

September 5, 2019

SKIPTHEDISHES 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)

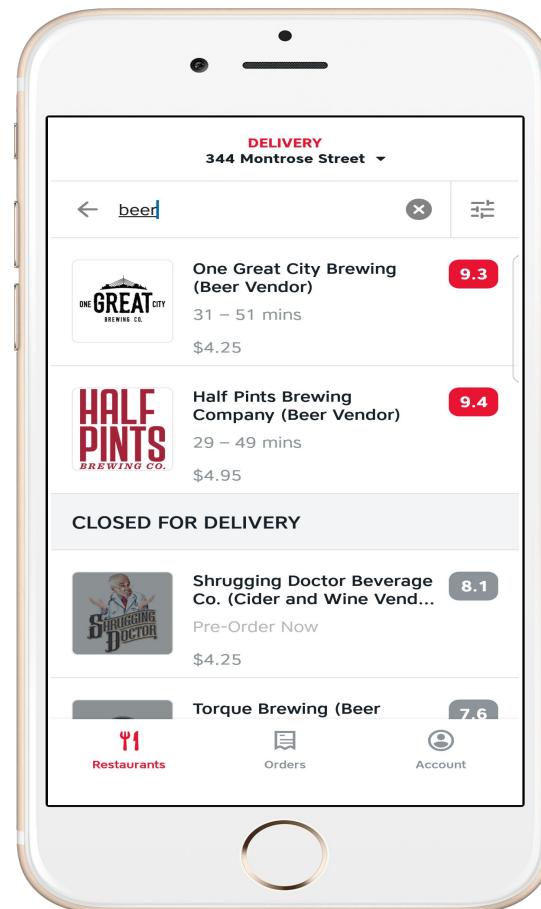
1. Customer searches to find the merchant they want to order from
2. Customer selects item(s) from merchants menu and places order
3. Skip processes payment & conducts manual verifications (if applicable)*
4. Skip sends order details to merchant
5. Merchant accepts order
6. Skip dispatches courier to 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

The image shows a composite of three screenshots from the SkipTheDishes app. The top right screenshot shows a map with a red box highlighting the merchant's location. The middle left screenshot shows the merchant's name 'Berezan Liquor Store - License #195392' in a red box on the menu page. The bottom right screenshot shows the merchant's name in a red box on the checkout page next to the order details.

Berezan Liquor Store - License #195392

140 Schoolhouse Street | View Hours

Allergies & Intolerances

Age Verification 19+

Import and Premium Beer

Domestic Beer

Craft Beer - Packs

Craft Beer - Single Bottles

Coolers

Cider

Spirits

Red Wine

Age Verification 19+

The recipient of this order will be required to present valid government ID to the courier at the time of delivery, this ID must match the name on the order. If this condition or any other condition in the SkipTheDishes Terms of Service are not met, the order will not be delivered and it will be subject to a \$10 fee.

Import and Premium Beer

The best beer the world has to offer.

Heineken (6-Pack) \$18.75

Checkout

Tip Your Courier

\$2.00 \$3.00 \$4.00 \$3.00

We never take a cut. 100% of your tip goes to your courier.

VISA **** * 2011 CHANGE

Add Voucher +

Berezan Liquor Store - License #195392

1 Smirnoff Ice (6-Pack) \$17.25

* Can Deposit

Food & Beverage Subtotal \$17.25

Delivery Fee \$3.45

PST \$1.67

GST \$1.00

Courier Tip \$3.00

Total \$26.37

PLACE ORDER

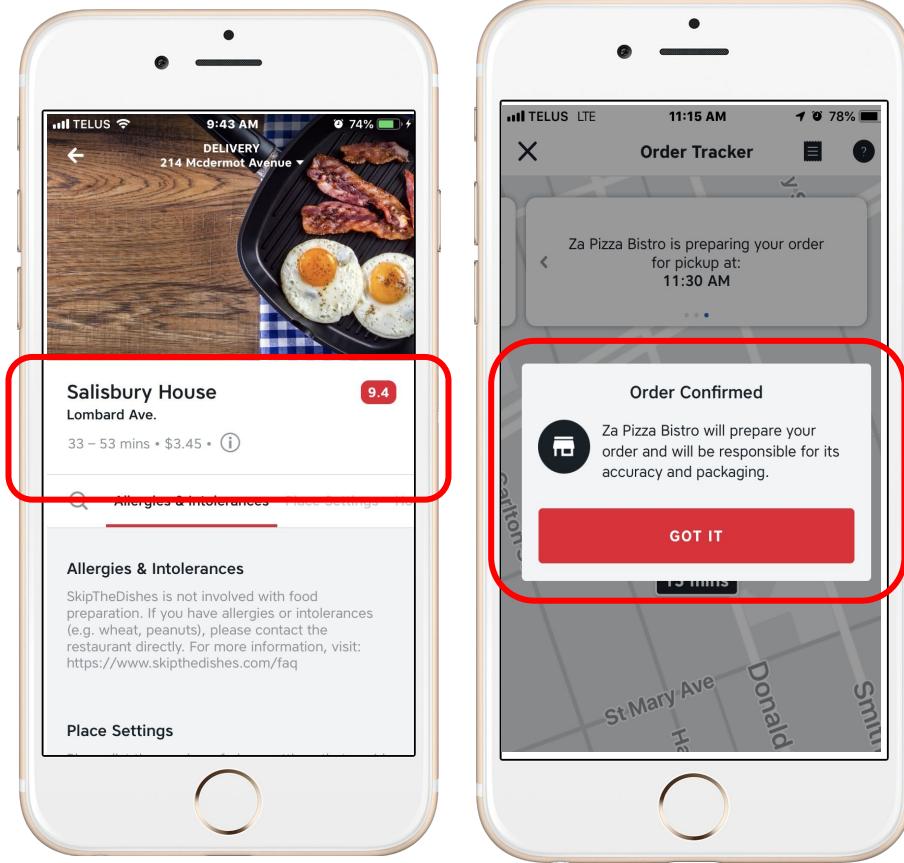
CHECKOUT (PAYMENTS TO MERCHANTS)

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



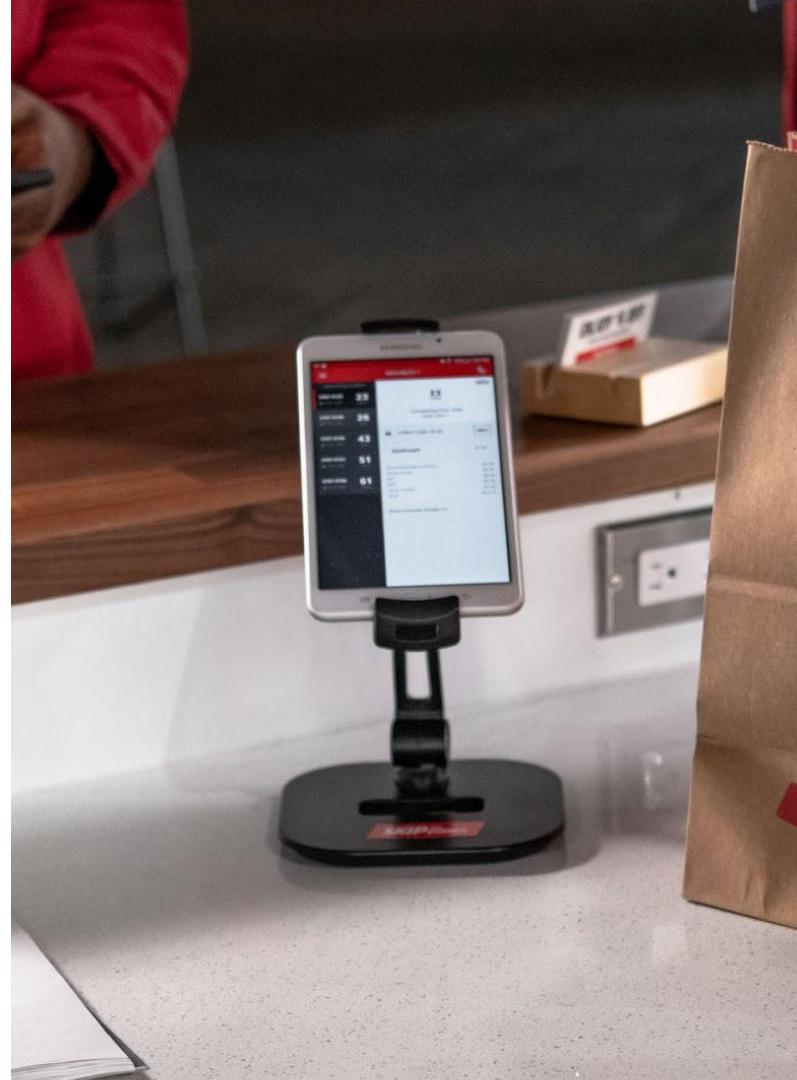
MERCHANT PAYMENTS

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

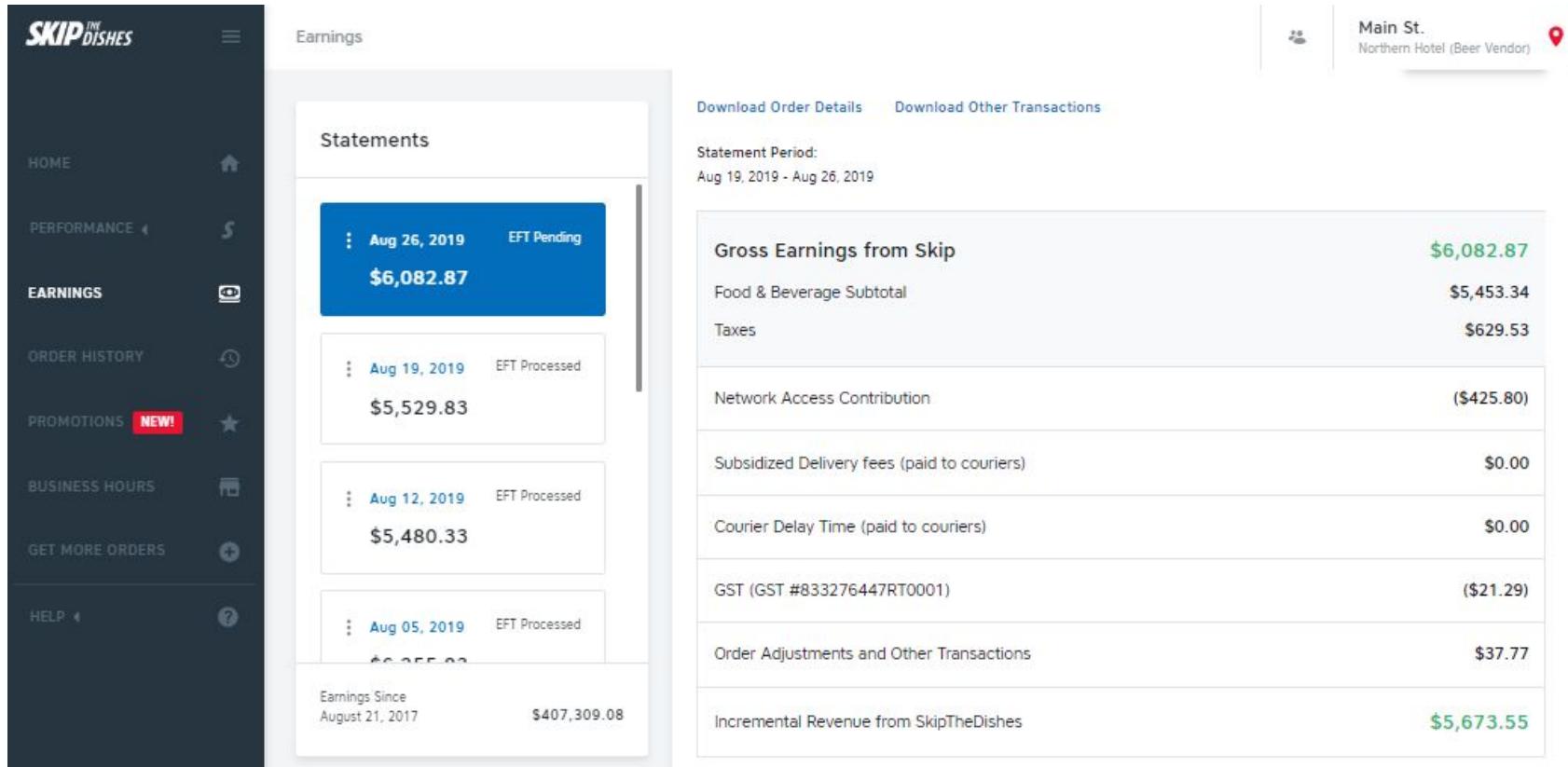
Modern delivery & compliance

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



The screenshot shows the SkipTheDishes merchant portal interface. The left sidebar includes links for HOME, PERFORMANCE, EARNINGS (selected), ORDER HISTORY, PROMOTIONS (with a NEW! badge), BUSINESS HOURS, GET MORE ORDERS, and HELP. The main content area is titled 'Statements' and shows a list of recent statements. Each statement card includes a date, EFT status, and amount. Below the statements is a summary of 'Earnings Since August 21, 2017'.

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
\$6,055.00

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

Main St.
Northern Hotel (Beer Vendor) 

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

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

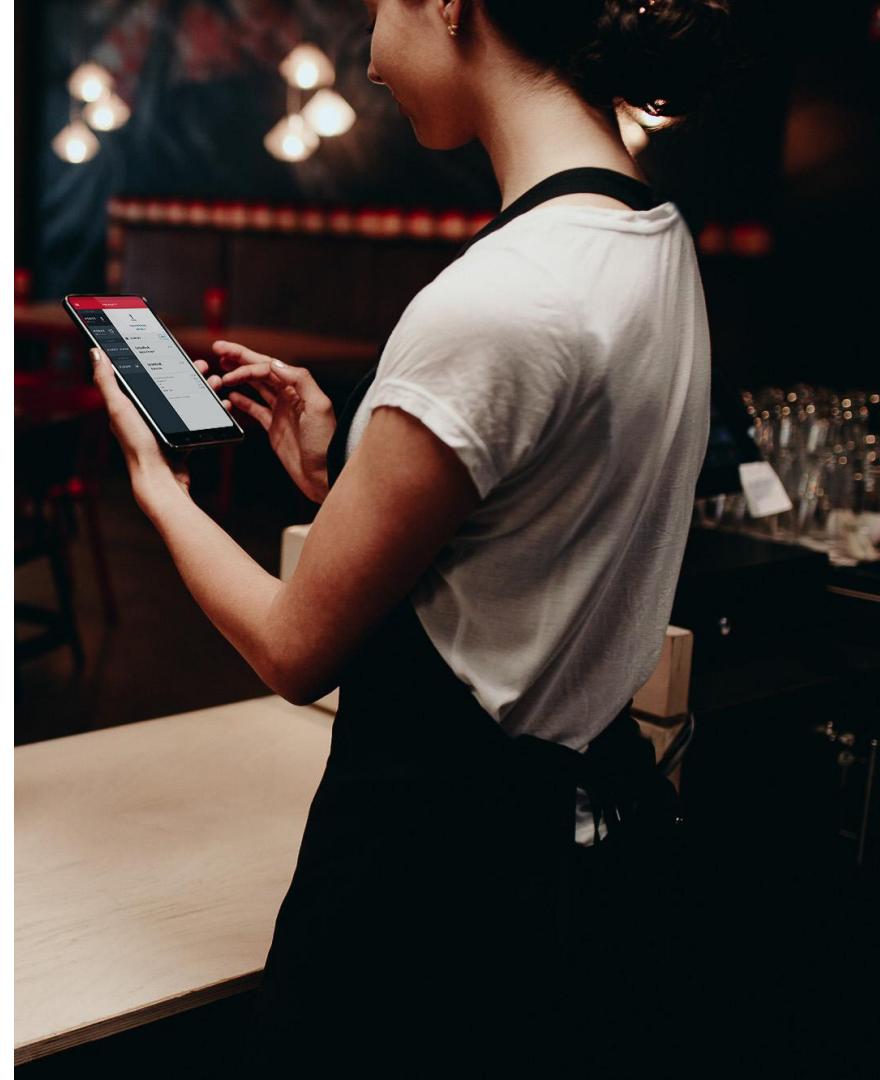
Customers

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

A screenshot of an Amazon product page for a black umbrella. The product image shows a black umbrella with a black handle and a black strap. Below the image is a horizontal navigation bar with seven dots, the first one being dark grey. The product title is 'Color Name: black'. The list price is 'CDN\$ 34.95' and the price is 'CDN\$ 26.95 ✓prime'. It says 'You Save: CDN\$ 8.00 (23%)'. The text 'FREE Delivery by Tuesday' is in green. The status 'In Stock.' is also in green. There are two large buttons: 'Add to Cart' in white text on a yellow gradient background, and 'Buy Now' in white text on an orange gradient background. Below these buttons, the text 'Sold by Upper Echelon Products and Fulfilled by Amazon.' is in blue. The delivery address 'Deliver to Ryan - Winnipeg R3L 0K8' is in blue. At the bottom, there is a checkbox for 'Add Asurion 2 Year Luggage/Handbag Protection Plan (\$0 - \$49.99) for CDN\$ 3.49'.

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

Delivery • Paid Online

1x Kokanee (8 pack) \$19.84

• Bottle Deposit + \$0.80

Food & Beverage \$19.84

Subtotal \$19.84

Delivery Fee \$3.95

PST \$1.90

GST \$1.15

Tip to Courier \$3.00

[Print Order Details](#)

Order Total: \$29.84

#1082-36366 COMPLETED

Details Feedback Timeline



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

#1082-36366 COMPLETED

Details Feedback Timeline

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
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

Main St.
Northern Hotel (Beer Vendor)

Earnings

Statements

Date	Type	Amount
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Order Adjustments and Other Transactions	\$37.77
Incremental Revenue from SkipTheDishes	\$5,673.55

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

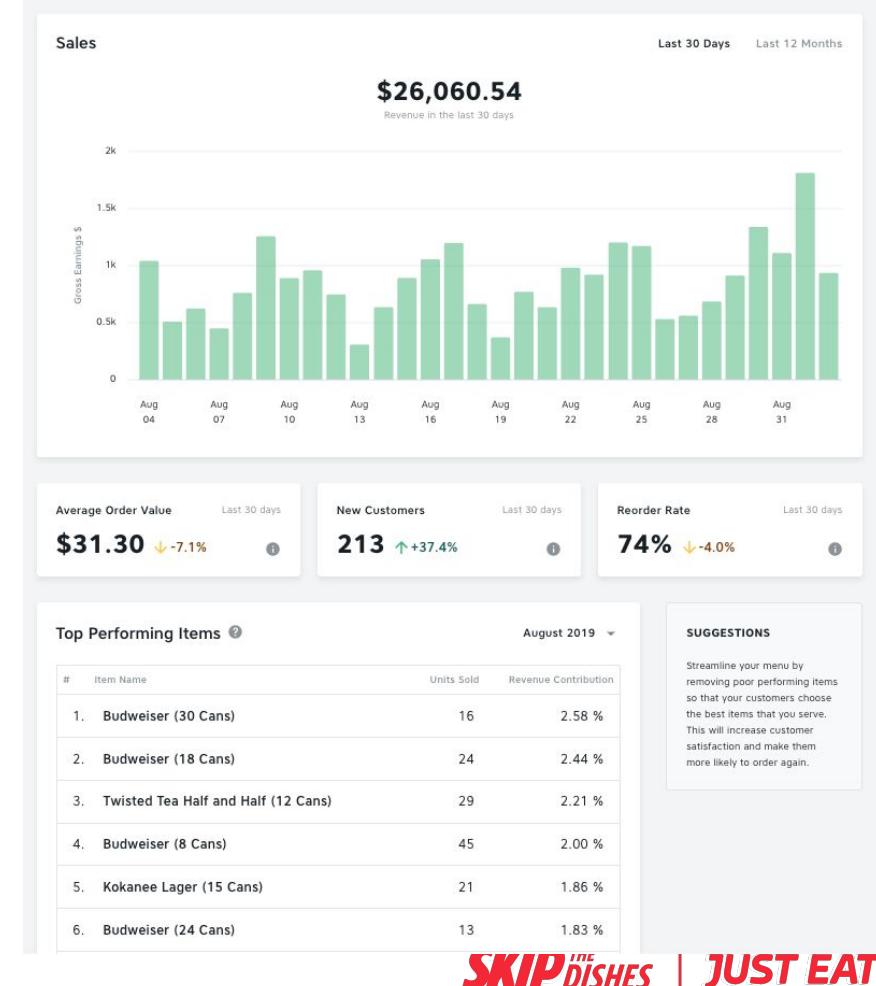
PRINT SUMMARY

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 | JUST EAT