

September 5, 2019

SKIPTHE DISHES RESTAURANT SERVICES INC.

Alberta Gaming Liquor
& Cannabis Commission

SKIP^{THE}**DISHES** | **JUST EAT**

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RECAP: FEEDBACK FROM THE LAST MEETING

Skip's **delivery** model

- A modern, responsible & safe 1st in class platform allowing deliveries by merchants to customers
- Compliant delivery model from AGLC standpoint

Skip's **payment** model

- We believe it meets the expectations of the AGLC
 - Customers can only purchase from licensed merchants
 - Customers need to know “who” they are purchasing from
- But needs further detail and explanation to confirm



SKIP'S PAYMENT MODEL

Skip is an Intermediary

- Connecting customers with merchants
- Processing payments in a similar fashion

Skip accepts payments from customers on behalf of the merchant, and passes those payments directly through to the merchant, less Skip's Network Access Contribution



AGENDA & OBJECTIVES

Demonstrate that customers order from merchants (not Skip) on the platform

1. **Ordering** (examples & steps involved)
2. **Merchant payments**
(how they're handled)
3. **Skip as agent**
(legalese)
4. **Merchant experience**
(The Portal)
5. **Summary**
(customers know they're buying from merchants on the Skip platform)



ORDER PROCESS (CUSTOMER AND ORDER FLOW)

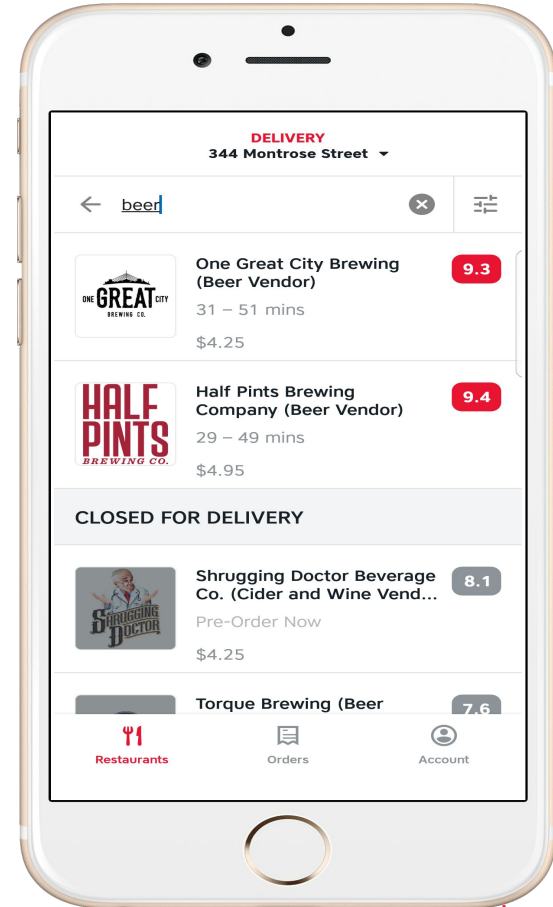
1. Customer searches to find the merchant they want to order from
2. Customer selects item(s) from merchants menu and places order
3. Skip processes payment & conducts manual verifications (if applicable)*
4. Skip sends order details to merchant
5. Merchant accepts order
6. Skip dispatches courier to merchant's location
7. Courier collects liquor from merchant
8. At delivery, courier verifies customer ID, confirms customer is not intoxicated & delivers order
9. Order is immediately added to merchant's order history on the merchant's Skip portal
10. Payments (less Skip fees) are electronically deposited to merchant on a weekly basis

*Agents call customers to confirm name (if not provided in full) & confirm address qualifies for alcohol delivery (e.g. residential address)

MERCHANT / SEARCHING

Merchant searching

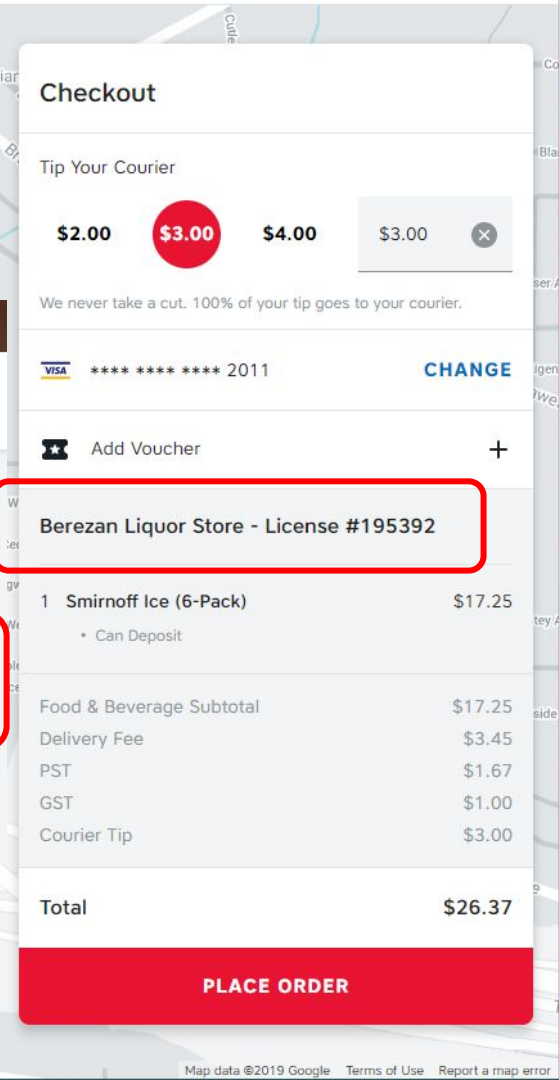
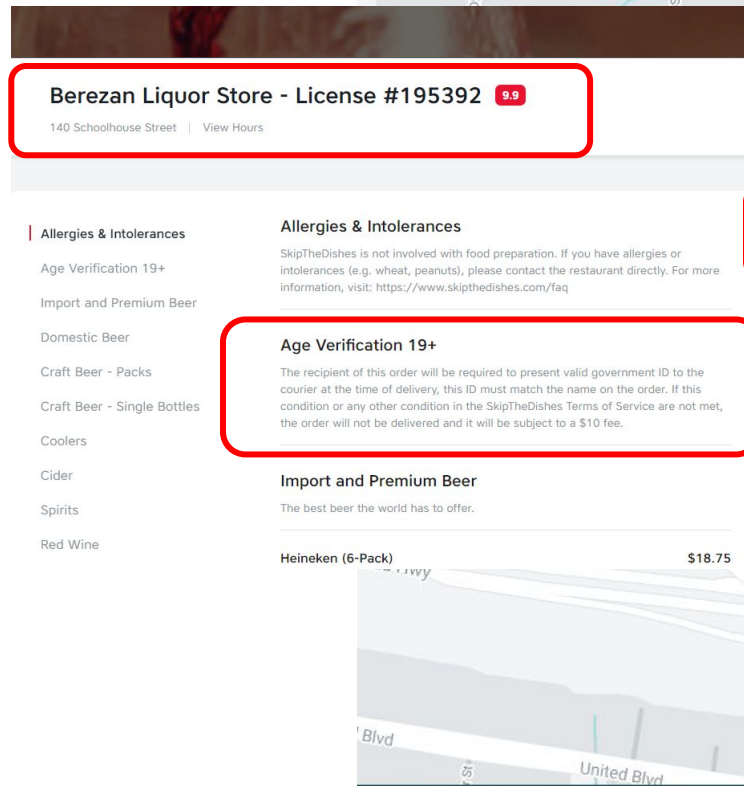
- Customers visit Skip because of its merchants
(looking for a specific merchant, specific dish / special occasion)
- Merchants are listed by name when a customer searches on the Skip App or website



MERCHANT / MENUS

Skip reinforces who the customer is ordering from, prominently displaying the name of the merchant at all stages of a customer order

- Menus are unique to each Merchant, and their name is displayed in the top left corner of their menu page when a Customer is deciding what to order
- Merchant names are displayed at Checkout next to Order details, Subtotal, Delivery Fee, applicable taxes & Courier Tip



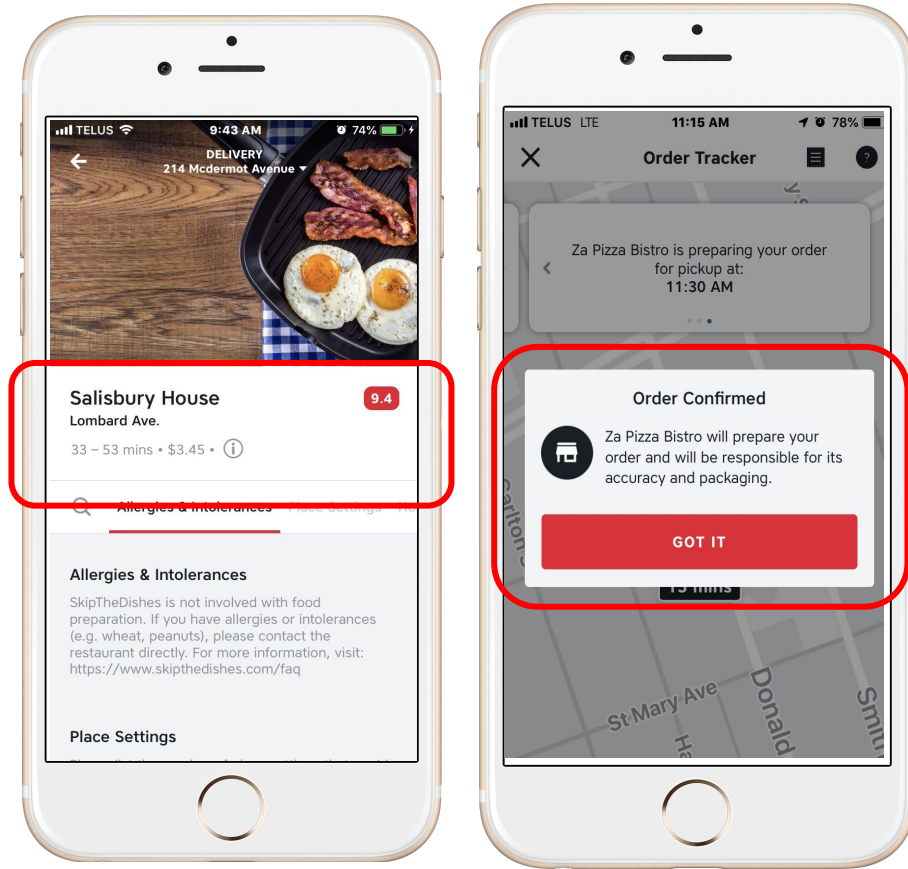
CHECKOUT (PAYMENTS TO MERCHANTS)

Prominent reminders at Order Confirmed stage

- Trigger prompt 'reminder' after checkout that the merchant prepares the order (i.e. Skip doesn't) that says "GOT IT"
- From start to finish, the merchant's name is displayed

Summary

At all stages of a customer's order experience on the Skip platform, Skip informs and reinforces with the customer that the order is with the merchant



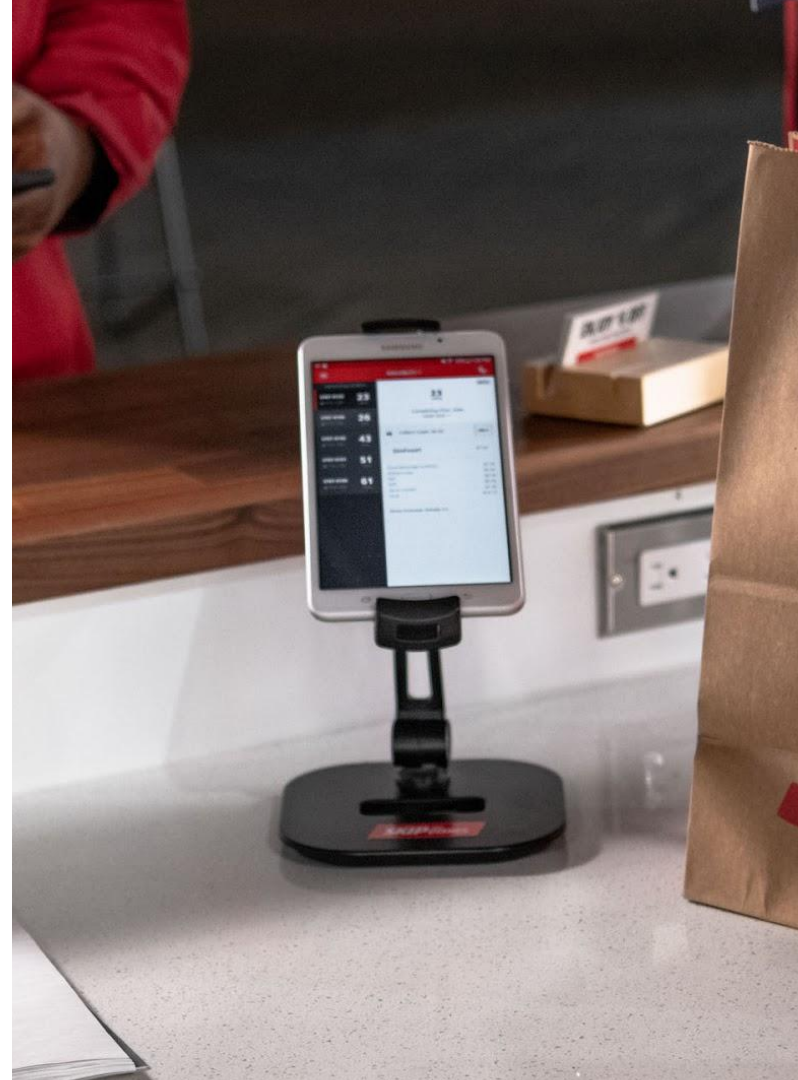
MERCHANT PAYMENTS

Provide insight into payments to merchants

- Benefits for all parties involved
- Clear and concise weekly statements
- Management of common delivery issues, cancellations, etc.

Starting point

- Merchants agree to Skip processing customer payments for them in order to join Skip platform



MERCHANT PAYMENTS (CUSTOMER/MERCHANT EXPERIENCE)

Benefits to customer

Convenience (wide selection from a variety of merchants)

Safety (orders are from the safety of the customer's home)

Flexibility (orders can be easily cancelled prior to pick-up)

Benefits to merchants

Immediate feedback (orders come via tablet directly to the merchant)

Platform safety (blacklisting of customers, improper locations, etc)

Payment security (merchants know payment is collected)

No invoicing / payment personnel needed

Benefits to AGLC

Orders are tracked digitally using state of the art technology

Records are easily retrievable for immediate feedback upon request

Modern delivery & compliance

Licensed delivery service

Age & identity verifications

***Throughout the process it will be clear to the customer that the order comes from the Merchant and Skip is the intermediary**

MERCHANT PAYMENTS (WEEKLY STATEMENTS) *more info on later slides

SKIP^{THE}**DISHES**

HOME

PERFORMANCE

EARNINGS

ORDER HISTORY

PROMOTIONS **NEW!**

BUSINESS HOURS

GET MORE ORDERS

HELP

Earnings

Statements

Aug 26, 2019 EFT Pending
\$6,082.87

Aug 19, 2019 EFT Processed
\$5,529.83

Aug 12, 2019 EFT Processed
\$5,480.33

Aug 05, 2019 EFT Processed
\$6,355.00

Earnings Since August 21, 2017 **\$407,309.08**

[Download Order Details](#) [Download Other Transactions](#)

Statement Period:
Aug 19, 2019 - Aug 26, 2019

Gross Earnings from Skip	\$6,082.87
Food & Beverage Subtotal	\$5,453.34
Taxes	\$629.53
Network Access Contribution	(\$425.80)
Subsidized Delivery fees (paid to couriers)	\$0.00
Courier Delay Time (paid to couriers)	\$0.00
GST (GST #833276447RT0001)	(\$21.29)
Order Adjustments and Other Transactions	\$37.77
Incremental Revenue from SkipTheDishes	\$5,673.55

Main St.
Northern Hotel (Beer Vendor)

MERCHANT PAYMENTS (EXAMPLE: CANCELLATIONS)

Pre-acceptance

Customer can self-serve cancel

Orders can be rejected internally by Skip*

*In certain circumstances, e.g. delivery requests to schools or community centres for liquor orders would be flagged and cancelled

Post-acceptance, Pre-Collection

Order cancelled internally by Skip or by the merchant

Liquor not collected

Customer not charged

Courier reimbursed

Undeliverable order

Order returned to merchant

Customer action
I.e. black-listed
(if appropriate)

Courier reimbursed

*Skip is best suited to handling cancellation issues associated with liquor delivery

SKIP AS AGENT

Skip acts as agent to fulfill an order between the merchant (Vendor) and the customer

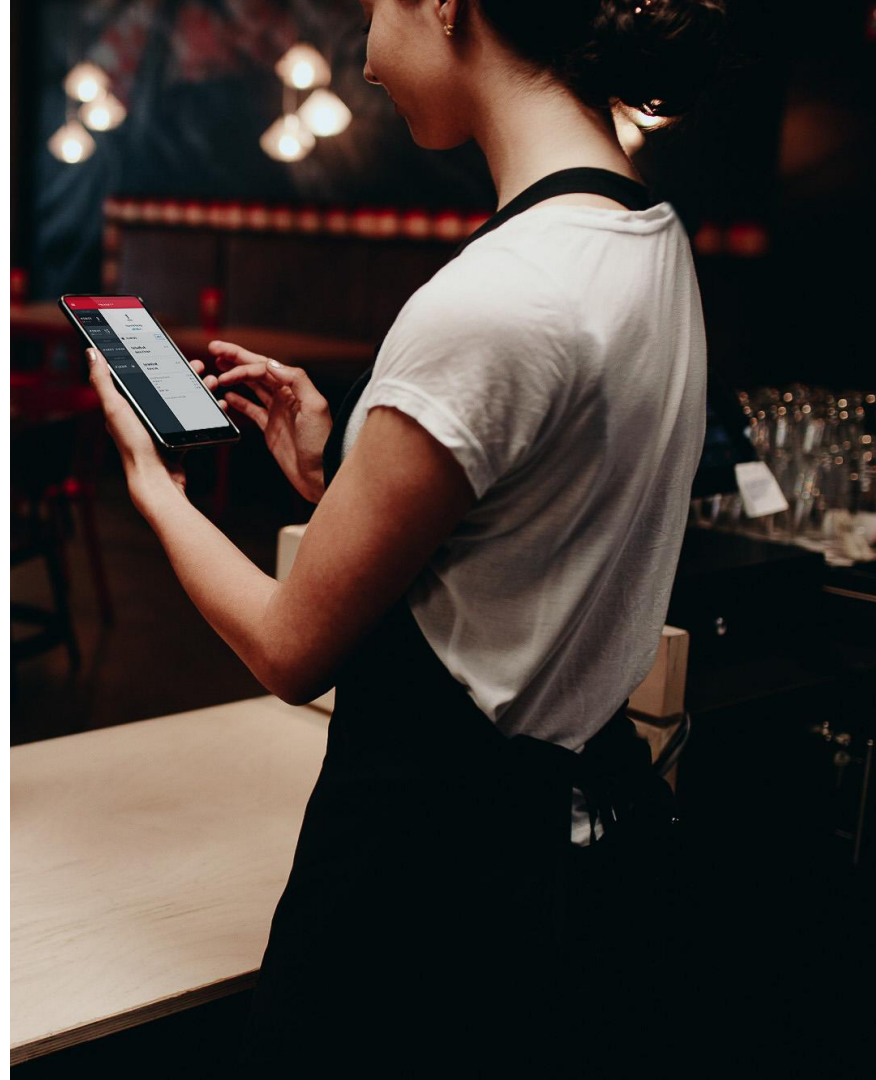
Customers

Our Terms* state “You irrevocably appoint and authorize us to act as your sole and exclusive agent for the purpose of concluding contracts for the sale of Goods between you and the Vendor by means of you placing Orders via the Skip Platform”.

Our Terms also state “[The legal contract will in all cases be between the Customer and the Vendor.]”

***Customers agree that their purchase is from the merchant (Vendor)**

*Skip Terms of Service: <https://www.skipthedishes.com/terms-of-service>



SKIP AS AGENT (CONTINUED)

Skip acts as agent to fulfill an order between the merchant and the customer

Merchants

All restaurants (and liquor merchants) sign standard form contracts that:

- Require the merchant to be properly licensed
- Permit Skip to collect monies on behalf of the merchant from the customer
- Provide for weekly submission of payments to merchants
- Require Skip to deduct its fees from the weekly payments to merchants to be on the Skip platform

***Merchants agree to allow Skip to collect monies on their behalf from customers**



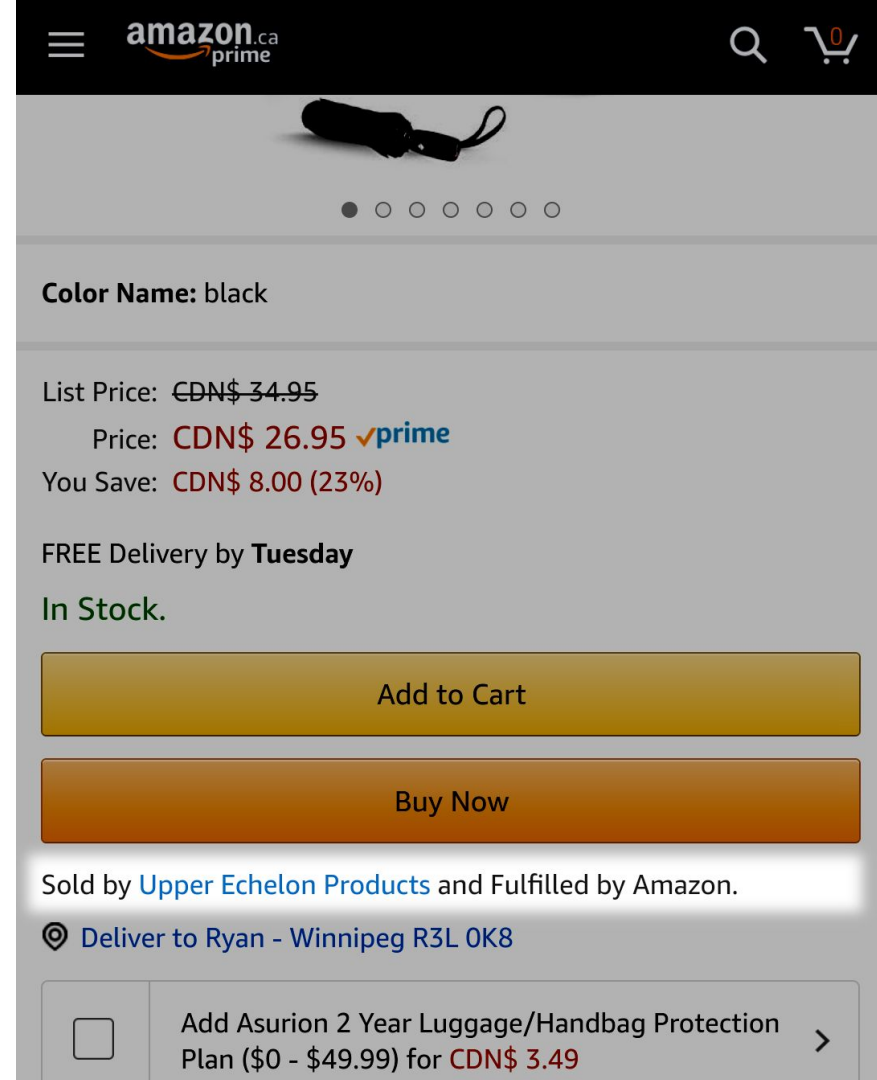
SKIP AS AGENT (CONTINUED)

Today's online shoppers are familiar with the agency sales model

Example: Fulfillment By Amazon

- Products are listed on Amazon's website, but sold by independent third-party sellers
- Amazon handles warehousing, order processing, payments, and shipment
- Payment is collected by Amazon and subsequently remitted to seller
- The identity of the seller is prominently displayed on the Amazon platform

***The Skip experience is consistent with other platforms that process payments between customers & merchants**

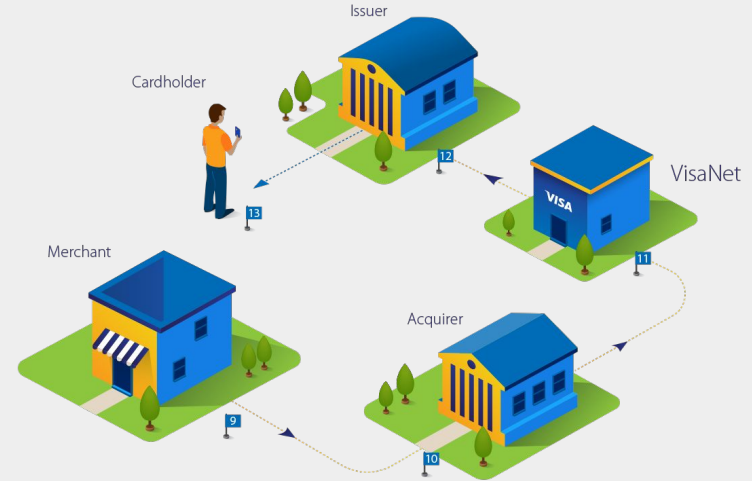


SKIP AS AGENT (CONTINUED)

Credit card payments operate on a similar principle.

- Customers who pay by credit card never advance funds directly to merchants
- When a customer pays with a credit card, the card issuer acts as an intermediary between the customer & the merchant to collect \$\$\$ from customers & arrange payment to merchants

* The Skip experience is fair to liquor retailers because, like credit card providers, Skip collects funds at time of order & remits them to the merchant (similar to credit cards)



MERCHANT EXPERIENCE (THE PORTAL)

Merchants see info related to individual orders in real time including Details, Feedback & Timeline

Individual orders

#1082-36366 COMPLETED ×

Details Feedback Timeline

Aug 06, 2019

Delivery • Paid Online

1x Kokanee (8 pack)
• Bottle Deposit

\$19.84
+ \$0.80

Food & Beverage
Subtotal

\$19.84
\$19.84

Delivery Fee
PST
GST
Tip to Courier

\$3.95
\$1.90
\$1.15
\$3.00

[Print Order Details](#)

Order Total: \$29.84

#1082-36366 COMPLETED ×

Details Feedback Timeline

Aug 06, 2019

The customer has not yet submitted a review for this order.

#1082-36366 COMPLETED ×

Details Feedback Timeline

Aug 06, 2019

12:18 pm Order Placed

12:22 pm Order Confirmed
• Confirmation Time: 26 sec

12:34 pm Order Collected

12:50 pm Order Delivered

*Merchants know that orders are delivered to customers

MERCHANT EXPERIENCE (CONTINUED)

Merchants have access to daily information too

Daily Summary

- Gross earnings
- Cash paid to restaurant (not applicable for liquor)
- Payment type

*Merchants know exactly many orders they've received on a daily basis

Earnings



Main St.
Northern Hotel (Beer Vendor)



Daily Summary - Northern Hotel (Beer Vendor) (Main St.)

PRINT
SUMMARY

Summary Date & Time:

Aug 24, 2019, 12:00 AM — Aug 24, 2019, 11:59 PM

Gross Earnings from Skip

\$1,206.65

Total Cash Received (Already Paid to Restaurant)

\$0.00

Notes: Totals may change prior to the weekly statement being generated. Refer to Weekly Earnings for an export of complete order details.

Payment Methods

Orders Paid Online

37

Orders Paid With Cash

0

Total

37

ORDER DETAILS

Placed	Order #	Payment	Restaurant Subsidy	Food & Beverage Subtotal	Taxes	Gross Earnings
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8:27

1111-

Credit

MERCHANT EXPERIENCE (CONTINUED)

Merchants have access to weekly information

Weekly Earnings

- Gross earnings & fees owing to Skip
- How revenue was received (e.g. cash v credit card)
- Payment types

*Merchants know exactly many orders they've received on a weekly basis

Earnings

Main St.
Northern Hotel (Beer Vendor)

[Download Order Details](#) [Download Other Transactions](#)

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How you received your revenue

Total Cash Received - Already Paid to Restaurant	\$0.00
Net Amount to be Direct Deposited to Restaurant*	\$5,673.55

* Please allow an average of three to ten business days for the direct deposit funds to transfer

Payment Methods

Orders Paid Online	211
Orders Paid With Cash	0

[Download Order Details](#) [Download Other Transactions](#) [PRINT SUMMARY](#)

Statements

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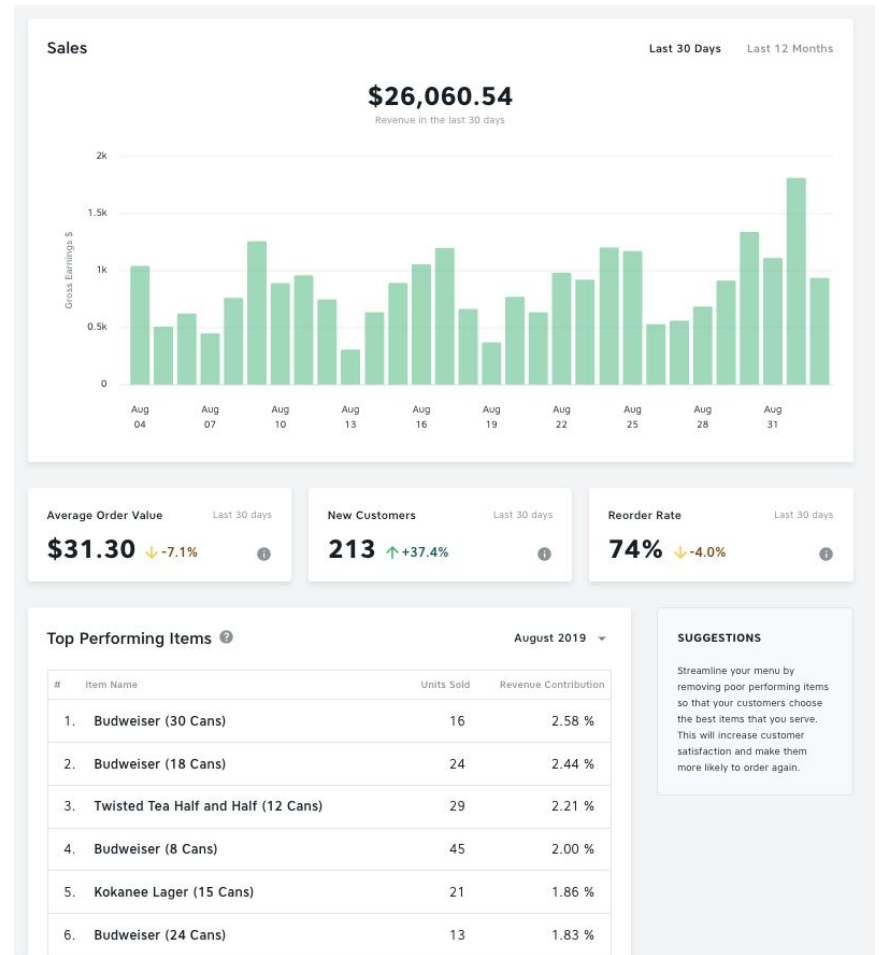
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MERCHANT EXPERIENCE (CONTINUED)

Benefits of the merchant experience and The Portal

- Merchants always know the amount they earned on the Skip platform
- Merchants always know the amount of fees that will be paid to Skip
- Insightful analytics to support their business
- Convenience of the Skip platform
 - Additional staff are not need to send payments to Skip, reconcile delivery costs, etc
- Regularly scheduled payments
 - Payments to Skip merchants take place weekly on Tuesdays

***Merchants enjoy & pay for access to the Skip platform, even though payments are physically processed by Skip directly with the customer**



SUMMARY

Liquor sales are between licensed merchants & customers; Skip (as a licensed delivery service) acts as an intermediary (agent) for licensed merchants

As agent, Skip collect payments from customers & pays vendors based on industry-standard agreements in place with both licensed merchants & customers.

* Skip processing payments & paying merchants (less its fees) is consistent with AGLC principles (safety, transparency, etc.), is consistent with similar platforms in other industries, meets consumer demands, provides clear disclosure to customers & represents a win-win for all stakeholders (merchants, customers & the AGLC).



QUESTIONS?

SKIP THE **DISHES**

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