

Press release

orderbird AG continues to demonstrate strength with more than 30% growth of annual recurring revenue

Trends of Digitization and Cashless Payments have Momentum in Europe's Largest Economy

Berlin -- August 26th, 2019 -- orderbird AG, the Berlin-based tech company focused on making independent restaurants more successful, announced today its unaudited financial results for the first half of calendar year 2019.

Annual Recurring Revenue (ARR), which consists of Software-as-a-Service (SaaS) licenses, card-processing commissions, and recurring fees from partners for data and API access, amounted to EUR 3.9 million for the six-month period, up 32% over the same period in 2018. ARR finished the period at an annualized run rate greater than EUR 8.4 million.

“Our key financial metric is Annual Recurring Revenue,” said CEO Mark Schoen. “Our software-as-a-service business model keeps us focused on growth and sustainability as we know our long-term ability to provide innovative products and excellent service to our customers are key differentiators in this market.”

Growth in total revenue was up 13% over the first six months of 2018, trailing the high growth rate of the payments and software revenue. “We have shifted the focus of our business away from commoditized, low-margin hardware,” explained Schoen. “You can see that in the P&L since we are selling less hardware now than we did a year ago.”

Cash flow from operations was (-12.9%) of revenue for the six-month period with the second quarter nearly breakeven with a burn of only 1.7% of revenue.

“Balancing cash burn and growth is always an important consideration,” said Schoen. “We have decided to conserve cash this year so that we can deploy significantly more resources next year when buying activity is dramatically higher and customer acquisition costs are lower.” A new fiscalization law called the “Kassensicherungsverordnung” (cash register security regulation) goes into effect in Germany on January 1st, 2020, requiring that restaurants and retailers use only point-of-sale systems that are certified by the Federal Office for Information Security.

“We believe that demand for new point-of-sale systems will be four or five times this year's level,” said Schoen. “Because of our brand, market-leading services, and our ease of on-boarding, I am confident that we'll sign on double the number of new customers in

Germany as our closest competitor next year.” orderbird technology currently serves more than 10,000 restaurateurs in Europe with more than EUR 3 billion in gross transaction volume.

Payments-related business is playing a larger role at orderbird than with other point-of-sale companies in the market. “One of our strategic objectives is to enable our customers to accept any type of payment,” said founder and Chief Strategy Officer Jakob Schreyer. “German small businesses will see a lot of benefit as card and other cashless payments become more accessible, more efficient, and more economically attractive for everyday purchases. To accelerate payments innovation with our customers, we are planning to embark on the process to become a payment facilitator in 2020.”

The company will publish its audited financial results after the close of its fiscal year, which ends on September 30th.

About orderbird AG

orderbird (www.orderbird.com) offers intuitive software solutions and additional services for independent restaurateurs. The company has more than 15,000 active Software as a Service (SaaS) licenses in use in Germany, Austria, Switzerland and France. With Europe's leading payment-led, cloud POS system, restaurants, cafés, bars, and clubs can easily comply with rapidly changing fiscal laws, take mobile orders, accept cashless payments and digitally connect with trusted suppliers. orderbird AG was founded in 2011 and employs more than 100 people in Berlin and Vienna. Investors include Digital+ Partners, METRO Group, ALSTIN and Concardis.

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