

OrderYOYO enters the German market ahead of plan

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OrderYOYO A/S
Inside Information

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OrderYOYO Deutschland GmbH, a subsidiary of OrderYOYO A/S, has today acquired the German white-label software online ordering company Happz in an asset deal – which means that OrderYOYO is entering the German market 6 months ahead of plan. As presented in the Company Description dated 11 June 2021, OrderYOYO has previously disclosed that it planned to initiate the market expansion into Germany in H1 2022.

Germany holds the largest potential for OrderYOYO outside the geographies where OrderYOYO is already present and therefore a natural choice as the next market to enter.

With more than 24,000 takeaway restaurants with own delivery, the German market is a natural next step for OrderYOYO. The market dynamics, the online penetration and the digital takeaway matureness is very similar to OrderYOYO's current markets and the closeness to both Copenhagen and Manchester – our two headquarters – makes Germany a perfect match for OrderYOYO's value proposition to the local independent takeaway restaurant.

The business plan for Germany has originally been based on an organic market entry, however, the opportunity to enter Germany ahead of time with the strategic acquisition of Happz emerged during the summer of 2021.

Søren Gammelgaard, CEO of OrderYOYO, comment

"We have surveyed Germany as a natural next market to enter for some time. The strategic acquisition of Happz brings these plans forward and will form a strong platform for further penetration of the German market. We are excited to be able to start welcoming German Restaurant Partners to OrderYOYO" says CEO Søren Gammelgaard.

Value propositions and commercial considerations

Happz shares the same value proposition as OrderYOYO – to liberate the local independent takeaway restaurant owners to regain control of their own business and customers through offering a white-label ordering and payment software solution empowering the local independent takeaway restaurants.

Located in Berlin, Happz has developed a strong product with features tailored for the German market and serves today more than 100 Restaurant Partners with their own developed software solution.

Even though the takeaway markets across geographies have similarities, every market has local requirements that require adoption. Happz, originated in Germany, has already developed, and perfected these specific needs for Germany. By acquiring Happz, OrderYOYO will get full ownership of the technology and product features and can therefore offer a strong software solution to the German Restaurant Partners. The specific German software developed by Happz will be integrated into OrderYOYO's software solution during H2 2021.

The two founders, Timon von Barga and Vinh-Hieu On, that have developed the German product will join forces as employees of OrderYOYO and will be a strong addition to the current product and technology team at OrderYOYO. Moreover, OrderYOYO is welcoming two commercial employees with focus on Restaurant Partner retention as part of the acquisition.

Happz will be a strong German base for OrderYOYO – both commercially and in relation to product and technology. The two founders of Happz are very strong product and technology profiles, and we will establish a development hub in Berlin under the leadership of CTO Ralf Sohl. The acquisition of Happz and the development hub based in Berlin will not only benefit Restaurant Partners in Germany but Restaurant Partners across all OrderYOYO geographies.

The commercial activities will be headquartered in Düsseldorf due to the central location in Germany and the proximity to the most densely populated regions in Germany.

The German commercial team will be further enhanced during 2021 and will benefit from the Happz acquisition to further understand the German market needs – all to ensure a successful German market penetration.

Transaction details

The transaction is carried out as an asset deal where OrderYOYO acquires all IPRs, and software products and all existing Restaurant Partners will be tendered to transition to OrderYOYO GmbH. Happz' employees and founders will subsequent the transaction be transitioned to employees of OrderYOYO GmbH. The purchase price for the acquisition of such assets amounts to total EUR 208,000. EUR 150,000 is paid in fixed cash whereas EUR 58,000 is to be paid in cash as an earn-out payment.

As part of the transaction, the board of directors of OrderYOYO will furthermore utilize part of its current authorization to issue a total of 110,000 new warrants to Timon von Barga and Vinh-Hieu On. The warrants are subject to the terms set out in appendix 1 in the applicable articles of association and the exercise price is fixed at DKK 13,60 per share.

The transaction is not subject to regulatory clearances or other conditions precedent. The transaction has been signed today and are expected to be closed and completed by the end of August 2021.

The transaction will not impact the full-year outlook for 2021 nor have any short-term financial impact.

Accura has advised OrderYOYO on the transaction.