

PARTM

Q2 '22 Earnings Presentation
August 9, 2022

NYSE: PAR



Forward-Looking Statements.

This presentation contains “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, Section 27A of the Securities Act of 1933, as amended, and the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical in nature, but rather are predictive of our future operations, financial condition, financial results, business strategies and prospects. Forward-looking statements are generally identified by words such as “anticipate,” “believe,” “belief,” “continue,” “could,” “expect,” “estimate,” “intend,” “may,” “opportunity,” “plan,” “should,” “will,” “would,” “will likely result,” and similar expressions. Forward-looking statements are based on management's current expectations and assumptions that are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause our actual results to differ materially from those expressed in or implied by forward-looking statements contained in this presentation on our business, financial condition, and results of operations. Factors that could cause our actual results to differ materially from those expressed in or implied by forward-looking statements contained in this presentation, include the effects of COVID-19 on our business, financial condition, and results of operations and the actions taken by governmental authorities, businesses and individuals in response, the impact of unfavorable macroeconomic conditions and geopolitical events (including the effects of the Russia-Ukraine war), the competitive marketplace for talent and its impact on employee recruitment and retention, component shortages and/or manufacturing disruptions and logistical challenges, and the other factors discussed in our filings with the Securities and Exchange Commission. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, except as may be required under applicable securities law.

Industry and Market Data.

Market, industry, and other data included in this presentation are from or based on our own internal good faith estimates and research, and on publicly available publications, research, surveys and studies conducted by third parties, which we believe are reliable, but have not independently verified. Similarly, while we believe our internal estimates and research are reliable, we have not independently verified our internal estimates or research. While we are not aware of any misstatements regarding any market, industry, or other data used by us or expressed in this presentation, such information, because it has not been verified or, by its nature - market surveys, estimates, projections or similar data, is inherently subject to uncertainties, and actual results may differ materially from the assumptions and circumstances reflected in this information.

(1) See Appendix for non-GAAP reconciliation and certain definitions.

Key Performance Indicators and Non-GAAP Financial Measures.⁽¹⁾

We monitor certain operating data and non-GAAP financial measures in the evaluation and management of our business; certain key operating data and non-GAAP financial measures have been provided as we believe these to be useful in facilitating period-to-period comparisons of our business performance. Operating data and non-GAAP financial measures do not reflect and should be viewed independently of our financial performance determined in accordance with GAAP. Operating data and non-GAAP financial measures are not forecasts or indicators of future or expected results and should not have undue reliance placed upon them by investors.

Where non-GAAP financial measures are included in this presentation, the most directly comparable GAAP financial measures and a detailed reconciliation between GAAP and non-GAAP financial measures is included in the Appendix to this presentation.

Unless otherwise indicated, financial and operating data included in this presentation is as of June 30, 2022.

Trademarks.

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Q2 Financials

| in thousands | Three Months Ended June 30 | |
|--|-------------------------------|-------------------|
| | 2022 | 2021 |
| Revenues, net: | | |
| Product | 28,390 | 23,939 |
| Service | 35,781 | 27,185 |
| Contract | 20,922 | 17,826 |
| Total revenues net | \$ 85,093 | \$ 68,950 |
| Total gross margin | 21,121 | 15,103 |
| Operating expenses | | |
| SG&A | 26,398 | 22,946 |
| R&D | 10,101 | 8,643 |
| Amort of identifiable intangible assets | 721 | 489 |
| Total operating expenses | 37,220 | 32,078 |
| Other income (expense), net | (257) | (341) |
| Interest income (expense), net | (2,451) | (4,937) |
| Loss before benefit from income taxes | (18,807) | (22,253) |
| Benefit from (provision for) income taxes | (41) | 12,297 |
| Net loss | \$ (18,848) | \$ (9,956) |
| Non-GAAP adjustments | \$ 9,021 | \$ 783 |
| Adjusted net loss | \$ (9,827) | \$ (9,173) |
| Adjusted diluted loss per share | \$ (0.36) | \$ (0.36) |
| Adjusted weighted average shares | 26,982 | 25,484 |

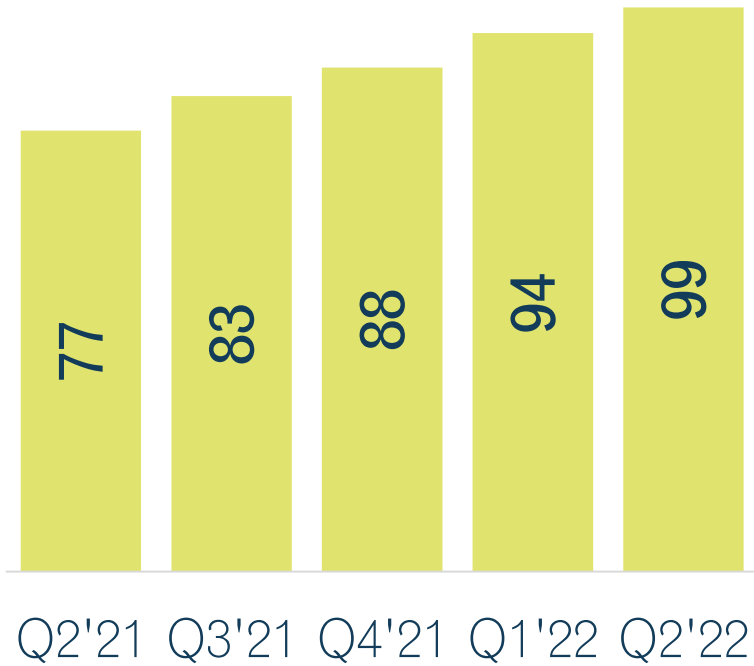
All amounts in thousands, except for Adjusted diluted loss per share

- Q2 2022 Revenue Reported-- \$85.1 million
- 23.4% Increase from Q2 2021



ARR

ARR (USD '000,000)



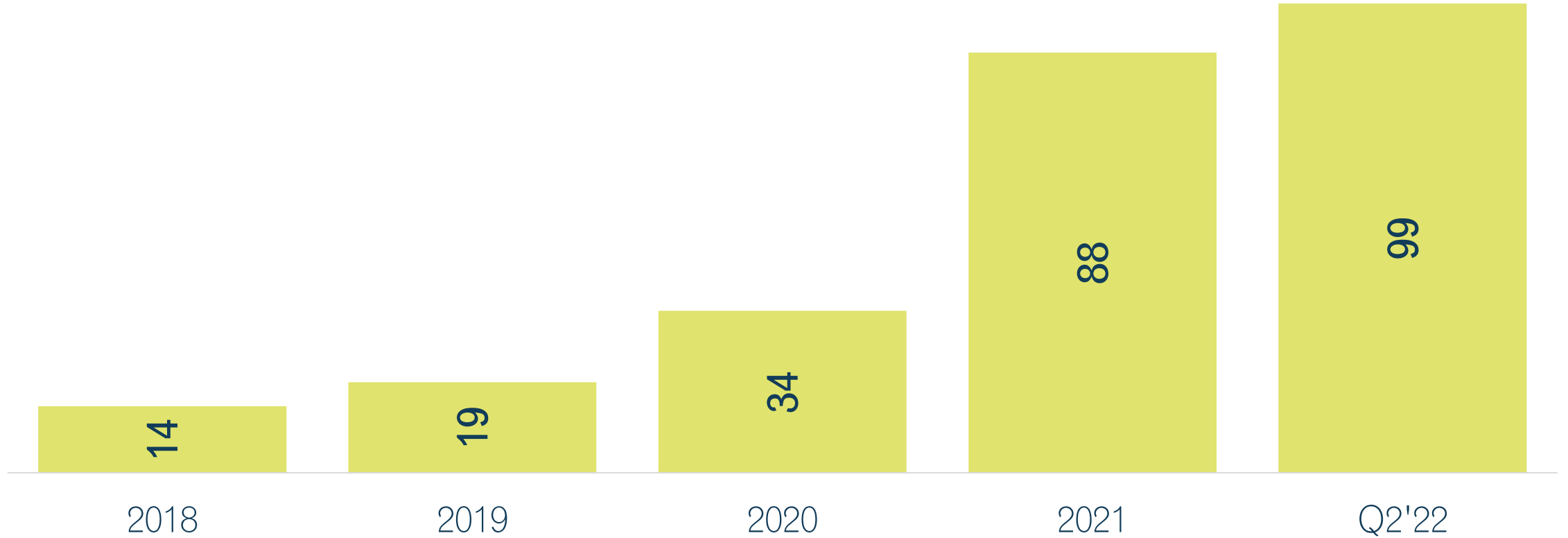
Total ARR grew 29% YoY from Q2 '21

- Punchh ARR increased 32% from Q2 last year
- Brink POS ARR increased 31% from Q2 last year
- Data Central Increased 5% from Q2 last year



ARR⁽¹⁾ Growth Trajectory

ARR⁽¹⁾ (USD '000,000)

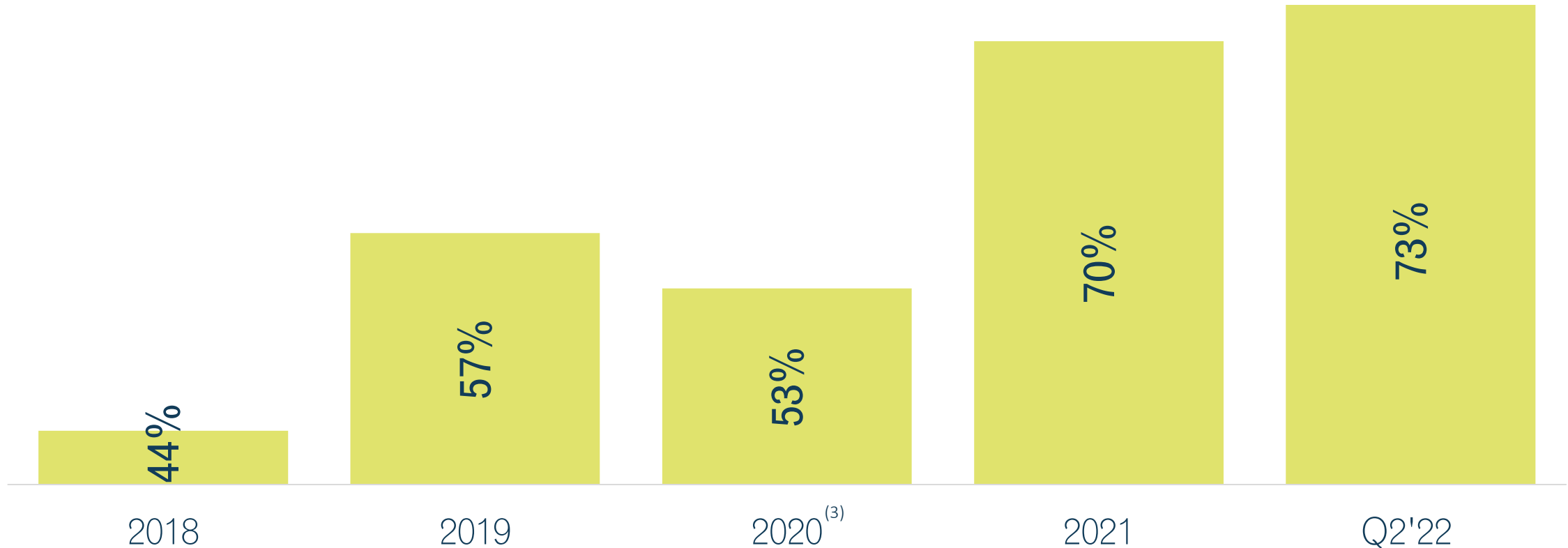


(1) ARR includes Data Central® (acquired December 2019 but ARR inclusion started in early 2020 for graph) and Punchh® (acquired in April 2021).



Adjusted Subscription Gross Margin⁽¹⁾ Expanding

Adjusted Subscription Gross Margins⁽¹⁾⁽²⁾ (%)



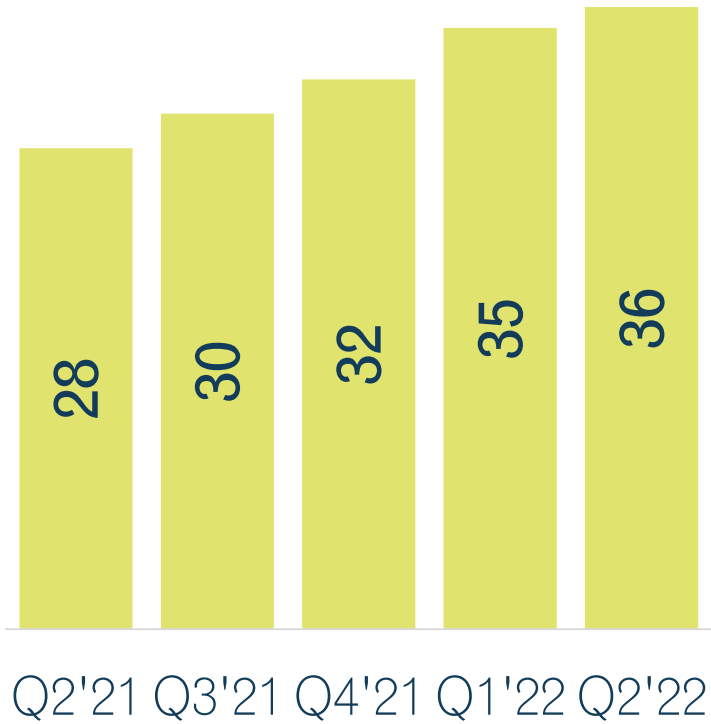
(1) Subscription Margins were \$6.4M in 2018, \$10.5M 2019, \$15M in 2020, \$44M in 2021, and \$68M in Q2 2022 Annualized.

(2) Adjusted Subscription Gross Margin excludes amortization of intangibles of both internally developed and acquired technologies. See Appendix for non-GAAP reconciliation.

(3) 2020 Gross Margin impacted due to one-time COVID waiver and Cost of Goods Sold (COGS).

Brink POS ARR

ARR (U\$D '000,000)

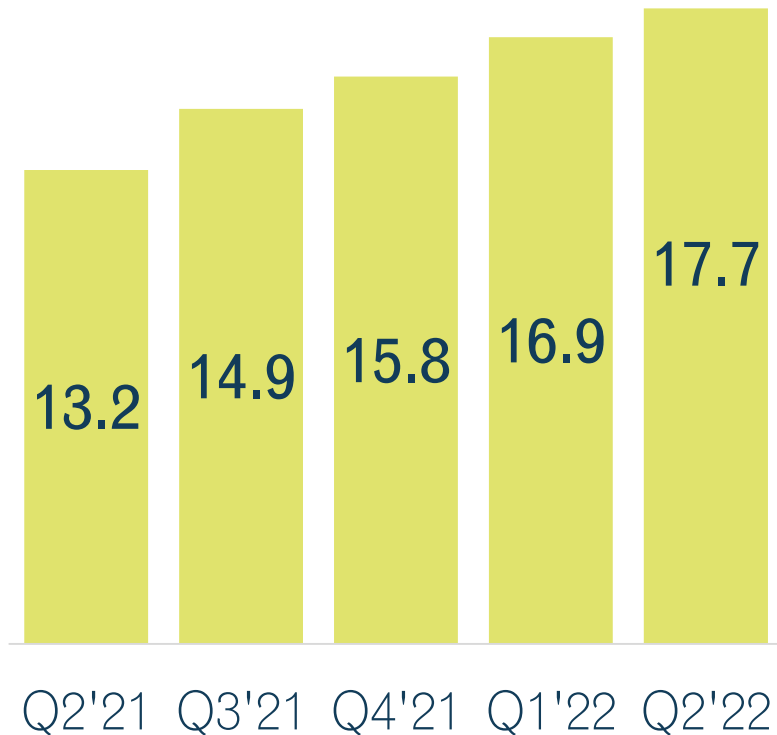


- Brink POS ARR increased 31% from Q2 2021 ⁽¹⁾
- Consistently low Churn ~ 4% annualized in Q2 2022

(1) Brink ARR also includes recurring payment processing services revenue, net of expenses. PAR charges a per-transaction fee each time a customer payment is processed electronically

Brink POS Site Count

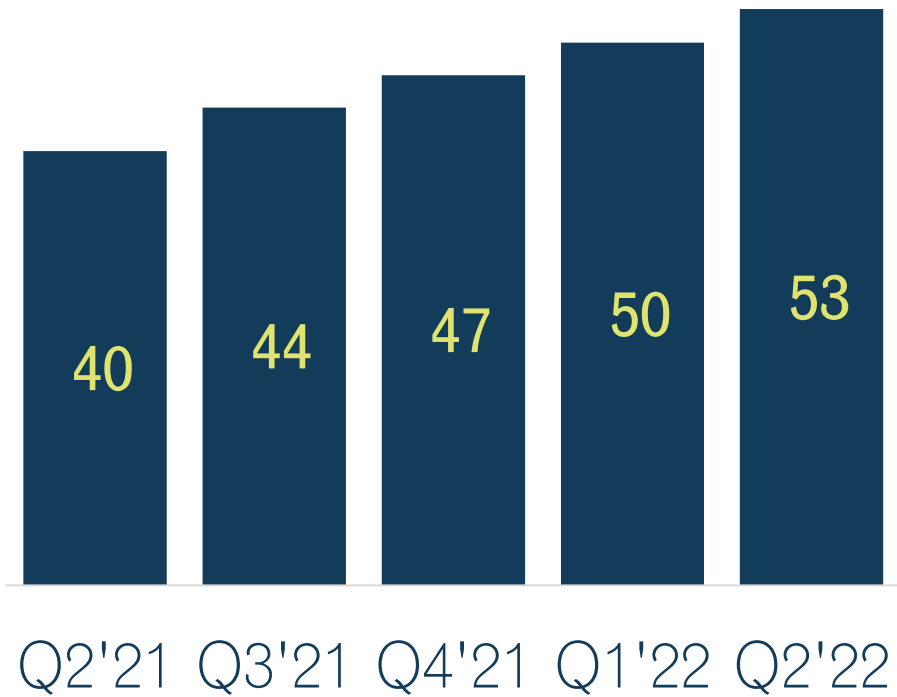
Site Count (locations '000)



- 34% increase of Active Sites from Q2 2021
- Activations in Q2 2022 – 962
- Active Sites now total ~ 17,700+
- Q2 2022 Bookings # ~ 950 stores

Punchh ARR

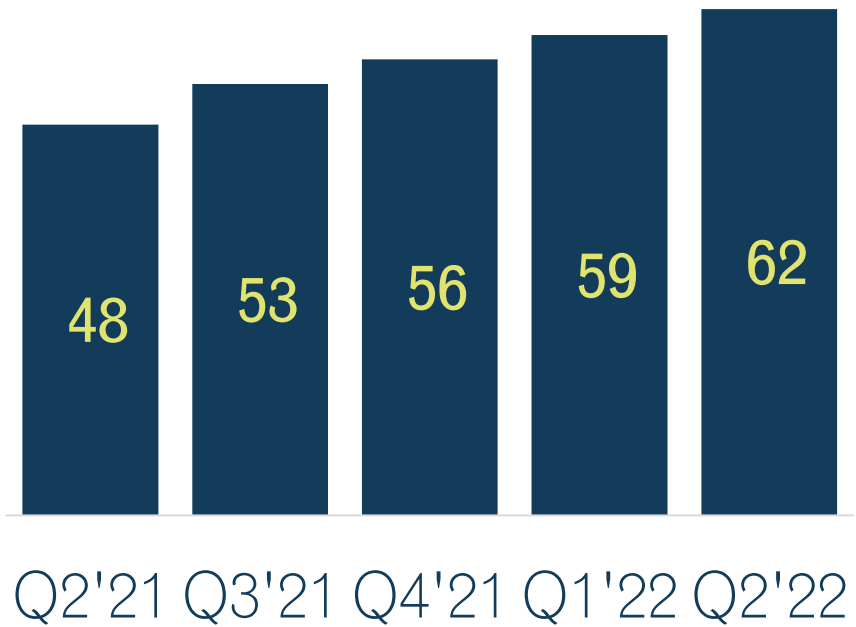
ARR (USD '000,000)



- Punchh ARR increased 32% from Q2 2021

Punchh Site Count

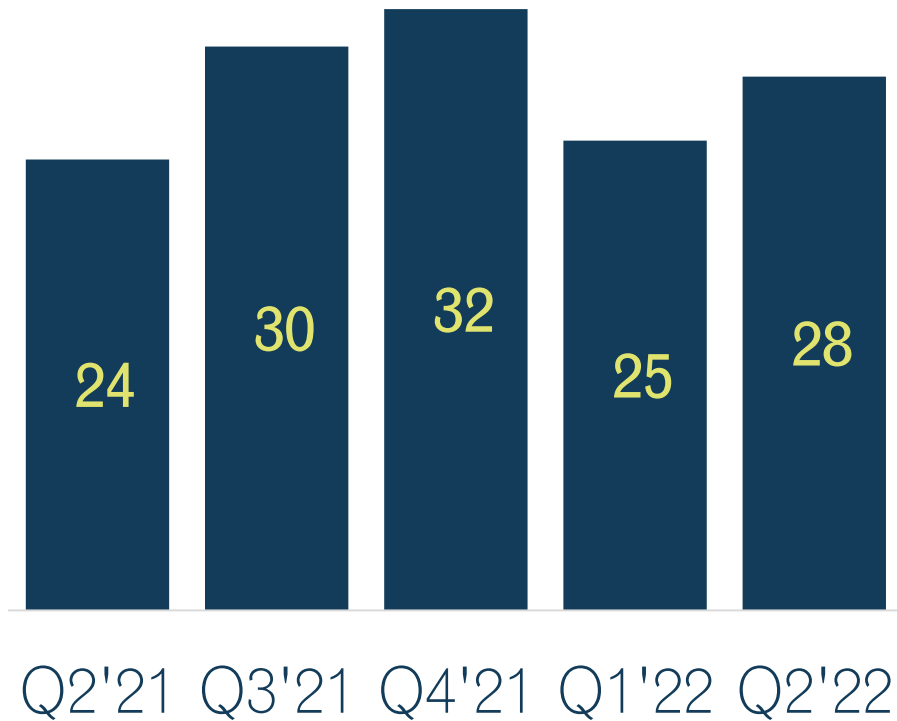
Site Count (locations '000)



- 29% increase of Active Sites from Q2 2021
- 3,500 stores went live in Q2 2022

Restaurant Segment Product Revenue

product revenue (U\$D '000,000)



- Product revenue increased 18.6% from Q2 '21
- Proving Value of Complete Tech Stack
- Difficult/Challenging Supply Chain Environment

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Appendix



Subscription Gross Profit GAAP to Non-GAAP Reconciliation

| \$M | 12 Months Ended | | | | |
|---|-----------------|-------------|-------------|-------------|------------------------------------|
| | Dec-2018 | Dec-2019 | Dec-2020 | Dec-2021 | Q2'22 ⁽¹⁾ Annualized |
| Total Restaurant / Retail Revenue | \$134 | \$123 | \$143 | \$210 | \$257 |
| Non-Subscription Service Revenue | (119) | (105) | (114) | (147) | (163) |
| Subscription Service Revenue | \$15 | \$18 | \$28 | \$63 | \$94 |
| Total COGS | \$103 | \$91 | \$109 | \$154 | \$181 |
| Non-Subscription COGS | (91) | (78) | (89) | (118) | (136) |
| Less Amortization from Acquired and Internally Developed Technology | (3) | (4) | (6) | (17) | (20) |
| Non-GAAP Adj. Subscription COGS | \$8 | \$8 | \$13 | \$19 | \$26 |
| Non-GAAP Adj. Subscription Gross Margin | \$6 | \$10 | \$15 | \$44 | \$68 |

Note: Unaudited. Numbers may not tie due to rounding.
(1) Q2'22 financial information is annualized based on actuals.



Investment Thesis

1. Foodservice market ready for disruption

- Large TAM in restaurants with ~1m locations in the US spending 2-3% of total revenue on technology¹
- The industry shift to cloud technology has led to an explosion in new technology from Voice AI to marketing technology

2. Meeting market need with Unified Commerce

- Today technology is driving a wedge between restaurants and their guests
- Brands are shifting to well integrated vendors and more targeted guest interactions
- There is an opportunity to create an integrated solution with unified data that enables restaurants to have 1:1 relationship with their guests

3. ARR at scale with strong SaaS metrics

- Through both organic and inorganic strategies, ARR has reached \$98.6M with significant opportunity to expand within existing customers and win new business. 12 Month Contracted ARR is now more than \$115.0M



Appendix A – Key Performance Metrics

- **“Annual Recurring Revenue”, or “ARR”,** is the annualized revenue from Software as a Service (“SaaS”) and related revenue of our software products. We calculate ARR by annualizing the monthly recurring revenue for all active sites as of the last day of each month for the respective reporting period. ARR also includes recurring payment processing services revenue, net of expenses. We charge a per-transaction fee each time a customer payment is processed electronically.
- **“Contracted ARR”** is ARR that also includes signed/booked sites that have yet to be activated.
- **“Bookings”** is a customer purchase order for SaaS; upon PAR’s acceptance the customer is obligated to purchase the SaaS and pay PAR for the services. In specific cases with Punchh, bookings are added at the time of execution of the relevant master services agreement.
- **“Activations”** are calculated as of the end of each month based on the number of SaaS customers that have initiated use of our software products/platforms. Once “activated” PAR begins to invoice/bill the customer. In specific cases with Punchh, invoicing begins before activation takes place.
- **“Active Sites”** represent locations active on PAR’s SaaS software as of the last day of the respective reporting period.
- **“Churn”** reflects the negative change in site count of PAR customers, for a specific period.
- **“Subscription Service Revenue”** represents revenue from SaaS, related revenue of our software products, and recurring payment processing services revenue net of expenses.
- **“Adjusted Subscription Gross Margin”** is PAR’s gross margin of subscription service revenue excluding amortization of acquired and internally developed technology.

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Thank You!