DELEGO

Integrated E-Payments | London, ON | Founded: 1997 | Employees: <50 | hhttps://www.delegopayments.com/
226-785-1920 | BLOOMBERG | LINKEDIN

COMPANY OVERVIEW
Based out of London, Ontario, Delego offers SAP merchants a variety of electronic payment solutions by seamlessly and securely integrating their SAP system with their payments ecosystem. The SAP Software Partner leverages a cloud-based platform, point-to-point encryption & proprietary tokenization to tailor payment solution for their customers (Exhibit 1). Benefits to clients includes: reduction in data exposure risk, frictionless order-to-cash processes, and cost reductions.

SENIOR MANAGEMENT[1]
Scott Johns: President and CEO (2016-Present). Previously: Executive Vice President, CFO, Delego (2015-2016); Co-President, CFO, Seekda (2013-2015); Co-President, CFO, Demeure (2013-2015); Director, Finance & Business Planning, Sandvine (2011-2013); Finance Manager, Sandvine (2009-2011); Controller, Sandvine (2009-2011); Manager, Audit & Assurance, Ernst & Young (2002-2006). Education: CPA (2004); Honours Bachelor of Business Administration, Wilfrid Laurier University (1998-2002).

Richard McCammon: Founder (2008-Present). Previously: CEO, President, McCammon Enterprises Inc. (1997-2008); Manager of Automation, Casco (1992-1997); Director of Engineering, Valmet Automation Limited (1988-1992); Lead Automation Engineer, Repap Enterprises (1985-1988). Education: Master of Applied Science, Chemical Engineering, University of Waterloo (1983-1984); Bachelor's Degree, Chemical Engineering, University of Waterloo (1978-1983).

Peter Robinson: Senior Vice President, Engineering & Delivery (2017-Present). Previously: Software Development Director, PTC (2011-2016); Technical Manager, MKS (2004-2011); Senior Software Developer, MKS (2001-2004); Senior Software Developer, Nortel (1997-2001); Software Developer & Project Lead, Nortel (1989-1996). Education: B.Sc., Computer Science, University of Guelph (1984-1989).

Doug Fisher: Vice President, Sales (2017-Present). Previously: Director of Sales, Lone Wolf Real Estate Technologies (2014-2017); Vice President, Software Solutions Sales, Financial Transmission Network Inc. (2011-2014); Vice President of Sales, RDM Corporation (2010-2011); Director of Sales, RDM Corporation (2001-2009); Channel Manager, RDM Corporation (2001-2007). Education: MBA, Wilfrid Laurier University (1997-1999); BA, Economics, Wilfrid Laurier University (1989-1992).

Craig Lehtovaara: Vice President, Product Innovation (2015-Present). Previously: Executive Vice President Product, Delego (2015); Vice President, Technology, Delego (2011-2015); Vice President, Development, Delego (2010-2011); Senior Developer, Customer Account Manager, Delego (2008-2010); Senior Developer, Customer Account Manager, McCammon Enterprises Inc. (2001-2008). Education: B.Sc., Software Engineering, University of Western Ontario (1998-2002).

HISTORY
Founded in 1997, Delego started off as an SAP consulting business. In 2000, Delego was the first payments solution to receive SAP certification and is now one of the largest providers of SAP integrated payments. Since its inception, Delego has built a network of over 50 acquirer & processor connections, giving a cost-effective advantage for global expansion to customers[2].

FUNDING
Delego is a privately held company and has not historically raised any capital through funding[3]. Delego was a rebranding of the founder's company: *McCammon Enterprises Inc.,* and so it had a source of capital prior to inception.

KEY CORPORATE DEVELOPMENTS
Aug 21, 2018:   Delego Launches Delego RapidPay, the Next-Generation e-Commerce Payment Solution
June 10, 2014:   Delego Software's Richard McCammon to Lead Authentication Panel at ACT Conference
May 29, 2014:   Delego Launches Insights Tool

BUSINESS HIGHLIGHTS
STRATEGY
Delego has successfully maintained their market leadership by focusing on customers and partners in the industry, and their needs[4]. With over 20 years' experience in SAP e-payments, Delego offers extremely customized solutions for each of their clients and are able to maximize the sales from each business. Additionally, as many competitors are only able to provide their payment integration

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[1] https://www.delegopayments.com/about-us/leadership-team/

[2] https://www.linkedin.com/company/delego/?originalSubdomain=ca

[3] https://www.owler.com/company/delegosoftware

[4] https://www.prweb.com/releases/2014/07/prweb12034544.htm

solutions within the US, Delego allows its clients to scale globally and use their e-payment solutions that are flexible and available worldwide.

PRODUCTS / PRICING[5]

- **Delego Core:** Delego's main product; a platform for e-payment solutions & data security via SAP integration. Global scaling with high transaction volumes is facilitated by a private, single tenant, cloud infrastructure.
- **E-Commerce – Delego RapidPay:** A digital payments platform that lives within a SAP merchant's online store. With integration with SAP, it is a fast-to-market solution that secures cardholder data, ensures PCI compliance, and creates a frictionless payment experience for consumers. Delego RapidPay gives easy access to digital wallets and other payment alternatives, which in turn drives e-commerce conversion.
- **Call Center – Point-to-Point Encryption:** A security solution for verbal payments that encrypts card data before it enters the company's database or network. This solution uses tokenization to encrypt the data, which maximizes reduction in PCI scope and ensures security from end-to-end.
- **Accounts Receivable – Delego AR:** Allows customers to pay invoices securely online or through call centers with flexibility, ultimately reducing a company's collection cycle. Delego AR also allows for card management, automated communication with consumers, and integration with SAP enables real time updates.
- **Professional Services:** Leverages 20 years' worth of in-house experience with SAP and e-payments to provide professional services such as: solution design, system integration, SAP consulting, PCI scope review, as well as education and training.

TECHNOLOGY[6]

- **Proprietary Tokenization & Cloud Infrastructure:** Eliminates the need to process or store unsecured card data in a company's system. Delego intercepts the raw card data in a secure iFrame and transfers it to the private, single-tenant cloud infrastructure that keeps sensitive data completed isolated and secure. In the cloud, the data is created into a token and stored in the token vault. The token is returned to SAP and communicated securely to the processor upon authorization (Exhibit 2).
- **Point-to-Point Encryption:** Call center operators enter card data on an external SREDkey device, which is secured by in-device encryption. The encrypted value is then tokenized in the Delego cloud and returned to SAP.
- **Unique SAP Integration:** SAP is used as Delego's system of record that automates the order-to-cash process, while eliminating duplicative transactional databases and unnecessary reconciliations.

DISTRIBUTION / LOGISTICS

Delego serves Canadian businesses, including Fortune 500 companies. Given the product's system integration, its clients are SAP merchants. Delego has two offices (London & Kitchener), with a sales team that provides services & sells Delego solutions. The sales team is easily reached via email on the Delego website. Delego is responsible for the installation and education/training of the system to its clients.

MARKETING

With the strong reputational backing of SAP & PCI, Delego relies heavily on word-of-mouth marketing in the B2B world, reducing operating costs from marketing. Delego hosts events & webinars to help educate potential customers on the issues its solutions address and how. Delego also leverages the use of social media platforms such as, Facebook and Twitter, which also help spread word of their events.

COMPETITORS

There are several FinTech firms that specialize in payment data security and simplification. Delego's three main competitors include the following:

1. **HighRadius** (Houston, TX): HighRadius is a Software-as-a-Service FinTech Company. Similar to one of Delego's solutions, it is an integrated AR platform that reduces the order-to-cash cycle by leveraging AI. They also offer a B2B payment network called radiusOne™, which digitally connects suppliers and buyers, also reducing AR & AP cycle times. HighRadius is a much larger company, with nearly 1000 employees.
2. **Paymetric, Inc.** (Atlanta, GA): Paymetric, a subsidiary of Worldpay, offers secure integrated payment systems. Using a proprietary tokenization, Paymetric offers SAP & Oracle Certified solutions for e-commerce, call centers, and AR.
3. **CardConnect** (King of Prussia, PA): CardConnect, a subsidiary of First Data, is a secure e-payment processing solution for businesses and merchants using SAP, Oracle, and other ERPs.
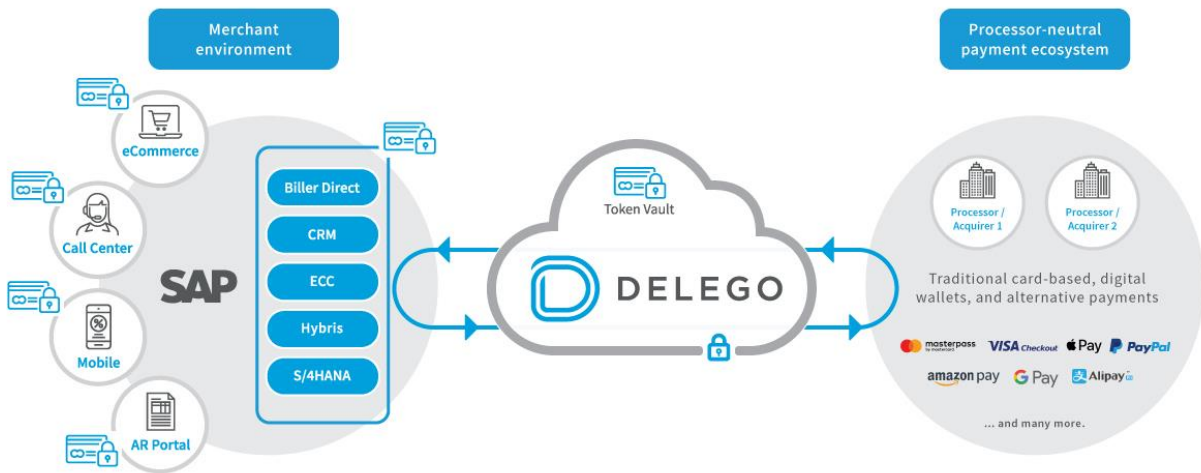
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[5] https://www.delegopayments.com/solutions
[6] https://www.delegopayments.com/solutions/data-security/

Exhibit 1

Exhibit 2