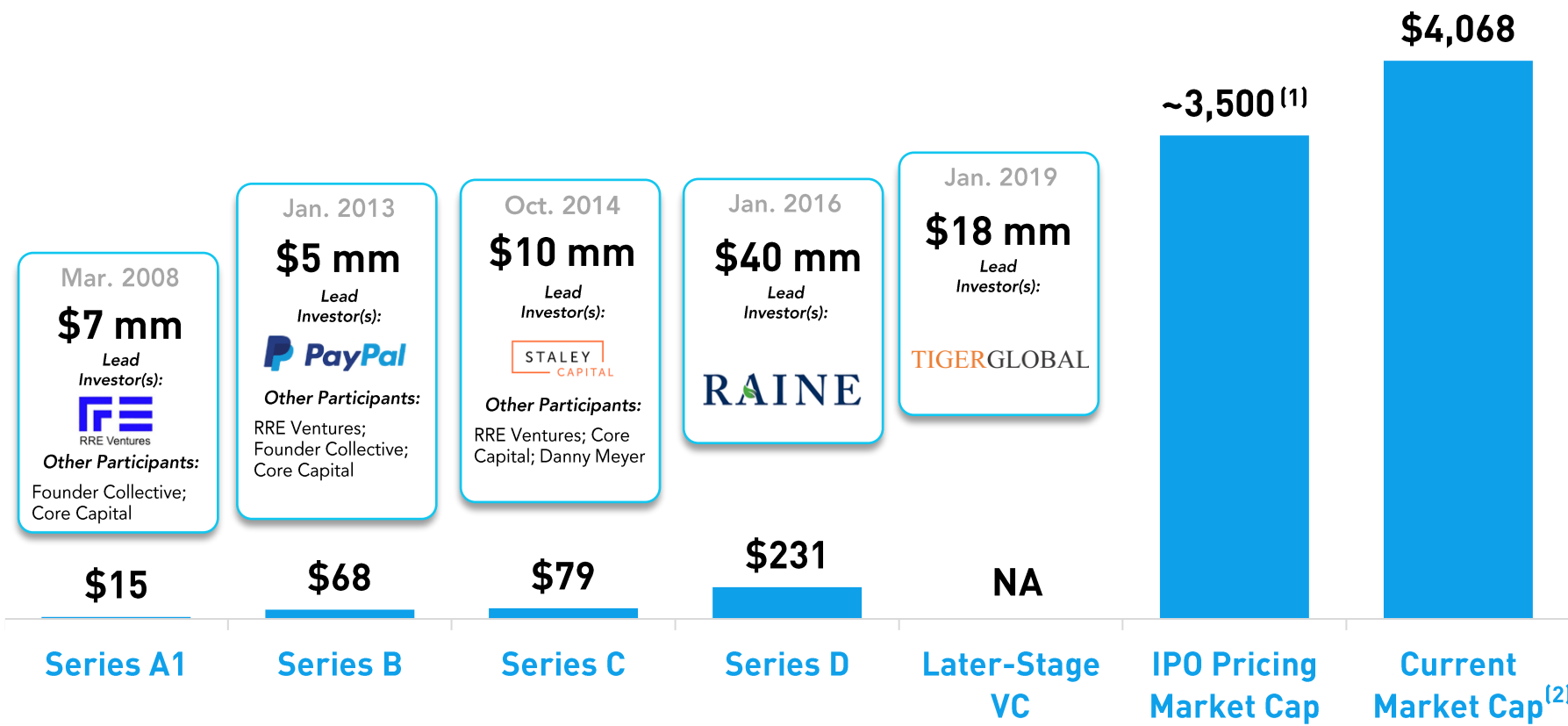
SaaS- and transaction-  
based revenue



## Olo's Equity Financing and Valuation History



- Historical Post-Money Valuation (\$ in mm)
- Corresponding Transaction



Source: Company Website; FT Partners' Proprietary Transaction Database; PitchBook;

1) Excluding greenshoe

2) CapIQ as of 4/10/21

## Management Team

### Noah Glass

Founder, Chief Executive Officer,  
and Director



- Noah Glass has served as CEO and a member of the Board of Directors since the Company's inception in 2005
- Noah graduated from Yale University with a B.A. in Political Science in 2003
- Noah also serves on the board of Portillo's, Share Our Strength, and the Culinary Institute of America

### Matthew Tucker

President and Chief Operating  
Officer



- Matthew Tucker has served as Chief Operating Officer since September 2013 and the Company's President since January 2020
- Prior to joining Olo, Matthew worked as Chief Operating Officer of Payfone and was a member of the founding team at LendingTree, among other senior roles
- Matthew earned his B.A. from the University of Michigan and his M.B.A from Georgetown

### Peter Benevides

Chief Financial Officer



- Peter Benevides has served as Chief Financial Officer since January 2020
- Before his current role, Peter held the positions of Senior Vice President and Vice President of Finance at Olo
- Prior to joining the Company, Peter worked in finance-focused roles at Turntable.fm, Sony Music Entertainment, and several other firms

### Nithya B. Das

Chief Legal Officer and Corporate  
Secretary



- Nithya B. Das has served as Chief Legal Officer and Corporate Secretary since November 2020
- Nithya previously held the positions of General Counsel and Secretary at the Company, and, prior to joining Olo, worked in several legal roles at the advertising technology provider AppNexus and the law firm Goodwin Procter LLP
- Nityha holds a B.A from the University of South Carolina and a J.D. from Brooklyn Law School

### Marty Hahnfeld

Chief Customer Officer



- Marty Hahnfeld has served as Chief Customer Officer since July 2013
- Before joining Olo, Marty served as the SVP of Community Solutions at Recyclebank, a consumer loyalty company, and has held leadership roles at several internet and telecommunications companies like SkyPilot Networks and HyperEdge Corp.

### Andrew Murray

Chief Technology Officer



- Andrew Murray has served as Chief Technology Officer since July 2005
- Prior to joining Olo, Andrew held various technology positions at Internet Solutions and Dimension Data in Johannesburg, South Africa
- Andrew earned his B.Com in Informatics from the University of South Africa

## Market Opportunity

### I. Restaurants are facing new, complex challenges and pressures

- The restaurant landscape has become increasingly dynamic, with competition coming from new and existing restaurant brands, aggregators, and “ghost kitchens,” all of whom frequently have modern, sophisticated go-to-market strategies
- These trends have only been exacerbated by COVID-19 lockdowns that have imposed restrictions to on-premise dining, resulting in significant financial losses and many closures
- There is growing urgency for restaurants to adopt cost-effective digital solutions in order to compete, support their businesses, and drive margin expansion and incremental sales over the long-term

### II. Restaurant industry is massive with enterprises rapidly expanding market share

- Worth nearly \$700 billion in total, the restaurant industry is undergoing a dynamic transformation in the wake of COVID-19
- According to the National Restaurant Association, the industry’s share of the dollars spent on food increased from 25% in 1955 to 51% in 2019
- While restaurants have lost some traction against grocery stores in the pandemic, consumer spending is expected to outpace grocery in the long-term, reaching \$1.1 trillion by 2024 according to the Freedonia Group – with enterprise restaurant brands, in particular, driving this growth

### III. Consumer behavior is shifting towards on-demand commerce convenience

- According to a 2019 Salesforce.com publication, 66% of all consumers cite instant and on-demand fulfillment of purchases as important, with 50% saying they will switch brands completely if a company does not proactively anticipate their needs
  - The COVID-19 pandemic has only accelerated this long-term shift in consumer demand for adaptive on-demand commerce platforms
- Olo expects these trends to continue to accelerate well into the future in particular as advances in technology allow restaurants to further reduce friction in digital ordering and fulfillment to further satisfy consumers’ new engagement preferences

## Market Opportunity (cont.)

### IV. Off-premise dining is the main engine of restaurant growth, with pickup orders continuing to lead

- Off-premise dining has continued to grow rapidly, accounting for 63% of US restaurant transactions in 2019, with the segment upwards of 70-80% of the restaurant industry's growth in the coming years
- While off-premise dining consumption is growing rapidly, only approximately 3% of total restaurant orders were fulfilled through delivery in 2018, and 39% and 21% were attributed to take-out and drive-thru, respectively
- According to the National Restaurant Association, 27% of restaurant operators have added new off-premise delivery options since COVID-19 began, with 80% planning to keep such changes going forward

### V. Digital restaurant ordering is experiencing rapid growth in a shifting landscape

- Aggregators have created consumer applications to meeting the growing demand for convenient restaurant food, helping expand off-premise dining
- Moreover, major consumer-facing platforms are embedding food ordering into products like maps and search results
- COVID-19 has only accelerated these trends, forcing restaurants to quickly develop digital ordering operations or leverage indirect channels to meet customers' digital demands during this period
- As a result, the U.S. online food delivery market, a subset of the restaurant digital ordering market, is expected to grow from \$356 billion in 2019 to \$470 billion by 2025

### VI. Restaurants must evolve to own digital relationships with their consumers

- Restaurants risk losing direct consumer relationships if they are heavily reliant on aggregators, which generally do not provide visibility into who is ordering or enable a restaurant to articulate its unique brand value
- According to the National Restaurant Association, 64% of adults prefer to order directly through the restaurant for delivery, compared to only 18% who prefer to order through a third-party service for delivery
- Over 70% of Olo customers in a recent survey indicated that their primary reason to own their own branded digital storefront was to own a direct relationship with their guests.

### VII. On-demand commerce has substantial opportunity to expand penetration in the restaurant industry

- While incredibly large, the U.S. restaurant market continues to be one of the most underpenetrated in terms of on-demand commerce at less than 10% of industry sales, compared to sectors like books and electronics that have digital penetration well over 50%
- Restaurants are uniquely positioned to benefit from consumers' demand for digital convenience, but are limited by significant complexities in the restaurant ecosystem, which have slowed penetration to-date.

## Growth Strategies



Add new large multi-location and high-growth restaurant brands and scale with them



Upsell existing customers additional modules



Enable higher transaction volume through direct channels and aggregators



Develop and launch new product offerings around payments, on-premise dining, and more



Expand the Company's ecosystem of developers, UX designers, and other partners

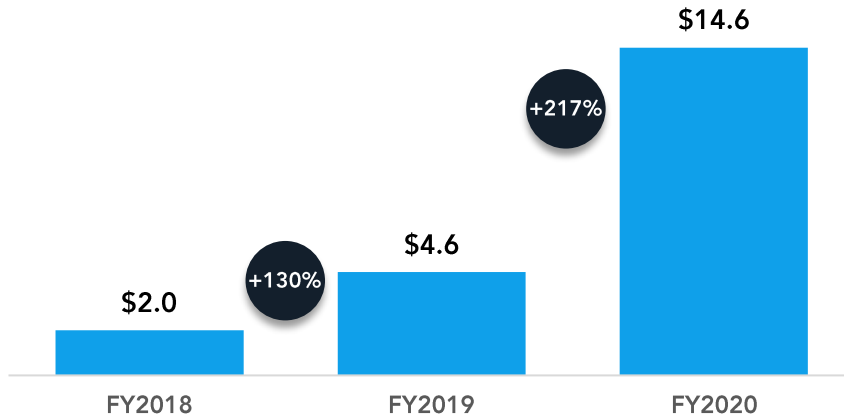


Grow the longer-term market opportunity via SMB partnerships, international expansion, and new verticals

## Key Metrics Overview

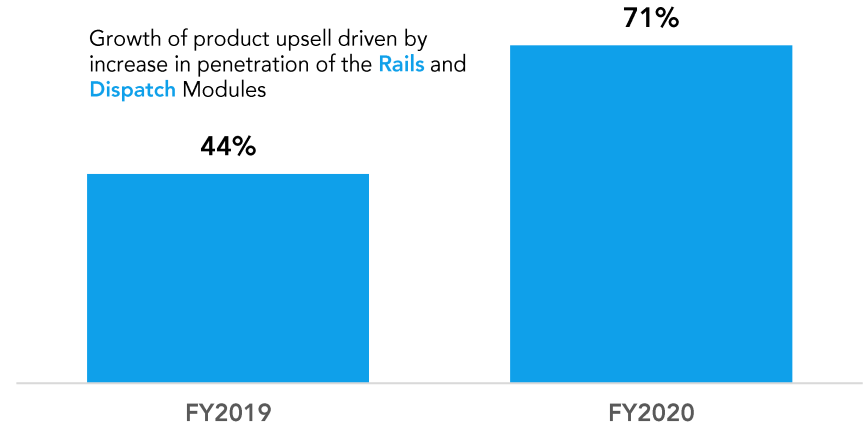
### Gross Merchandise Volume (GMV) <sup>(1)</sup>

(\$ in bn)



### % of Customers Using All Three Modules

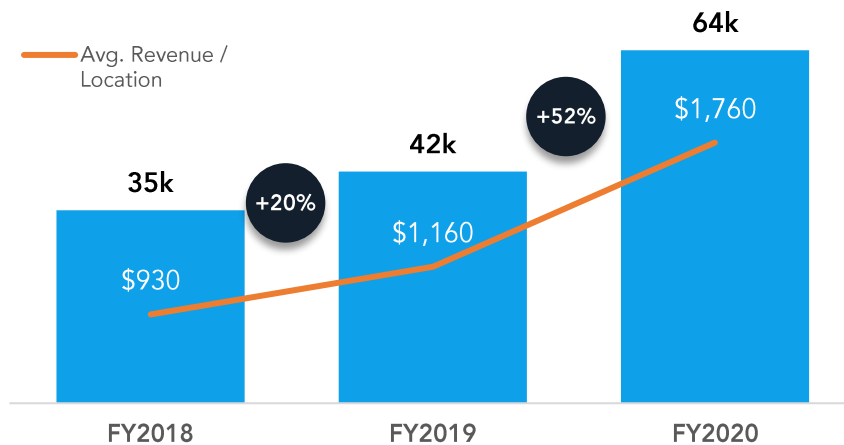
Growth of product upsell driven by increase in penetration of the **Rails** and **Dispatch** Modules



### Active Locations and Avg. Revenue per Location

Active Locations

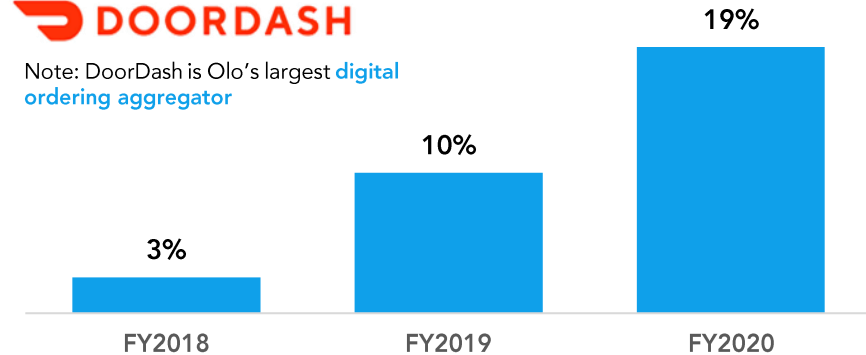
Avg. Revenue / Location



### DoorDash as % of Total Revenue



Note: DoorDash is Olo's largest **digital ordering aggregator**



Source: Company prospectus; Fiscal year ends on Dec. 31<sup>st</sup>

1) Estimates per Prospectus; GMV is defined as the gross value of order processed through Olo's platform

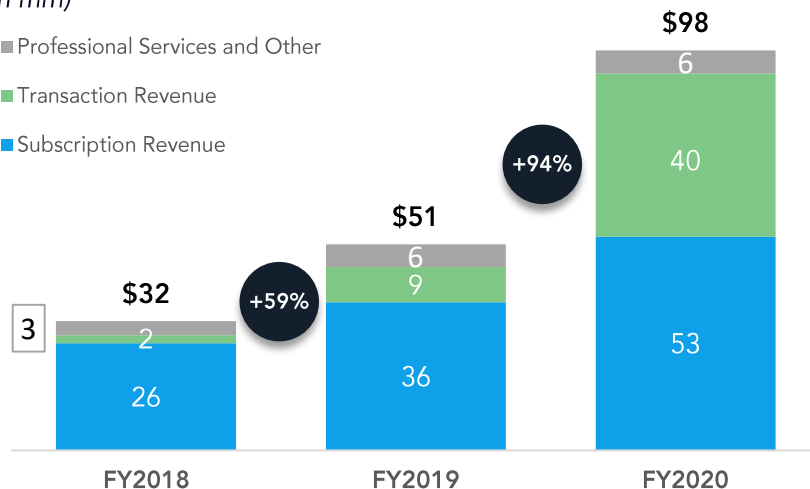


## Financial Overview

### Revenue by Segment

(\$ in mm)

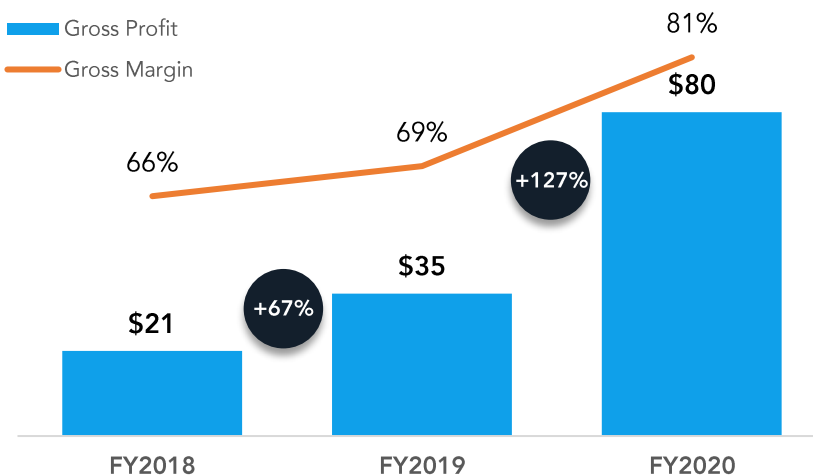
- Professional Services and Other
- Transaction Revenue
- Subscription Revenue



### Gross Profit

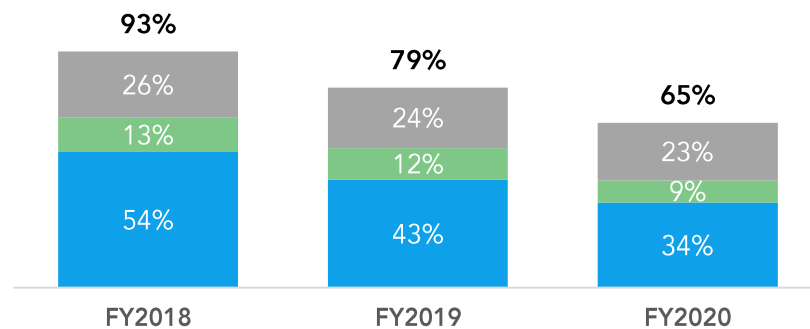
(\$ in mm)

- Gross Profit
- Gross Margin



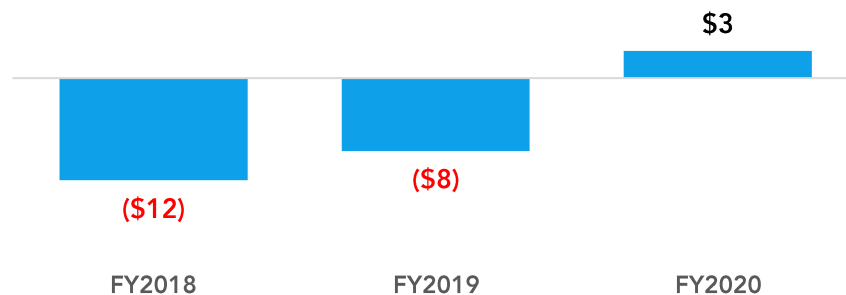
### OpEx as % of Revenue

- G&A
- S&M
- R&D



### Net Income (Loss)

(\$ in mm)



# v. SpotOn Raises \$60 million in Series C Financing



## SpotOn Raises \$60 million in Series C Financing

### Transaction Summary

- On September 23, 2020, SpotOn announced that it has raised \$60 million in Series C financing led by DST Global
  - The round also included participation from existing investors including Dragoneer Investment Group and Franklin Templeton
- This round comes just six months after the Company announced its \$50 million Series B financing led by 01 Advisors, EPIQ Capital Group, Dragoneer and Franklin Templeton in March 2020
- In the six months prior to the raise, SpotOn scaled its revenue and client base dramatically
  - The COVID-19 pandemic has accelerated the transition to digital solutions, with restaurants rethinking how to reach and serve customers and retailers increasingly turning to eCommerce
- SpotOn will use the financing to continue investing in product development and its go-to-market strategy in order to reach a wider array of merchants across the country
  - This strategy builds upon recent product launches like SpotOn Invoicing and SpotOn Dine-in ordering as well as acquisitions like SeatNinja
- SpotOn employs over 1,400 people globally and is growing rapidly

### Transaction Commentary

*"SpotOn is committed to SMBs by providing them with the tools they need to thrive in any climate. We will continue to create innovative products and further our go-to-market approach to ensure merchants nationwide have access to the tools they need to run their businesses. This fundraising, and partnering with a firm like DST Global, allows us to accelerate our pursuit of that goal."*



**Matt Hyman**  
Co-Founder



*"We're excited to partner with the SpotOn founders and management team in their vision of empowering small businesses by offering a suite of integrated payments and software products at low transparent prices. We're very impressed with their quality of execution, product cadence and customer centric approach in these unprecedented times."*



**Rahul Mehta**  
Managing Partner, DST Global



## SpotOn Overview

### Company Overview



**Co-Founders:** Matt Hyman; Zach Hyman; Doron Friedman  
**Headquarters:** San Francisco, CA  
**Founded:** 2017

- SpotOn is a payments and software company that brings together payment processing and a robust software solution, giving merchants richer data and tools that empower them to market more effectively to their customers
- The SpotOn platform offers comprehensive tools for SMBs including payments, marketing, reviews, analytics, and even lending
- Co-founders Matt and Zach Hyman previously founded Central Payment, which was acquired by TSYS in a series of transactions advised by FT Partners – more details [here](#)

### Selected Financing History

Date	Size (\$ in mm)	Investors
09/23/20	\$60	DST Global; Dragoneer Investment Group; Franklin Templeton
03/11/20	50	01 Advisors; Dragoneer Investment Group; Franklin Templeton; EPIQ Capital Group
06/11/19	40	Dragoneer Investment Group; Franklin Templeton

### Products & Services Overview

#### Point-of-Sale Systems



**SpotOn Restaurant**  
 Unlock the potential of the restaurant with lightning-fast POS with integrated features



**SpotOn Mobile**  
 Collect customer data and accept secure payments with the mobile app and optional card reader



**SpotOn Register**  
 Compact hardware and software solution to streamline business mgmt. at the point of sale



**SpotOn Terminal**  
 Run and grow the business with an all-in-one smart device for payments, marketing, and customer insights



**Other Options**  
 Seamless virtual terminals and easy conversion of existing POS systems

#### Featured Products

##### Marketing

Grow customer email list and stay in touch with customers

##### Website

Get a custom website built by a SpotOn website specialist

##### Reviews

Compiles business reviews and sends alerts for every new review

##### Payroll

Streamline how the business processes payroll with powerful Gusto integration

##### Appointments / Reservations

Book more customers, manage schedules, reduce cancellations, etc.

##### Online Ordering

Increase sales, reduce costs, and grow revenue with integrated online ordering

##### Loyalty

Turn new customers into loyal regulars with digital loyalty program

##### Capital

Solve short-term cash flow gaps or pursue long-term goals with fast, affordable financing

## DST Global Overview

### Overview

**DST**



**Yuri Milner**  
Founder & President



**Tom Stafford**  
Managing Partner



**Rahul Mehta**  
Partner



**Dean Prissman**  
Principal



**Nick Brito**  
Principal



**Amelia Hamer**  
Investor

### Locations

- Hong Kong
- Beijing, China
- Dubai, UAE
- London, UK
- Moscow, Russia
- San Francisco, CA

### About

- Founded in 2005 as Digital Sky Technologies by Russian entrepreneur Yuri Milner
- Invests in venture- and growth-stage companies, specializing in fast-growing internet businesses
- Has invested in some of the most recognizable internet and consumer companies in the world, including Facebook, Groupon, Twitter, Zynga, Airbnb, and Spotify
- Prefers to invest in late-stage companies with enterprise values greater than \$500 mm

### Investment Preferences

#### Investment Criteria

<b>AUM:</b>	\$1,700 mm
<b>Fund Raised:</b>	2015
<b>Investment Range:</b>	\$50 – 500 mm
<b>Revenue:</b>	NA
<b>EBITDA:</b>	NA

#### General Preferences <sup>1</sup>

<b>Control:</b>	Minority
<b>Geography:</b>	U.S., Europe, China, India
<b>Transaction Type:</b>	Venture, Growth, Secondary
<b>Industry Focus:</b>	FinTech, Internet, E-commerce, Technology, Online Services

### Selected Recent Investments / Exits

#### FinTech / Financial Services Investments <sup>2</sup>

Date	Company	Deal Amt. <sup>3</sup>	Board Rep.	Sector
04/21	<b>CRED</b> (Series D)	\$215	NA	Bnkg
04/21	<b>Fetch Rewards</b> (Series D)	210	NA	Pymts
03/21	<b>Blockchain</b> (Series C)	300	NA	Sec
03/21	<b>Loft</b> (Series D)	425	NA	Bnkg
03/21	<b>Bitpanda</b> (Series B)	170	NA	Sec
03/21	<b>BlockFi</b> (Series D)	350	NA	Bnkg
03/21	<b>Flutterwave</b> (Growth)	170	NA	Pymts
02/21	<b>Zego</b> (Early Stage VC)	150	NA	Ins
02/21	<b>Libeo</b> (Series A)	24	NA	Pymts
01/21	<b>Trumid</b> (Growth)	50	NA	Sec
01/21	<b>Checkout.com</b> (Series C)	450	NA	Pymts
01/21	<b>CRED</b> (Series C)	80	NA	Bnkg
11/20	<b>Rupeek</b> (Series C)	45	NA	Bnkg
11/20	<b>Fetch Rewards</b> (Series C)	80	NA	Pymts
10/20	<b>Chime</b> (Series F)	534	NA	Bnkg
10/20	<b>Robinhood</b> (Series G)	668	NA	Sec
09/20	<b>BukuWarung</b> (Early Stage VC)	NA	NA	FMS
09/20	<b>Greenlight Financial Technologies</b> (Series C)	215	NA	Bnkg
09/20	<b>SpotOn</b> (Series C)	60	NA	Pymts
06/20	<b>Checkout.com</b> (Series B)	35	NA	Pymts

Source: Company website, PitchBook

1) Italics indicate preferred control / geography

3) Deal Amount in mm

2) \* denotes M&A exit; \*\* denotes IPO exit

# III. Exclusive Interview with Paytronix CEO Andrew Robbins



## Paytronix Overview

### Company Overview



**CEO & Co-Founder:** Andrew Robbins  
**Headquarters:** Newton, MA  
**Founded:** 2001

- Paytronix is a leading, omni-channel SaaS platform that provides flexible and configurable customer experience management solutions to a wide array of restaurants and convenience stores
- The Company's AI-powered, data-driven product set encompasses CRM, order & delivery, loyalty, stored value, and contactless dining, all with a focus on increasing engagement, retention, and customer spend
  - Paytronix leverages integrations with a growing list of complementary POS systems, online ordering platforms, payment providers, and other partners
- The Company services a wide range of brand types and sizes across QSRs, fast casual restaurants, and C-Stores with broad coverage across the US

### Key Metrics

**500+**  
Brands

**285 mm**  
Unique Users

**30,000**  
Locations

### Products & Services Overview



#### Loyalty

High-impact, mobile-native loyalty and rewards programs underpinned by customer behavior insights and data



#### Order and Delivery

Customizable online ordering system that enables rapid processing of digital orders with payments and aggregator integrations, seamless checkout experiences, and more



#### CRM

Marketing engagement and automation platform that delivers offers, campaigns, and promotions via SMS, in-app, push messages, geofenced messages, and dynamic email



#### Stored Value

Virtual and physical gift cards, bonuses, guest recovery, promotions, and more



#### Contactless Dining

Comfortable, convenient contactless in-house dining solutions with seamless connectivity to POS systems and loyalty programs

### Selected Customers





## Paytronix CEO Interview



**PAYTRONIX**

**Andrew Robbins**

CEO, Co-Founder

Andrew Robbins is the CEO and Co-Founder of Paytronix. Prior to starting Paytronix in 2001, Andrew was a Partner at Spark Ventures, Director of Strategy for Caradon Doors and Windows, and an Engineer at GE. He holds a BSMAE from Princeton, an MSME from MIT, and an MBA from Harvard Business School. He serves on the board of DebtX. Andrew is a steadfast advocate for women in technology, and is the primary driver of the organization's DEI initiatives including an outreach program that helps Boston's inner-city students discover a path to working in tech.

### *What was the vision behind founding Paytronix. What can you tell us about the evolution of your innovations in the market since the beginning?*

We set out to connect people to the brands they crave when we started the Company in 2001. We saw a tremendous opportunity to improve the guest experience with innovation at the intersection of payment, loyalty, and convenience.

We wanted to help restaurants thrive, by realizing the same benefits from technology that concepts like Mobil Speedpass were driving at that time, where a faster, more convenient experience could dramatically increase consumers' loyalty and purchasing behaviors.

Our initial solution combined loyalty and gift card accounts for our customers via a fast and reliable single platform, integrating disparate 'punch cards' into a single digital account operating a birthday program, an email club, and a stored value account. Shortly thereafter we allowed guests to link their credit card to their stored value account to automatically recharge when the balance dropped below a self-selected threshold value. The results were amazing, enhancing all levels between the guest and the brand and motivating substantial increases in spend. We connected the guest to their favorite brands at the point of sale (POS), inbox, and in their wallet.

- Other enhancements we made to augment the convenience of guest / restaurant interactions included: In 2004, we invented "My Regular" that enabled a guest to save their favorite order and recall it at the POS with a simple click.
- Later, we were the first to seamlessly deliver a loyalty ID to the POS via near field communication through partnerships with both Apple and Google when guests pay using Apple Pay and Google Pay. This is attracting a whole new demographic to aging restaurants— they tend to be five years younger and visit 44% more frequently than the brand's average customer. With nearly 2 two decades of consumer data that trains our algorithms, we employ proprietary AI, to suggest the right offer, to the right segment, at the right time, and then send the message via the channel that is most likely to deliver the most impact to the brand. With machine learning and predictive scoring, we've developed technology that improves the results of typical win-back campaigns by more than 300%.

Today, we can impact our customer sales by 4%-8%. Most clients get at least a 10-times return on the Paytronix investment, with some as high as 50 times. We're able to reach these results because many of our innovations have their roots in artificial intelligence. And, we're able to create accurate predictive models because of the data we have in house – 180 million guest profiles and 38 billion consumer touchpoints.



## Paytronix CEO Interview (cont.)



### Exclusive Interview – Andrew Robbins

#### *What is the breadth of products and capabilities that Paytronix offers today?*

Today, our single, unified platform of product solutions really centers around two integrated core components: Customer Engagement and Order Enablement.

Customer Engagement is how we define all of the technology and product modules that help brands provide a seamless customer experience to engage with their guests:

- Loyalty – platform enables nearly any type of loyalty program from points to visits to surprise and delight and bankable value, and subscriptions. It includes integrations to the point of sale, more ways for consumers to join a program than any other provider, reporting, and data visualization to operate a high-impact program.
- CRM – this module enables the marketer to use deep insights to segment, target, deploy campaigns with offers, and then immediately measure results. Omni-channel messaging, automation, and triggers from point-of-sale activity are included.
- Data Insights – this combination of team and tech helps merchants optimize their loyalty and digital ordering investments. Strategic guidance and proprietary, customized AI applications, board prep, data informed goal setting and benchmarking are some of the benefits to engaging with the group.
- Stored Value – From gift card programs to a unique solution for restaurants called 'comp cards,' Paytronix has put together a value-packed solution that competes and wins against the 'free' programs provided by other payments providers.

Order Enablement refers to the components of our software platform that help fulfill and facilitate a guest transaction with one of our client brands:

- Order & Delivery – white-labeled, online menu integration for consumers to select and purchase orders while off premise, integrating into POS and kitchen management systems for fulfillment via pick-up, curbside or enablement of a brand's own delivery service or through aggregator services such as DoorDash and Postmates.
- Mobile Apps – customized mobile iOS or Android app development, management and API integration with bespoke graphics, navigation functionality, and messaging capabilities all integrated into our loyalty platform, and messaging capabilities all native to our CXM platform as well as integrated with third-party solutions.
- Payments – integrated technology to securely receive, store and process a consumer's payment account credentials at the time of a purchase to complete the orders for food, electronic gift cards and subscriptions, and providing consumers the conveniences of Apple Pay, Google Pay and Google Food Ordering.

## Paytronix CEO Interview (cont.)



### Exclusive Interview – Andrew Robbins

#### *What are the key attributes that differentiate Paytronix from other players in the industry?*

There are a few characteristics that make us unique. First, from an end market perspective, we have extensive experience in both the restaurant and convenience store markets we serve. Together there are more than 800,000 domestic locations and account for more than \$1 trillion in consumer spend. Second, we have successfully penetrated the enterprise segment and have also dominated the regional market and SMB segments. We have over 30,000 client locations today and 38% are enterprise, 52% are middle market or regional, and 10% are SMB. Third, our software capabilities constituting both Customer Engagement AND Order Enablement under one platform umbrella is unique in a market that is defined more by point solutions that may address one particular area or another.

Beyond those three business characteristics above, Paytronix is known for creating the highest impact programs in the industry. We help our clients run programs that have the highest adoption rates and the highest increase in incremental visits and spending. We can do this because of our threefold advantage: technology, scale, and overall platform design.

Our technological advantage starts by making it easier for consumers to join and to participate in programs and interact with brands for ordering, payment, and loyalty programs through key proprietary technological innovations. As a brand expands its reach into its customer base, they can use the same platform to segment based on more than 60 behavior characteristics with millions of combinations, including predictive scores that indicate the likelihood of visits and other behaviors.

Omni-channel messages are sent directly through the platform in bulk, one-to-one, or trigger in real time by behavior happening at the POS—with attribution of guest behavior and purchases captured for analysis on promotional efficacy and machine learning for future communication.

This leads directly to our scale in terms of numbers of brands, campaigns, and participating consumers, all of which provide us with a market-leading deep data set. Paytronix predicts customer behavior, recommends high-impact strategies, and most importantly, trains machine learning algorithms for maximum marketing investment efficacy.

Lastly, Paytronix offers all of this as part of a single unified platform that combines a restaurant's guest engagement needs: mobile app, loyalty, CRM, gift cards, and online ordering. This single platform delivers a lower cost of ownership by consolidating all these point solutions with a single provider. The single platform also provides more nimble access to information and faster implementation of powerful promotions that yields superior financial returns for the brands.

## Paytronix CEO Interview (cont.)

**PAYTRONIX**

### Exclusive Interview – Andrew Robbins

***“With the advent of innovation related to mobile devices, a desire for a better consumer experience, and greater drive for one-to-one marketing by brands, a whole new set of players have come to the forefront.”***

***What are the primary market dynamics and trends driving the boom in restaurant technology activity that we are seeing today?***

There is a confluence of several factors that are leading to some of the trends we see. For many years, the legacy providers of software and technology to restaurant and convenience stores benefited from tremendous scale and incumbency. With the advent of innovation related to mobile devices, a desire for a better consumer experience, and greater drive for one-to-one marketing by brands, a whole new set of players have come to the forefront. Finally, with the Covid-19 pandemic, brands faced an existential threat which required quick adoption of purely digital guest experiences. The recovery from Covid shows that guests want even more digital experiences and brands’ desires to maintain convenient interactions with their guests, we have seen a tremendous acceleration by both brands and consumers to adopt and use these innovations.

***How do recent transactions such as Olo’s IPO, or M&A activity like PAR / Punchh, WIX / Tock or even GoDaddy / Poynt influence your thinking?***

Each one of these transactions demonstrates a high degree of investor and strategic interest in participating in the amazing market growth that this sector represents. There are high returns available because of the large market size and favorable adoption trends in the restaurant space. In the case of PAR acquiring Punchh, we see that as a great industry validation of the importance of having a well-integrated loyalty solution that can connect to the POS experience. Both WIX and GoDaddy’s acquisitions demonstrate that e-commerce should bridge to an ‘in-person’ experience, and that the restaurant vertical has substantial needs to migrate from on-premise to off-premise in a seamless way. These transactions are further proof-points that we have the right strategy with a single customer experience platform and to double down on rapid execution.

## Paytronix CEO Interview (cont.)



### Exclusive Interview – Andrew Robbins

***“Our customers exist in an incredibly competitive market where consumer trends change, but selling more food remains the top priority. In conjunction with the other Paytronix products, Order & Delivery helps retailers maintain guest relationships as consumers shift toward off-premises spending.”***

***Describe the approach you and your management team have taken historically to build Paytronix and how are you’re planning to capitalize on these opportunities?***

We take pride in listening to our customers and have developed solutions to their specific problems. While much of our success has been through organic product development and customer acquisition or product cross sales, we have also grown inorganically as well. We acquired Open Dining which at the time of acquisition had a decade of platform development innovation for online ordering. This was a key part of our Customer Experience Platform strategy. The acquisition helped us develop a platform for which our clients rely upon to reach beyond their brick and mortar locations to boost sales via digital orders.

The markets we serve are incredibly competitive and selling more food is the top priority. The Paytronix platform helps retailers maintain guest relationships as consumers shift toward off premises spending.

Our customers exist in an incredibly competitive market where consumer trends change, but selling more food remains the top priority. In conjunction with the other Paytronix products, Order & Delivery helps retailers maintain guest relationships as consumers shift toward off- premises spending.

The Paytronix user base was begging us to get into digital ordering to help build on our AI-driven guest intelligence. Based on our experience with more than 1,200 brands, we recognized an opportunity to drive sales using customer data not only for on-premises interactions, but for off-premises ones as well. By combining loyalty features with Order & Delivery enablement, Paytronix is helping brands continue to connect with their customers in new ways, and keep those customers coming back.

## Paytronix CEO Interview (cont.)



### Exclusive Interview – Andrew Robbins

*The restaurant technology ecosystem has become increasingly complex with the blending of in-person dining and delivery / e-commerce. Restaurants have to become on-omni-channel businesses, which has implications across not only their operations, but marketing and loyalty as well. How does Paytronix see this evolution continuing to take shape?*

The restaurant and convenience store industries no longer fall into neat categories with people choosing specific types of interactions. Today, customers have several ways in which they can interact with a brand, from traditional in-person interactions to mobile ordering.

The key is to provide a consistent branded experience across all interaction points that is also both personal and frictionless. Just in payments alone, a person may want to pay with a phone, any of several different credit cards, cash, or even set up a stored value account.

The consumers' preference to choose their own adventure in terms of how they buy from a brand has forced brands to make it convenient, engaging, and rewarding to interact with the brand both digitally and in person. Paytronix makes it easy for brands to complete their digital transformations.

To provide a truly frictionless experience, a brand must know the customer's personal preferences, allow easy payments, and deliver the product to that customer in the way that the customer wants. And it must do all of this while remaining true to its own brand and establishing a consistent experience that runs from the mobile phone to the physical environment to wherever the customer sits down to eat. The use of Artificial Intelligence working across mountains of digital guest data gives the brand the capability to learn about individual guest preferences and customize experiences at scale.

Today, the industry is plagued by fractured technology platforms that make a cohesive experience difficult at best. There are many POS systems on the market, as well as customized systems built by some of the larger brands. At Paytronix, we integrate with all of them. Then you have the different order and delivery options, each of which come with their own front-end and back-end software. Go into just about any takeout restaurant and you can see this problem first-hand, with a series of tablets all lined up in front of the cash register.

Not only do we strive to make things easier for our own customers, but our platform enables us to provide a deep dive at the full guest experience level, then enable AI-driven guest intelligence that enables our users to make better brand-driven decisions. The ultimate goal is simple: happy guests who keep returning, spending more, and increasing revenue.

## Paytronix CEO Interview (cont.)



### Exclusive Interview – Andrew Robbins

***“The single platform position Paytronix has is unique in the market and solves a costly business problem, including the loss of customer business due to poor digital engagement experiences across poorly integrated platforms.”***

*What are the differences you’re seeing across the various restaurant categories and restaurant sizes in terms of their navigation of the COVID pandemic over the past year, where they’re investing, and what is driving their decisions? What are the leaders doing right that others will need to follow quickly?*

The Covid pandemic hastened a long-term trend of the digitization of the guest experience. Restaurant brands understand the value of customer data and are investing in technology to capture and work the data. We have seen an increase in investment into customer data platforms including data warehouse investments in the enterprise level brands.

Both the restaurant and convenience store segments are challenged with integrating order and delivery systems with loyalty program systems or simple guest engagement systems. The single platform position Paytronix has is unique in the market and solves a costly business problem, including the loss of customer business due to poor digital engagement experiences across poorly integrated platforms.

*Paytronix has been out in front of helping the convenience stores evolve their capabilities to develop stronger brands and capabilities with food service options and restaurant-like branding where loyalty and remote ordering are increasingly important. How did you get into the C-store vertical and what do you expect the next few years to bring?*

The convenience store market has been on a re-invention path over the past decade. We have seen meaningful consolidation of independent operators and brands have been focused on diversifying their revenue streams, expanding their product offerings, and increasing the frequency of visits by their patrons. Our loyalty and Consumer Engagement product mix has been instrumental in helping those convenience store brands get to know their customers, track and drive behaviors, and increase interactions.

*Continued on next page*

## Paytronix CEO Interview (cont.)



### Exclusive Interview – Andrew Robbins

*Continued from prior page*

Additionally, the modern, next-generation convenience store concepts have built their footprint to include food options that rival restaurant quality, variety, and value. As those restaurant concepts with the convenience store footprint continue to gain prevalence, we believe that our Order & Delivery solutions which are first to market to be fully integrated with C-store POS systems will help brands engage with consumers to drive convenience. We are building a data and promotional bureau that enables Consumer Package Goods (CPG) manufacturers to gain purchasing insights from our platform and allows for highly target promotions campaigns with easy analytical tools to prove ROI efficacy. This will help C-stores gain more CPG marketing funds that we can leverage for both the benefit of the CPG brand and incremental spend for the C-store.

### *What's next for Paytronix? Where do you see the Company going over the next 5-10 years?*

The best is yet to come! In the next five years, Paytronix will continue delivering value to its customer base, accelerate its growth trajectory which will be fueled by even more product innovation, further its geographical expansion, make deeper investments in partner relationships, and enter a new vertical market. I'm excited about what the future holds and proud of the team that will get us there.



# IV. Overview of FT Partners





## Overview of FT Partners

- Financial Technology Partners ("FT Partners") was founded in 2001 and is the only investment banking firm focused exclusively on FinTech
- FT Partners regularly publishes research highlighting the most important transactions, trends and insights impacting the global Financial Technology landscape. Our unique insight into FinTech is a direct result of executing hundreds of transactions in the sector combined with over 19 years of exclusive focus on Financial Technology

### FT Partners' Advisory Capabilities



### FT Partners' FinTech Industry Research



**The Information**

Named Silicon Valley's #1 FinTech Banker (2016) and ranked #2 Overall by *The Information*



Ranked #1 Most Influential Person in all of FinTech in *Institutional Investors* "FinTech Finance 40"



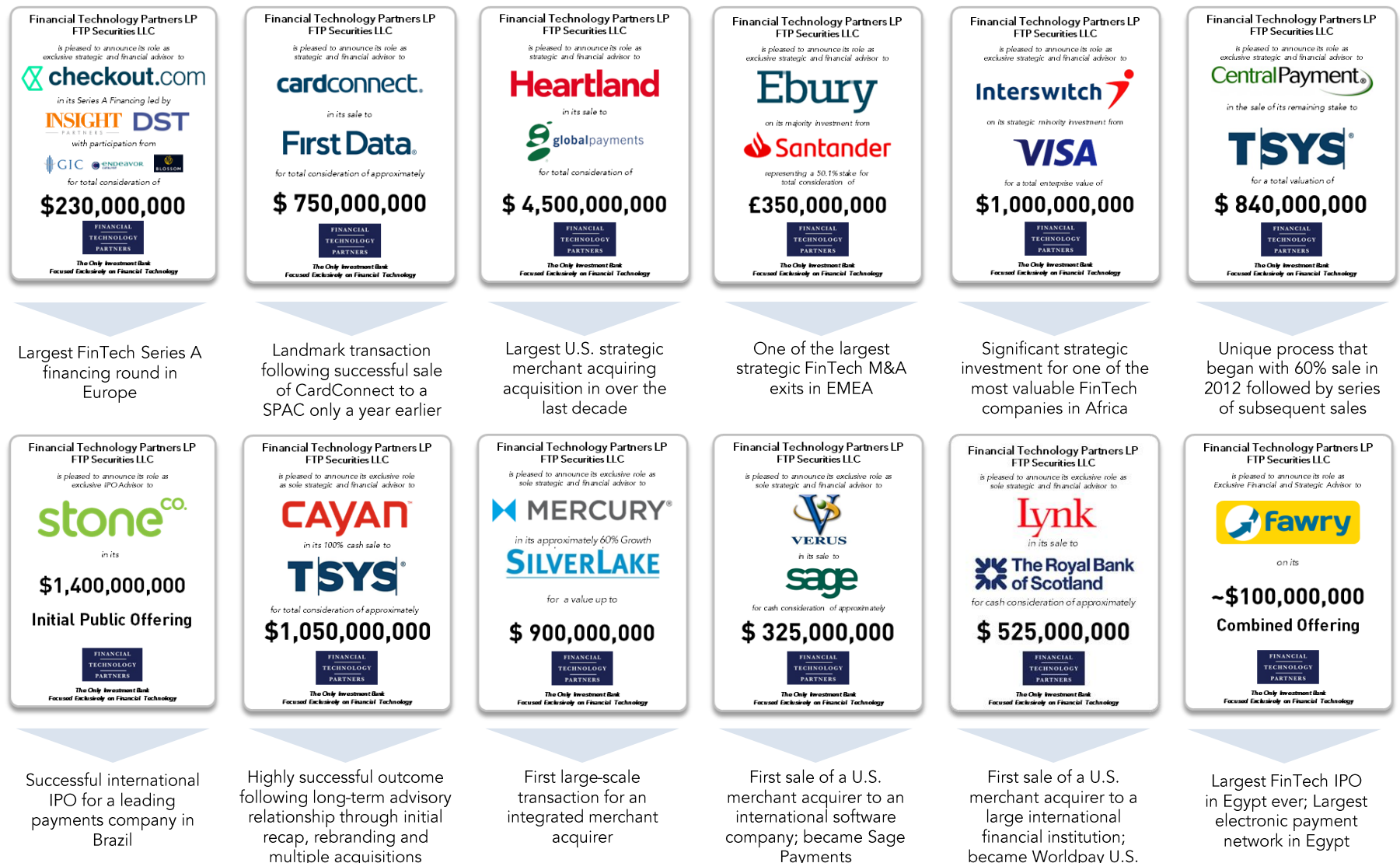
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## Ground-Breaking Payments Transactions Pioneered by FT Partners



## FT Partners Advises ShopKeep on its \$565 million Sale

### Overview of Transaction

- On November 5, 2020, Lightspeed, a leading provider of cloud-based, omni-channel commerce platforms, announced it has entered into a definitive agreement to acquire ShopKeep Inc., a cloud commerce platform provider based in New York City
  - The acquisition is valued at approximately \$565 million in total consideration, comprised of \$145.2 million in cash and the issuance of 7,437,397 subordinate voting shares in the capital of Lightspeed, based on the closing price of Lightspeed stock on November 23, 2020
- Founded in 2008, ShopKeep's point-of-sale platforms are used by more than 20,000 retail and restaurant customer locations nationwide generating a gross transaction volume of approximately \$7 billion USD per year
- The acquisition reinforces Lightspeed's status as a clear category leader for retailers and restaurateurs seeking to modernize operations as the global economy undergoes unprecedented digital acceleration

### Significance of Transaction

- The acquisition will grow Lightspeed's U.S footprint by more than 20,000 customer locations and help drive Lightspeed's plan to accelerate digital transformation of SMBs across the United States following its public listing on the New York Stock Exchange
- The acquisition by Lightspeed will add crucial modules to the ShopKeep merchant experience, including complex inventory and sales management capacity ideal for multi-location businesses, while also providing a broader product portfolio to enhance brand loyalty, acquire new customers and retain clientele
- Lightspeed's acquisition of ShopKeep follows the successful integration of multiple premier platforms, including those of Montreal-based Chronogolf, Berlin-based Gastrofix and Sydney-based Kounta

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to ShopKeep
- This transaction highlights FT Partners' deep domain expertise in the Software and Payments sectors, and its successful track record generating highly favorable outcomes for high-growth FinTech companies globally

#### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*



*on its sale to*



*for total consideration of*

**\$565,000,000**



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## FT Partners Advises Heartland Payment Systems on its \$4.5 billion Sale

### Overview of Transaction

- FT Partners served as strategic and financial advisor to Heartland Payment Systems (NYSE: HPY) in its landmark \$4.5 billion sale to Global Payments (NYSE: GPN) for a combination of cash and stock
- Global Payments acquired Heartland for \$100 per share, representing a total transaction value of approximately \$4.5 billion at the closing of the deal
- Consideration for the transaction consisted of 0.6687 shares of Global Payments stock and \$53.28 for each share of Heartland stock at closing
- This transaction creates the leading global provider of integrated payments technology solutions
- This deal represents the largest U.S. strategic merchant acquiring acquisition in over a decade
- Also represents the single largest U.S. strategic payment processing deal in the last 8 years
- This transaction underscores FT Partners' continued leadership position as "advisor of choice" to the highest-quality companies in the FinTech space

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
strategic and financial advisor to*

# Heartland

*in its sale to*



*for total consideration of*

# \$ 4,500,000,000

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## FT Partners Advises Mercury on its \$1.65 billion Sale to Vantiv

### Overview of Transaction

- Mercury announced its sale to Vantiv for \$1.65 billion in cash on May 12, 2014
- Vantiv will fund the acquisition with committed financing
- This transaction is Vantiv's largest acquisition to-date (~5x larger than its acquisition of Litle) and one of the largest strategic merchant acquiring M&A transactions consummated in over a decade

### Significance of Transaction

- Vantiv's acquisition of Mercury accelerates the Company's growth in the integrated payment space by significantly expanding distribution channels and technology capabilities
- Expands Vantiv's reach into the SMB segment through Mercury's distribution network, complementary verticals and ability to design integrated, value-added POS innovations
- Enhances Vantiv's competitive position in the payments sector broadly on the basis of technology differentiation, leading processing scale and omni-channel presence while increasing penetration into high growth channels
- Expected to add one to two percentage points to Vantiv's net revenue growth per year while being modestly accretive to Vantiv's non-GAAP earnings per share in 2014 with accelerating accretion in 2015

### FT Partners' Role

- FT Partners served as advisor to Mercury
- FT Partners was also Mercury's advisor in the Company's 60% sale to Silver Lake in April of 2010 at a \$700mm valuation

#### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its exclusive role as  
sole strategic and financial advisor to*



*in its cash sale to*

**vantiv**<sup>TM</sup>

*for total consideration of*

**\$ 1,650,000,000**



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## FT Partners Advises Stone on its Initial Public Offering

### Overview of Transaction

- On October 25, 2018, StoneCo Ltd. (Nasdaq: STNE) priced its IPO at \$24 per share, raising approximately \$1.4 billion
  - High-profile new and existing investors participating in the IPO include Berkshire Hathaway, T. Rowe Price, Madrone Capital Partners, and Ant Financial
- Due to strong demand, the deal priced above the initial \$21 - \$23 filing range
- Stone is a leading provider of FinTech solutions that empower merchants and integrated partners to conduct electronic commerce seamlessly across in-store, online, and mobile channels in Brazil
  - Founded in only 2014, São Paulo-based Stone has quickly grown to serve over 230,000 active clients with a focus on SMBs
  - Within the first half of 2018, the Company processed over \$9 billion of transactions and posted revenue of \$171 million and net income of \$24 million

### Significance of Transaction

- Stone's IPO is among the largest FinTech IPOs ever
- Demonstrates strong investor appetite for high growth FinTech companies globally
- Further supports FT Partners' continued success advising leading FinTech companies

### FT Partners' Role

- FT Partners served as exclusive IPO Advisor to Stone on this transaction
- FT Partners also advised Stone on its \$145 million Series G financing in September 2017 as well as its \$100 million private placement with Ant Financial, which occurred concurrently with the IPO
- FT Partners leveraged its deep industry knowledge, extensive transaction expertise, and broad scope of relationships to achieve a highly favorable outcome for Stone

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive IPO Advisor to*

**stone<sup>co.</sup>**

*in its*

**\$1,400,000,000**

**Initial Public Offering**

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## FT Partners Advises Cayan on its Sale to TSYS

### Overview of Transaction

- On December 18, 2017, TSYS announced it has entered into an agreement to acquire Cayan in an all cash transaction valued at approximately \$1.05 billion
  - The transaction is expected to close in Q1 2018
- Cayan, a portfolio company of Parthenon Capital Partners, provides technology led acquiring services to more than 70,000 merchants and 100+ integrated partners in the U.S.
  - The Company's flagship Genius platform delivers a seamless and scalable unified commerce experience across channels
- TSYS (NYSE: TSS) is a leading global payments provider, offering innovative and secure solutions across the payments spectrum — from issuer processing and merchant acquiring to prepaid program management

### Significance of Transaction

- The acquisition strategically complements TSYS' merchant goals to become a leading payment provider to small and medium size businesses in the U.S.
- The addition of Cayan's unified commerce solutions elevates TSYS' competitive position to jointly offer a broader set of value-add products and services to partners and merchants

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Cayan and its Board of Directors
- FT Partners also advised Cayan on its [recapitalization by Parthenon Capital Partners](#) along with numerous acquisitions made by the Company
- This transaction highlights FT Partners' continued success advising prominent companies in the Payments and Merchant Acquiring space and its leadership position as the "advisor of choice" to the highest quality FinTech Companies

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as exclusive  
strategic and financial advisor to*

**CAYAN**<sup>TM</sup>

*in its 100% cash sale to*

**TSYS**<sup>®</sup>

*for total consideration of approximately*

**\$ 1,050,000,000**

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## FT Partners Advises Central Payment on its \$840 million Sale

### Overview of Transaction

- In April 2018, Central Payment completed a sale of its remaining 15% equity stake to TSYS at a valuation of \$840 mm (1)
- Headquartered in San Rafael, CA, Central Payment is one of the fastest growing payment processors in the country
  - Through Central Payment's innovative approach, the Company provides processing services to nearly 80,000 businesses across several electronic transaction categories and industries
- TSYS provides electronic payment processing and other services to card-issuing and merchant acquiring institutions worldwide
- FT Partners also represented Central Payment on its initial 60% strategic growth investment with TSYS in 2012 and its subsequent recap in 2014 and 2017

### Significance of Transaction

- The transaction provides TSYS with a high-growth and very successful independent agent channel, which supports ongoing growth in its merchant acquiring business
- Additionally, the transaction reiterates Central Payment's ability to leverage TSYS' strategic relationships, processing capabilities and expertise in the sector to further scale the business and pursue additional growth opportunities

### FT Partners' Role

- FT Partners served as exclusive strategic and financial advisor to Central Payment and its owners
- This transaction highlights FT Partners' continued dominance in the Payments and Merchant Acquiring space and its leadership position as the "advisor of choice" to the highest quality FinTech Companies

**Financial Technology Partners LP**  
**FTP Securities LLC**

*is pleased to announce its exclusive role as  
sole strategic and financial advisor to*

**CentralPayment®**

*in the sale of its remaining stake to*

**TSYS®**

*for a total valuation of*

**\$840,000,000**

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## FT Partners Advises Checkout.com on its \$230 million Series A Financing

### Overview of Transaction

- On May 2, 2019, Checkout.com announced it has raised \$230 million in Series A financing led by Insight Partners and DST Global with participation from GIC, Endeavor Catalyst, Blossom Capital and other strategic investors
- This is the first financing round for Checkout.com since its founding in 2012
- Headquartered in London, UK, Checkout.com offers the world's most comprehensive cross-border payment solution for digital commerce
  - The Company specializes in accepting, acquiring and processing international and local payments and also provides fraud management tools, analytics and comprehensive reporting features for merchants
  - Checkout.com is a direct acquirer of all major card schemes, accepting international cards, local card schemes and many of the most popular global alternative payment methods
  - Checkout.com handles every step of the payment process on a proprietary technology platform, so merchants benefit from feature parity across regions, faster processing speeds, greater reliability, and full data visibility

### Significance of Transaction

- This financing will enable Checkout.com to continue its rapid growth in Europe, the US and the Middle East, with further expansion into Asia and Latin America
- This transaction is the largest ever Series A Financing round for a Technology or FinTech company in Europe

### FT Partners' Role

- FT Partners served as sole strategic and financial advisor to Checkout.com
- This transaction underscores FT Partners' unparalleled track record in the Payments space and highlights the Firm's strong capabilities in finding the best investors for our clients worldwide

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*



*in its Series A Financing led by*



*with participation from*



*for total consideration of*

# \$230,000,000



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## FT Partners Advises Poynt on its \$100 million Series C Financing

### Overview of Transaction

- On November 13, 2018, Poynt announced its \$100 million Series C financing with participation from strategic partners Elavon and National Australia Bank (NAB)
  - This financing brings Poynt's total funding to \$133 million; existing investors include GV (Google Ventures), Matrix Partners, NYCA Partners, Oak HC/FT, Stanford-StartX Fund, and Webb Investment Network
- Headquartered in Palo Alto, CA, Poynt is a connected commerce platform empowering merchants with the technology to transform their businesses
  - Poynt has re-imagined the ubiquitous payment terminal into a connected, multi-purpose device that runs third party apps; as smart terminals become mainstream, Poynt OS is an open operating system that can power any smart payment terminal worldwide, creating a new app economy for merchants
- Elavon, wholly owned by U.S. Bank, is a leading provider of end-to-end payment processing solutions and services to more than 1.3 million customers in the U.S., Europe, Canada, Mexico, and Puerto Rico
- NAB is Australia's largest business bank with a large merchant customer base; NAB serves more than 9 million customers at more than 900 locations in Australia, New Zealand and around the world

### Significance of Transaction

- This financing will enable Poynt to expand into new markets across Asia, Europe and South America, grow its talent base, and invest in product and partner development as the Company executes on its vision to become the operating system on smart terminals worldwide

### FT Partners' Role

- FT Partners served as sole strategic and financial advisor to Poynt
- This transaction underscores FT Partners' unparalleled track record in the Payments space and highlights the Firm's strong capabilities in finding the right strategic investors for our clients worldwide

**Financial Technology Partners LP**  
**FTP Securities LLC**

*is pleased to announce its role as  
exclusive strategic and financial advisor to*

 **POYNT**

*in its Series C Financing  
with participation from*

nabventures  

*for total consideration of*

**\$100,000,000**

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TECHNOLOGY  
PARTNERS**

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## FT Partners Advises PPRO on its \$270 million Growth Financing

### Overview of Transaction

- On March 25, 2021, PPRO announced new investment of \$90 million from JPMorgan Chase & Co. and Eldridge Industries
- The latest financing follows \$180 million in financing, announced January 19, 2021, from global investors including Eurazeo Growth, Sprints, Wellington and one of the world's largest asset managers, bringing the round to a total of \$270 million
- PPRO is the most trusted infrastructure provider in the cross-border payments space, powering international growth for payment service providers and platforms such as Citi, Elavon, Mastercard PGS, Mollie, PayPal, Worldpay and others
  - PPRO's local payments platform and expert services help its customers get the industry's best conversion rates in markets around the world by allowing online shoppers to pay with their preferred payment method
  - PPRO doubled its year-on-year transaction volumes in Q4 2020 and expanded its global team by 60% in the last twelve months
- JPMorgan relies on PPRO's infrastructure to accept payments from consumers all over the world; beyond offering access to a comprehensive payments portfolio, PPRO's technology and value-added services help it deliver the industry's best conversion rates to its global customers

### Significance of Transaction

- JP Morgan's significant investment is a testament to the unique value of PPRO's offering and validates PPRO's reputation as the most trusted provider of local payments infrastructure
- The Company will continue to focus on delivering and scaling its high-quality integrations to local payment methods across Europe, APAC and the Americas

### FT Partners' Role

- FT Partners served as exclusive financial and strategic advisor to PPRO and its Board of Directors
- FT Partners previously advised PPRO on its [\\$180 million financing](#) in 2021, [\\$50 million financing](#) in 2020, [\\$50 million financing](#) in 2018, and its [acquisition of allpage](#) in 2019
- This transaction underscores FT Partners' deep Payments domain expertise and successful track record of executing deals across developed and emerging markets

### Financial Technology Partners LP FTP Securities LLC

*is pleased to announce its role as  
exclusive strategic and financial advisor to*



*on its extension growth financing by*

## J.P. Morgan



ELDRIDGE

*for a total amount of*

# \$90,000,000



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## FT Partners’ Recent Awards and Recognition

### Bloomberg

#### Bloomberg

- FT Partners’ Steve McLaughlin was featured on Bloomberg / Bloomberg TV
- View the [full article](#) and watch the live [TV interview](#)



#### M&A Advisor Awards

- Technology Deal of the Year (2019)
- Cross Border Deal of the Year and Corporate / Strategic Deal of the Year (2018)
- Investment Banker of the Year (2017) – Steve McLaughlin, CEO & Managing Partner of FT Partners
- Investment Banking Firm of the Year (2016) – FT Partners



#### LendIt FinTech Industry Awards 2018:

- FT Partners wins Top Investment Bank in FinTech

### Institutional Investor



#### The FinTech Finance 40:

- Steve McLaughlin ranked #1 in 2017 and 2018

### The Information

A small chart titled "Silicon Valley's Most Popular Dealmakers" showing a list of names and their titles. Steve McLaughlin is listed as the top dealmaker.

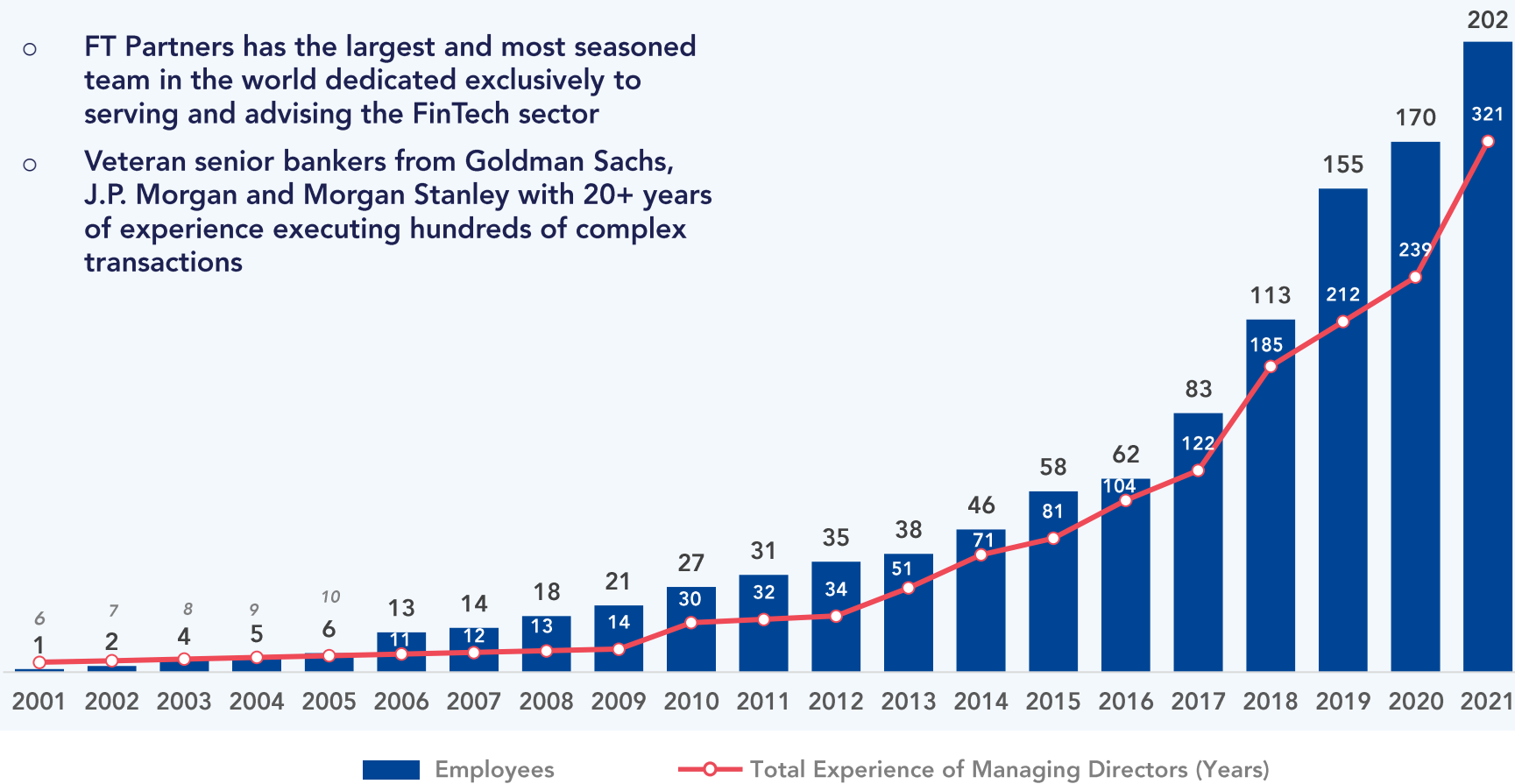
Name	Title	Company
Steve McLaughlin	Managing Director	FT Partners
Markus Heide	Managing Director	FT Partners
Paul Rosen	Managing Director	FT Partners
Quincy Smith	Partner	FT Partners

#### The Information’s “Silicon Valley’s Most Popular Dealmakers”

- Ranked as the #2 top Technology Investment Banker by The Information subscribers (2016)
- Only FinTech focused investment banking firm and banker on the list

The Largest FinTech Advisory Practice in the World

- FT Partners has the largest and most seasoned team in the world dedicated exclusively to serving and advising the FinTech sector
- Veteran senior bankers from Goldman Sachs, J.P. Morgan and Morgan Stanley with 20+ years of experience executing hundreds of complex transactions



Average Experience of Managing Directors (Years)

