UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 17, 2019

WAITR HOLDINGS INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-37788**	**26-3828008**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

844 Ryan Street, Suite 300, Lake Charles, Louisiana 70601
(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: 1-800-661-9036

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EXPLANATORY NOTE

This Amendment No.1 on Form 8-K/A ("Form 8-K/A") amends the Current Report on Form 8-K filed by Waitr Holdings Inc., a Delaware corporation (the "Company"), with the U.S. Securities and Exchange Commission on January 18, 2019 (the "Original Form 8-K"). The Original Form 8-K reported under Item 2.01 that the Company had completed the acquisition of BiteSquad.com, LLC, a Minnesota limited liability company ("Bite Squad"), on January 17, 2019 (the "Merger").

This Form 8-K/A provides the financial statements of Bite Squad and pro forma financial information as required by Item 9.01 of Form 8-K. No other modifications to the Original Form 8-K are being made by this Form 8-K/A. The information previously reported in or filed with the Original Form 8-K is hereby incorporated by reference to this Form 8-K/A.

Item 7.01. Regulation FD Disclosure.

The Company is furnishing Bite Squad management's discussion and analysis of financial condition and results of operations with respect to certain historical periods as Exhibit 99.5, which is incorporated by reference herein.

The information in this Item 7.01 and Exhibit 99.5 attached hereto is being furnished shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(a)(1) Financial Statements of Businesses Acquired.

The audited financial statements of Bite Squad as of and for the years ended December 31, 2017 and 2016 and the accompanying notes thereto are attached hereto as Exhibit 99.2 and incorporated by reference herein.

The unaudited financial statements of Bite Squad as of September 30, 2018 and December 31, 2017 and for the nine months ended September 30, 2018 and 2017 and the accompanying notes thereto are attached hereto as Exhibit 99.3 and are incorporated by reference herein.

(b)(1) Pro Forma Financial Information.

The unaudited pro forma condensed combined statements of operations of the Company for the year ended December 31, 2017 and for the nine months ended September 30, 2018, and the accompanying notes thereto that give effect to the Merger are attached hereto as Exhibit 99.4 and are incorporated by reference herein.

(d) Exhibits

Exhibit No.	Description
10.1	Amendment No. 1 to Credit and Guaranty Agreement, dated as of January 17, 2019, by and among Waitr Inc., as borrower, Waitr Intermediate Holdings, LLC, the various lenders party thereto and Luxor Capital Group, LP, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 of the Current Report on Form 8-K (File No. 001-37788) filed by the Company on January 18, 2019).
10.2	Amendment No. 1 to Credit Agreement, dated as of January 17, 2019, by and among Waitr Holdings Inc., as borrower, the lenders party thereto and Luxor Capital Group, LP, as administrative agent (incorporated by reference to Exhibit 10.2 of the Current Report on Form 8-K (File No. 001-37788) filed by the Company on January 18, 2019).

10.3	Form of Registration Rights Agreement by and among Waitr Holdings Inc. and the parties listed on the signature pages thereto (incorporated by reference to Exhibit 10.3 of the Current Report on Form 8-K (File No. 001-37788) filed by the Company on January 18, 2019).
10.4	Form of Lockup Agreement (incorporated by reference to Exhibit 10.4 of the Current Report on Form 8-K (File No. 001-37788) filed by the Company on January 18, 2019).
99.1	Press Release, dated January 18, 2019 (incorporated by reference to Exhibit 99.1 of the Current Report on Form 8-K (File No. 001-37788) filed by the Company on January 18, 2019).
99.2	Audited financial statements of BiteSquad.com, LLC as of and for the years ended December 31, 2017 and 2016, and the accompanying notes thereto.
99.3	Unaudited financial statements of BiteSquad.com, LLC as of September 30, 2018 and December 31, 2017 and for the nine months ended September 30, 2018 and 2017, and the accompanying notes thereto.
99.4	Unaudited pro forma condensed combined statements of operations of Waitr Holdings Inc. for the year ended December 31, 2017 and for the nine months ended September 30, 2018, and the accompanying notes thereto.
99.5	Bite Squad Management's Discussion and Analysis of Financial Condition and Results of Operation.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

WAITR HOLDINGS INC.

By: /s/ David Pringle
Name: David Pringle
Title: Chief Financial Officer and Secretary

Dated: January 25, 2019

Exhibit 99.2

BITESQUAD.COM, LLC AND SUBSIDIARIES
Minneapolis, Minnesota

CONSOLIDATED FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of December 31, 2017 and 2016,
and for the Years Ended 2017 and 2016

BITESQUAD.COM, LLC AND SUBSIDIARIES

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As of and for the Years Ended December 31, 2017 and 2016

Independent Auditor's Report

Board of Directors

Bitesquad.com, LLC and Subsidiaries

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Bitesquad.com, LLC and Subsidiaries (together, the Company), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, the related consolidated statements of operations, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bitesquad.com, LLC and Subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements, or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

/s/ RSM US LLP

Minneapolis, Minnesota

May 10, 2018

BITESQUAD.COM, LLC AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

	December 31, 2017	December 31, 2016
ASSETS		
CURRENT ASSETS:		
Cash	$ 12,275,564	$ 2,091,814
Settlements due from credit card processors	1,640,514	546,785
Accounts receivable	1,036,928	1,049,671
Inventory	625,671	—
Prepaid expenses and other current assets	211,800	97,269
Total current assets	15,790,477	3,785,539
OTHER ASSETS:		
Other assets	147,723	84,868
Loans receivable, net	877,759	478,501
Property and equipment, less accumulated depreciation	939,427	—
Goodwill	29,264,690	18,464,672
Total other assets	31,229,599	19,028,041
TOTAL ASSETS	$ 47,020,076	$ 22,813,580
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Restaurant food liability	$ 3,641,536	$ 1,631,659
Accounts payable	370,983	521,181
Accrued payroll	1,884,539	819,291
Accrued sales taxes	859,758	402,764
Other accruals	1,326,273	295,302
Current portion of notes payable, net	353,314	360,632
Total current liabilities	8,436,403	4,030,829
NONCURRENT LIABILITIES:		
Notes payable, net	1,020,262	587,621
Contingent consideration	407,235	407,235
Total noncurrent liabilities	1,427,497	994,856
MEMBERS' EQUITY:		
Total members' equity	37,156,176	17,787,895
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 47,020,076	$ 22,813,580

See accompanying Notes to Consolidated Financial Statements.

BITESQUAD.COM, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

	Year Ended December 31	
	2017	2016
Revenues	**$ 41,320,464**	**$18,373,126**
Operating expenses:		
Operations and support	29,838,590	13,322,618
Sales and marketing	10,768,800	4,042,461
Research and development	4,032,910	839,988
General and administrative	9,495,994	3,316,143
Depreciation and Amortization	31,247	1,806
Related party expenses	450,697	745,472
Total operating expenses	**54,618,238**	**22,268,488**
Loss from operations	**(13,297,774)**	**(3,895,362)**
Other (income)/expenses, net		
Net interest (income)/expense	(14,867)	12,090
Net non-operating (income)/expense	(4,300)	—
Loss before provision for income taxes	**(13,278,607)**	**(3,907,452)**
Provision for income taxes	7,297	—
Net loss	**(13,285,904)**	**(3,907,452)**
Less: Net income/(loss) attributable to noncontrolling interests	46,022	(731,054)
Net loss attributable to Bitesquad.com, LLC	**$(13,331,926)**	**$ (3,176,398)**

See accompanying Notes to Consolidated Financial Statements.

BITESQUAD.COM, LLC AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

	Voting Common Units	Non-Voting Common Units	Preferred Units	Common Profit Interest Units	Incentive Units	Accumulated Deficit	Total Bite Squad Equity	Non-controlling Interests	Total Members' Equity
December 31, 2015	**2,000,000**	**—**	**5,000,042**	**—**	**—**	**(4,451,239)**	**2,548,803**	**(167,841)**	**2,380,962**
Issuance of convertible preferred units	—	—	4,550,065	—	—	—	4,550,065	—	4,550,065
Issuance of nonvoting common units	—	14,521,765	—	—	—	—	14,521,765	—	14,521,765
Member's distribution	—	—	—	—	—	—	—	(142,637)	(142,637)
Unit-based compensation expense	—	—	—	385,192	—	—	385,192	—	385,192
Net loss	—	—	—	—	—	(3,176,398)	(3,176,398)	(731,054)	(3,907,452)
December 31, 2016	**2,000,000**	**14,521,765**	**9,550,107**	**385,192**	**—**	**(7,627,637)**	**18,829,427**	**(1,041,532)**	**17,787,895**
Acquisition of KASA Delivery LLC membership interests	—	—	—	—	—	(1,041,532)	(1,041,532)	1,041,532	—
Recapitalization of outstanding equity interests	5,311,957	—	(5,311,957)	(385,192)	385,192	—	—	—	—
Issuance of preferred units, less transaction expenses	—	—	20,561,201	—	—	—	20,561,201	—	20,561,201
Recognition of noncontrolling interest in KSM Real Estate LLC	—	—	—	—	—	—	—	113,375	113,375
Issuance of nonvoting common units	—	7,594,173	—	—	—	—	7,594,173	—	7,594,173
Redemption of nonvoting common units	—	(122,800)	—	—	—	(27,200)	(150,000)	—	(150,000)
Unit-based compensation expense	—	—	—	—	4,535,436	—	4,535,436	—	4,535,436
Net (loss) / income	—	—	—	—	—	(13,331,926)	(13,331,926)	46,022	(13,285,904)
December 31, 2017	**$7,311,957**	**$21,993,138**	**$24,799,351**	**$ —**	**$4,920,628**	**$(22,028,295)**	**$36,966,779**	**$ 159,397**	**$37,156,176**

See accompanying Notes to Consolidated Financial Statements.

BITESQUAD.COM, LLC AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2017	Year Ended December 31, 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$(13,285,904)	$ (3,907,452)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	31,248	1,806
Unit-based compensation expense	4,535,436	385,192
Discount on notes payable	26,869	12,090
Discount on notes receivable	128,246	53,750
Changes in operating accounts, net of acquisitions:		
Settlements due from credit card processor	(1,093,729)	(374,610)
Accounts receivable	12,743	(993,647)
Inventory	(625,671)	—
Prepaid expenses and other current assets	(114,531)	(66,793)
Other assets	(69,717)	(40,395)
Restaurant food liability	2,009,877	1,040,564
Accounts payable	(164,754)	316,516
Accrued payroll	1,065,248	492,892
Accrued sales taxes	456,994	188,158
Other accruals	1,028,798	160,981
Net Cash Flows Used in Operating Activities	(6,058,847)	(2,730,948)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions	(3,205,845)	(2,509,320)
Net Cash Flows Used in Investing Activities	(3,205,845)	(2,509,320)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Convertible Preferred Units	20,561,201	4,550,065
Member's distribution	—	(142,637)
Redemption of nonvoting common units	(150,000)	—
Payments on notes payable	(435,255)	(122,084)
Advances on notes receivables	(527,504)	(530,832)
Net Cash Flows From Financing Activities	19,448,442	3,754,512
Net Change in Cash	10,183,750	(1,485,756)
Cash - Beginning of Year	2,091,814	3,577,570
Cash - End of Year	$ 12,275,564	$ 2,091,814
NONCASH INVESTING AND FINANCING ACTIVITIES		
Fair value of common units issued for acquisitions	$ 7,594,173	$14,521,765
Noncontrolling interest in KSM Real Estate LLC	113,375	—
Seller-financed notes payable related to acquisitions	—	1,120,000
Contingent consideration recognized related to acquisitions	—	407,235

See accompanying Notes to Consolidated Financial Statements

Note 1 – Nature of Business and Summary of Significant Accounting Policies

Nature of Operations. Bitesquad.com, LLC ("Bite Squad") is an on-demand restaurant delivery service that connects diners and restaurants via Bite Squad's website and mobile application. Diners enter their delivery address and Bite Squad displays the menus of nearby restaurant partners. Orders are placed by diners online at www.bitesquad.com or through the Bite Squad mobile application. Bite Squad charges restaurant partners a per order commission for generating the order and may also charge a delivery fee or certain other fees directly to the diner. Bite Squad is headquartered in Minneapolis, Minnesota, and was formed on April 25, 2012 as a limited liability company in the state of Minnesota. Bite Squad was formed to have a perpetual life and the members have limited liability for the obligations of the LLC.

***Principles of Consolidation**.* The accompanying consolidated financial statements include the accounts of Bite Squad and all its wholly-owned subsidiaries (collectively, the "Company"), and were prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") and in accordance with the rules and regulations of the United States Securities and Exchange Commission ("SEC"). Significant intercompany accounts and transactions have been eliminated. Bite Squad consolidates variable interest entities ("VIEs") where it has been determined that Bite Squad is the primary beneficiary of those entities' operations.

Effective January 5, 2017, Bite Squad's Board of Governors exercised its option to acquire 100% ownership of KASA Delivery, LLC ("KASA"). KASA provides order fulfillment, executive management, finance, information technology, accounting, back office, regulatory and other services to Bite Squad. Bite Squad finances the operations of KASA. KASA was formed on May 15, 2012 as a limited liability company in the state of Minnesota. KASA was formed to have a perpetual life and the sole member has limited liability for the obligations of the LLC. In prior years, Bite Squad consolidated KASA as a VIE because Bite Squad was the primary beneficiary of KASA's operations.

KASA rents office space and parking from KSM Real Estate, LLC, an entity related through common ownership. KASA's personal property was provided as collateral in KSM Real Estate's loan, and KASA agreed to an unconditional guarantee of the loan. Because KASA is the primary source of rental income for KSM Real Estate, LLC, and has guaranteed payments of the loan, KASA has a variable interest in KSM Real Estate, LLC. KASA is the primary beneficiary in KSM Real Estate, LLC due to common ownership. KSM Real Estate, LLC is a VIE and is consolidated with Bite Squad in the accompanying consolidated financial statements. See Note 6 for further disclosures regarding KSM Real Estate, LLC.

Use of Estimates. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Acquisitions. The Company accounts for business acquisitions under the acquisition method of accounting. The total cost of business acquisitions is determined based on the fair value of the consideration transferred to the seller to acquire control, while the cost allocated to the underlying net assets acquired is based on their respective estimated fair values. The excess of the consideration transferred over the estimated fair values of the net assets acquired is recorded as goodwill. The operating results of the acquisitions are included in the accompanying statements of operations from the date of acquisition forward.

Cash. The Company maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

Settlements due from Credit Card Processor. Settlements due from credit card processor relate to customer credit card sale transactions that have occurred but have not yet been funded to the Company by the credit card processor as of year-end. The Company determined that no allowance for doubtful accounts is necessary as of December 31, 2017 and 2016, based on review of outstanding settlements due and historical experience. The Company incurs expenses for uncollected credit card settlements ("chargebacks"), when a diner's card is authorized and processed but later is reversed when a card-holder disputes the transaction directly with their credit card provider. Chargebacks are included in general and administrative expenses and were $679,423 and $129,194 in 2017 and 2016, respectively.

Accounts Receivable. The Company extends unsecured credit to corporate diners that the Company establishes on an individual basis. Receivables are considered past due if any portion of the receivable balance is outstanding beyond agreed upon terms. Accounts receivable are written off when deemed uncollectible. The Company determined that no allowance for doubtful accounts is necessary as of December 31, 2017 and 2016, based on review of outstanding accounts and historical experience. The Company does not accrue interest on accounts receivable.

Inventory. The Company acquires uniforms, tablets, hot bags, and other delivery and advertising supplies which are capitalized and recorded as inventory and expensed as utilized. The Company's inventory is accounted for under the weighted-average cost method. The cost of our inventory includes the amount we pay our suppliers to acquire inventory and freight costs incurred in connection with delivery of product to our warehouse or offices.

Property and equipment. Property and equipment is primarily comprised of the office building and parking associated with KSM Real Estate LLC. The property is depreciated using the straight-line method over the estimated useful life of 39 years. Repair and maintenance costs are expensed as incurred.

Goodwill. Goodwill represents the excess of the cost of an acquired business over the fair value of the assets acquired at the date of acquisition. The Company performs impairment testing for goodwill annually in the fourth quarter, or more frequently if events or changes in circumstances indicate that the asset might be impaired. As allowed, the Company makes an initial qualitative evaluation, based on the Company's events and circumstances, to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. The results of this qualitative evaluation determine whether it is necessary to perform the two-step impairment test. The Company has one reporting unit and performed the qualitative evaluation and determined it was not necessary to perform the two-step impairment test. There was no impairment expense recognized in the Company's consolidated financial statements in 2017 or 2016.

Advertising. Advertising costs are charged to expense when incurred. Advertising expense was $5,778,710 and $2,371,210 for the years ended 2017 and 2016, respectively.

Revenue Recognition. The Company generates revenues when diners place orders on the website or mobile applications. Restaurants pay a percentage commission on the food price of the orders processed via the Bite Squad platform for delivery or pick-up as well as a credit card processing fee, and a restaurant may also choose to contribute to the diner's delivery fee. The Company also charges certain fees directly to the diner and may charge for beverages or utensils on catering orders. Revenues from diner orders are recognized when orders are delivered.

The Company processes and collects the entire amount ("gross food sales") of the diner's transaction on the platform, which includes food, beverages, catering supplies, delivery and other fees, sales tax, and gratuities.

Revenues are reported net of any diner promotions, refunds to diners, the balance due to the restaurant, gratuities due to employees, and sales tax. Costs incurred to process transactions and provide delivery services are included in operations and support expenses in the consolidated statements of operations.

The Company sells gift cards on the platform and recognizes revenue upon gift card redemption. Gift cards that have not been utilized are recorded on the consolidated balance sheet in other accruals.

Restaurant Food Liability. Bite Squad records an amount representing the restaurant food liability for the net balance due to the restaurant after deducting the commissions and other fees charged to the restaurant. Bite Squad pays restaurants twice a month.

Income Taxes. Bite Squad and KASA are treated as limited liability companies (LLCs) for federal and state income tax purposes. As such, the income, losses, and credits are included in the income tax returns of its members. In 2017, KASA Delivery Corporation was formed as a corporation in Minnesota and is a wholly-owned subsidiary of Bite Squad. KASA Delivery Corporation is treated as a taxable entity. KASA Delivery Corporation provides services to Bite Squad under a management services agreement. The taxable income generated in 2017 resulted in current income tax expense and liability of $7,297, with no deferred tax impact.

The Company is not currently under examination in any taxing jurisdiction. In the event of any future tax assessments, the Company has elected to record the income taxes and related interest and penalties as income tax expense in the Company's consolidated statement of operations.

Fair Value Measurements. Accounting standards define fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. The standards also establish a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Fair value measurements are reported in one of three levels based on the lowest level of significant input used: Level 1 (unadjusted quoted prices in active markets); Level 2 (observable market inputs, other than quoted prices included in Level 1); and Level 3 (unobservable inputs that cannot be corroborated by observable market data).

Stock-based Compensation. The Company measures compensation expense for incentive units in accordance with ASC Topic 718, *Compensation — Stock Compensation*. Stock-based compensation is measured at fair value on grant date and recognized as compensation expense over the service period on a straight-line basis for awards expected to vest.

Bite Squad uses a backsolve option-pricing model to determine the fair value of stock options. Bite Squad's Black Scholes pricing method utilized the following complex and subjective assumptions:

Risk-free rate: Risk-free interest rates are derived from U.S. Treasury securities with a period consistent with the estimated time to a liquidation event.

Volatility: Volatility of Bite Squad's unit price is estimated based on a combination of published historical volatilities of comparable publicly traded companies, with an upward adjustment to account for the smaller size of Bite Squad and significantly higher growth rates of Bite Squad (both historically and expected).

Expected term: The expected term calculation was estimated based on the estimated time until a liquidation event.

Forfeiture rate: Effective January 1, 2018, Bite Squad elected to recognize actual forfeitures of unit-based awards as they occur in accordance with Accounting Standards Update (ASU) No. 2016-09, *Compensation Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. Refer to Recently Accounting Pronouncements for additional information. Prior to 2018, there were no forfeitures to account for.

Recent Accounting Pronouncements.

In January 2017, the Financial Accounting Standards Board (FASB) issued ASU No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. The new standard is effective for the Company in fiscal year 2022, and early adoption is permitted. The Company is evaluating the effect of the new standard on the consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU No. 2016-15 adds or clarifies guidance on the classification of certain cash receipts and payments in the statement of cash flows with the intent of reducing diversity in practice related to eight types of cash flows including contingent consideration payments made after a business combination. The new standard is effective for the Company in fiscal year 2019. The Company is evaluating the effect of the new standard on the consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The ASU is intended to simplify various aspects of accounting for share-based compensation arrangements. The ASU allows an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures as they occur. The new standard is effective for the Company in fiscal year 2018. The Company is evaluating the effect of the new standard on the consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard requires lessees to record assets and liabilities on the balance sheet for all leases with terms longer than 12 months. The new standard is effective for the Company in fiscal year 2020. Upon adoption, the lessee will apply the new standard retrospectively to all periods or retrospectively using a cumulative effect adjustment in the year of adoption. The Company is evaluating the effect that ASU No. 2016-02 will have on the consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. ASU No. 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The new standard is effective for the Company in fiscal year 2019 and permits the use of either a retrospective or a cumulative effect transition method. The Company is evaluating the effect of the new standard on the consolidated financial statements and related disclosures.

Note 2 – Acquisitions

In 2017, the Company acquired certain assets of the companies in the table below. Consideration for the acquisitions included 377,444 Non-Voting Common Units, valued using an option pricing model based on the terms of the Company's issuance of Preferred Units in 2017. The goodwill recorded represents the opportunity to expand restaurant delivery services and enhance the breadth and depth of the Company's restaurant networks. The Company expects $10,800,018 of goodwill added in 2017 to be tax deductible; however, the tax treatment is ultimately dependent on members' individual tax returns. The Company incurred $114,607 of transaction expenses recorded in the Company's consolidated statement of operations.

Acquisition dates and purchase consideration allocated to assets acquired based on acquisition-date fair value were as follows:

Date	Assets Acquired	Goodwill	FV of Units Issued	Net Cash Paid
March 21, 2017	**Chef Shuttle**	$ 2,915,590	$ 915,923	$ 1,999,667
March 30, 2017	**Foodify**	1,174,885	1,107,666	67,219
May 1, 2017	**Columbia Carry-out & 864togo**	1,381,924	1,205,570	176,354
June 22, 2017	**Foodie Call, Inc.**	990,652	785,042	205,610
August 15, 2017	**Aloha 2 Go**	2,492,319	2,092,319	400,000
Various	**Various**	1,844,648	1,487,653	356,995
	Total	$10,800,018	$ 7,594,173	$ 3,205,845

In 2016, the Company acquired certain assets of Goodybag, Inc., Brenco Enterprises, Inc. (d/b/a Takeout Taxi), Make the Delivery, LLC (d/b/a Zipdish.com), and Restaurant Delivery Developers, LLC, a franchisor of Doorstep Delivery and 18 franchisees. The acquisitions expand the Company's restaurant, diner, and delivery networks.

Consideration for the acquisitions included 1,182,554 Non-Voting Common Units, valued using an option pricing model based on the terms of the Company's issuance of Convertible Preferred Units in 2016. The goodwill recorded represents the opportunity to expand restaurant delivery services and enhance the breadth and depth of the Company's restaurant networks. The Company incurred $180,193 of transaction expenses recorded in the Company's consolidated statement of operations.

Acquisition dates and purchase consideration allocated to assets acquired based on acquisition-date fair value were as follows:

	June 1, 2016 Goodybag	June 30, 2016 Takeout Taxi	September 1, 2016 ZipDish.com	October 31, 2016 Doorstep Delivery	Total
Inventory	$ —	$ —	$ —	$ 30,476	$ 30,476
Goodwill	298,860	1,356,152	7,101,181	9,708,479	18,464,672
Total purchase price	298,860	1,356,152	7,101,181	9,738,955	18,495,148
Fair value of units issued	(298,860)	—	(5,311,861)	(8,911,044)	(14,521,765)
Notes payable, net	—	(698,917)	(30,000)	(327,911)	(1,056,828)
Contingent Consideration	—	(407,235)	—	—	(407,235)
Net cash paid	$ —	$ 250,000	$ 1,759,320	$ 500,000	$ 2,509,320

The goodwill related to Goodybag includes an estimated contingent unit consideration adjustment of $205,971 if certain revenue levels are not maintained, in accordance with the purchase agreement. See Note 6 and Note 8 for further disclosures regarding the promissory notes issued and the contingent consideration liability, respectively.

Note 3 – Goodwill

The changes in the carrying amount of goodwill for the years ended December 31, 2017 and 2016 were as follows:

	Goodwill	Accumulated Impairment Losses	Net Book Value
Balance as of December 31, 2016	18,464,672	—	18,464,672
Acquisitions	10,800,018	—	10,800,018
Balance as of December 31, 2017	$29,264,690	$ —	$29,264,690

Note 4 – Related Party Transactions

In 2017 and 2016, the Company paid the following to related parties through common ownership:

- KASA Capital, Inc. – $5,000 and $197,863 in 2017 and 2016, respectively, for information technology-related services.
- KSM Holdings, LLC – $220,104 and $180,748 in 2017 and 2016, respectively, for management consulting services.
- KASA Stores, LLC – $30,917 and $92,665 in 2017 and 2016, respectively, for telephone and internet, advertising, tablets, office supplies, travel, and management consulting services.
- Auto Direct Midwest, LLC – $2,200 and $13,223 in 2017 and 2016, respectively, for management consulting services and leased property.
- ADM Management, Inc. – $193,476 and $147,473 in 2017 and 2016, respectively, for management consulting services.

In 2017 and 2016, respectively, the Company loaned $527,504 and $530,832 to certain former owners of Restaurant Delivery Developers, LLC, in secured, interest-free loans that were part of the former owners' employment agreements. In 2017, the Company forgave $120,000 of the loans related to an amendment to the employment agreements, recorded in general and administrative expenses in the consolidated statement of operations. Cumulative total loans as of December 31, 2017 were $938,338, which is shown on the balance sheet net of discount of $60,579.

Note 5 – Commitments and Contingencies

Office Lease Commitments

The Company leases office space throughout the United States from unrelated parties, except for the lease with KSM Real Estate LLC described in Note 6. Lease agreements expire at various dates through 2022. Most lease agreements require the Company to pay operating costs, real estate taxes, and management fees. Rent expense is recognized on a straight-line basis over the term of the lease agreement. A deferred rent asset or liability is recognized to the extent straight-line rents differ from base rent payments made under the term of the agreement. Rent expense was $803,967 and $311,357 for 2017 and 2016, respectively.

Approximate future minimum rental commitments (excluding operating costs) are as follows for the year ending December 31:

2018	$ 735,000
2019	270,000
2020	143,000
2021	120,000
2022	85,000
Total	$1,353,000

Vehicle Lease Commitments

The Company leases vehicles that expire at various dates through 2020. The lease agreements require the Company to pay operating costs on the vehicles. Vehicle rent expense was $1,053,054 and $469,243 for 2017 and 2016, respectively.

Approximate future rental commitments for vehicles (excluding operating costs) are as follows for the years ending December 31:

2018	$ 983,000
2019	861,000
2020	195,000
Total	$2,039,000

Legal

From time to time, the Company is involved in various legal proceedings arising from the normal course of business activities, including labor and employment claims. The Company records an accrual based on the reasonably estimable loss or range of loss. When no point of loss is more likely than another, we record the lowest amount in the estimated range of loss, and if material, disclose the estimated range of loss. The Company does not believe these claims will have a material impact on the consolidated financial statements.

Note 6 – Notes Payables

In 2016, the Company issued $750,000 and $340,000 of non-interest bearing promissory notes for consideration in the Brenco Enterprises, Inc. and Doorstep Delivery acquisitions, respectively. The Company imputed discounts of $63,172 on the notes payable at 3.5 percent and recorded $26,869 and $13,508 of interest expense in 2017 and 2016, respectively. The notes payable related to Brenco Enterprises, Inc. and Doorstep Delivery acquisitions require monthly payments of $40,000 and mature in June 2020 and November 2018, respectively.

KASA rents office space and parking from KSM Real Estate, LLC, an entity related through common ownership. The lease has a one-year term starting January 1, 2017, with annual base rent of $168,000. The lease includes three options to renew the lease for a period of five years, with the first extension commencing January 1, 2018. Rent expense was $168,000 and $113,500 in 2017 and 2016, respectively.

KASA's personal property and the building were provided as collateral in KSM Real Estate LLC's loan, and KASA agreed to an unconditional guarantee of the loan. The property's loan matures June 24, 2038 and has a 5.45% interest rate. The remaining principal balance of $810,574 and $858,329 at December 31, 2017 and 2016, respectively, were offset by deferred financing cost balances of $24,619 and $25,826 at December 31, 2017 and 2016, respectively.

Maturities on notes payables are as follows:

	Notes Payable	Mortgage Payable	Total
2018	$ 329,166	$ 24,148	$ 353,314
2019	187,500	25,497	212,997
2020	93,750	26,922	120,672
2021	—	28,427	28,427
2022	—	30,015	30,015
Thereafter	—	675,565	675,565
Total maturities	$ 610,416	$ 810,574	$1,420,990
Less: debt discounts	(22,795)	(24,619)	(47,414)
Balance at December 31, 2017	$ 587,621	$ 785,955	$1,373,576

Note 7 – Members' Equity

2017 disclosures

On January 6, 2017, Bite Squad recapitalized the outstanding equity interests and amended its operating agreement. Existing membership units were initially exchanged for new classes of units. The amended operating agreement established four classes of membership units: Voting Common Units, Non-Voting Common Units, Preferred Units, and Incentive Units. All units are generally restricted in their transferability.

Voting Common Units. Holders of Voting Common Units have one vote per unit, except for the two founders' Voting Common Units, each of which is entitled 10 votes per unit.

The 2,000,000 Founding Common Units outstanding as of December 31, 2016 were exchanged for 399,858 Preferred Units and 1,600,142 Voting Common Units. There were 1,998,570 authorized and issued Voting Common Units as of December 31, 2017.

Non-Voting Common Units. Holders of Non-Voting Common Units have no voting rights. The 1,182,554 Non-Voting Common Units outstanding as of December 31, 2016 were exchanged for the same amount of Non-Voting Common Units under the amended operating agreement.

In 2017 and 2016, respectively, the Company issued 377,444 and 1,182,554 Non-Voting Common Units as acquisition consideration (Note 2), and all these units are outstanding as of December 31, 2017. In 2017, the Company redeemed 10,000 Non-Voting Common Units for $150,000. There were 1,549,998 outstanding Non-Voting Common Units as of December 31, 2017.

Preferred Units. Holders of Preferred Units have one vote on an as-converted basis (the number of Common Units into which Preferred Units could be converted). All Preferred Units will automatically be converted into Common Units upon a public offering or in the event the Company is taxed as a corporation for U.S. federal tax purposes. Investor members, as defined in the operating agreement, may redeem their units for cash at any time on or after the six-year anniversary of the amended operating agreement.

The 687,956 Convertible Preferred Units outstanding as of December 31, 2016 were exchanged for 289,528 Preferred Units and 398,428 Voting Common Units. After the recapitalization, holders of the Preferred Units sold 325,384 Preferred Units for $8,938,799 and the Company sold 766,650 Preferred Units for $21,061,201. Transaction expenses of $500,000 were recorded as a reduction of the proceeds, and the Company received the remaining $20,561,201 of net proceeds. As of December 31, 2017, 1,456,036 Preferred Units were outstanding.

Incentive Units. The Incentive Units consist of Series B Incentive Units and Special Incentive Units. The 182,924 Common Profit Interest Units outstanding as of December 31, 2016 were exchanged for the same amount of Series B Incentive Units, and this amount remains outstanding as of December 31, 2017. The Company recognized compensation cost of $2,611,736 in 2017 based on each unit agreement's required service period and performance condition. As of December 31, 2017, there was $331,142 of total unrecognized compensation expense, which is expected to be recognized over a weighted average period of 0.8 years.

The Company authorized and issued 441,309 Special Incentive Units to the founders of Bite Squad. At their discretion, the founders can issue the units to members of management. The founders issued 189,452 Special Incentive Units as of December 31, 2017. Incentive Units have no voting rights, except for the two founders' Special Incentive Units, each of which is entitled 10 votes per unit. The Company recognized compensation cost of $1,923,700 in 2017 for units issued to members of management based on each unit agreement's required service period and performance condition. As of December 31, 2017, there was $1,888,074 of total unrecognized compensation expense, which is expected to be recognized over a weighted average period of 2.45 years.

2016 disclosures

Bite Squad had established five classes of membership units in 2016: Founding Common Units, Common Units, Convertible Preferred Units, Non-Voting Common Units and Common Profit Interest Units.

Bite Squad Founding Common Units. Holders of Founding Common Units have ten votes per unit. There were 2,000,000 issued and outstanding Founding Common Units issued to the founders of Bite Squad as of December 31, 2016.

Bite Squad Common Units. Holders of Common Units have one vote per unit. There were no outstanding Common Units as of December 31, 2016.

Bite Squad Convertible Preferred Units. Holders of Convertible Preferred Units have one vote on an as-converted basis (the number of Common Units into which Convertible Preferred Units could be converted). Holders may convert into Common Units at any time at a set price with anti-dilution protection for the holder. All Convertible Preferred Units will automatically be converted into Common Units upon a public offering or upon the written agreement of three-fourths of outstanding Convertible Preferred Unit holders. There were 687,956 issued and outstanding Convertible Preferred Units as of December 31, 2016.

Bite Squad Non-Voting Common Units. Holders of Non-Voting Common Units have no voting rights. In 2016, 1,182,554 Non-Voting Common Units were issued as acquisition consideration (Note 2).

Bite Squad Common Profit Interests Units. In 2015, Bite Squad approved the issuance of Common Profit Interest Units to be issued to employees. These units have no voting rights. As of December 31, 2016, 182,924 Common Profit Interest Units were outstanding. The Company recognized compensation cost of $385,192 in 2016 based on each unit agreement's required service period and performance condition.

Note 8 – Fair Value Measurements

The Company's contingent consideration (Level 3) is measured at fair value on a recurring basis and represents the estimated value (using a probability-weighted approach) of future payments to be made to previous owners of an acquired business (see Note 2).

The Company has estimated a contingent consideration liability related to the Takeout Taxi acquisition, due to the previous owners of the acquired business if certain defined targets are achieved in a liquidity event. The maximum contingent consideration payment is $700,000. The changes in the Company's contingent consideration liability were as follows:

Balance as of December 31, 2016	$407,235
Amounts recorded related to new acquisitions	—
Net fair value adjustments	—
Settlements of contingent consideration liabilities	—
Balance as of December 31, 2017	$407,235

Note 9 – Subsequent Events (Unaudited)

In preparing the consolidated financial statements as of and for the year ended December 31, 2017, the Company evaluated subsequent events for recognition and measurement purposes through May 10, 2018, the date the independent auditors' report was originally issued and audited consolidated financial statements were available for issuance. After the original issuance of the consolidated financial statements and through January 25, 2019, the Company has evaluated subsequent events or transactions that have occurred that may require disclosure in the accompanying financial statements through the issue date of these consolidated financial statements.

In 2018, the Company acquired substantially all assets of the following businesses to expand the Company's restaurant, diner, and delivery networks for the consideration shown.

Date	Assets Acquired	Goodwill	FV of Units Issued	Notes Payable (net of discount)	Gift Card Liability	Net Cash Paid
March 14, 2018	**City Spree**	$ 881,095	$ 259,045	$ 370,726	$ 1,577	$ 249,747
March 30. 2018	**Chow Cab**	3,724,075	733,857	1,990,129	9,434	990,556
April 20, 2018	**Boone Takeout**	702,828	81,909	520,919	2,918	97,082
June 5, 2018	**Arrowhead Delivery**	1,152,585	98,870	723,715	6,650	323,350
Various	**Various**	1,568,371	149,430	723,098	8,373	687,470
	Total	$ 8,028,955	$ 1,323,111	$ 4,328,677	$ 28,952	$ 2,348,215

On July 31, 2018, the Company closed the sale of substantially all assets of certain catering-only markets that were originally purchased from Make the Delivery, LLC (d/b/a Zipdish.com). The Company sold the assets for total consideration of $1,362,000, with $500,000 to be paid in cash and the remainder through a promissory note. The assets were sold to a shareholder in the affiliates of Make the Delivery, LLC, and the Company is required to provide transition services for 90 days after closing.

On September 19, 2018, the Company issued convertible promissory notes up to $10 million, with $5.9 million loaned on September 19, 2018 and $1.6 million loaned in November 2018. The terms of the notes do not require payment unless and until a liquidation event occurs. The conversion and payment terms depend on whether the proceeds of a liquidation event are sufficient to cover the preferred unit holders' liquidation preference, and also depends on the timing of the liquidation event.

On December 11, 2018, the Company entered into a merger agreement (the "Merger Agreement") with Waitr Holdings Inc. ("Waitr") and Wingtip Merger Sub, Inc. ("Merger Sub"), a wholly-owned subsidiary of Waitr Holdings Inc. On completion of the transactions contemplated by the Merger Agreement (the "Merger") on January 17, 2019, Merger Sub merged with and into the Company, with the Company surviving as a wholly-owned, indirect subsidiary of Waitr. The aggregate consideration for the Merger consisted of (1) $192.9 million cash, and (2) 10.6 million shares of Waitr's common stock, subject to final closing balance sheet adjustments.

Exhibit 99.3

BITESQUAD.COM, LLC AND SUBSIDIARIES
Minneapolis, Minnesota

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As of September 30, 2018, and December 31, 2017, and for the nine months ended September 30, 2018 and 2017

BITESQUAD.COM, LLC AND SUBSIDIARIES

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As of September 30, 2018, and December 31, 2017, and for the nine months ended September 30, 2018 and 2017

Unaudited Condensed Consolidated Financial Statements

BITESQUAD.COM, LLC AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	September 30, 2018 (Unaudited)	December 31, 2017
ASSETS		
CURRENT ASSETS:		
Cash	$ 14,563,396	$ 12,275,564
Settlements due from credit card processors	3,320,448	1,640,514
Accounts receivable	1,873,454	1,036,928
Inventory	733,325	625,671
Prepaid expenses and other current assets	931,314	211,800
Total current assets	21,421,937	15,790,477
OTHER ASSETS:		
Other assets	174,553	147,723
Loans receivable, net	1,628,240	877,759
Property and equipment, less accumulated depreciation	915,043	939,427
Goodwill	37,143,645	29,264,690
Total other assets	39,861,481	31,229,599
TOTAL ASSETS	$ 61,283,418	$ 47,020,076
LIABILITIES AND MEMBERS' EQUITY		
CURRENT LIABILITIES:		
Restaurant food liability	$ 6,616,935	$ 3,641,536
Accounts payable	673,971	370,983
Accrued payroll	2,130,167	1,884,539
Accrued sales taxes	1,052,361	859,758
Other accruals	2,727,279	1,326,273
Convertible notes, net	5,876,668	—
Current portion of notes payable, net	1,517,334	353,314
Total current liabilities	20,594,715	8,436,403
NONCURRENT LIABILITIES:		
Notes payable, net	3,405,878	1,020,262
Contingent consideration	407,235	407,235
Total noncurrent liabilities	3,813,113	1,427,497
MEMBERS' EQUITY:		
Total members' equity	36,875,590	37,156,176
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 61,283,418	$ 47,020,076

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

BITESQUAD.COM, LLC AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Nine Months Ended September 30,	
	2018	2017
Revenues	**$ 58,575,164**	**$ 28,265,507**
Operating expenses:		
Operations and support	39,506,554	21,745,771
Sales and marketing	10,951,278	7,827,465
Research and development	2,072,146	3,296,077
General and administrative	8,635,426	6,879,269
Depreciation and amortization	32,693	24,026
Related party expenses	315,671	339,505
Total operating expenses	**61,513,768**	**40,112,113**
Loss from operations	**(2,938,604)**	**(11,846,606)**
Other (income)/expenses, net		
Net interest (income)/expense	143,570	(14,562)
Net non-operating (income)/expense	(765,490)	(11,400)
Loss before provision for income taxes	**(2,316,684)**	**(11,820,644)**
Provision for income taxes	48,066	—
Net loss	**(2,364,750)**	**(11,820,644)**
Less: Net income attributable to non-controlling interest	45,950	42,232
Net loss attributable to Bitesquad.com, LLC	**$ (2,410,700)**	**$ (11,862,876)**

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

BITESQUAD.COM, LLC AND SUBSIDIARIES

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

	Voting Common Units	Non-Voting Common Units	Preferred Units	Common Profit Interest Units	Incentive Units	Accumulated Deficit	Total Bite Squad Equity	Non-controlling Interests	Total Members' Equity
December 31, 2016	**$2,000,000**	**$14,521,765**	**$ 9,550,107**	**$ 385,192**	**$ —**	**$ (7,627,637)**	**$ 18,829,427**	**$(1,041,532)**	**$ 17,787,895**
Acquisition of KASA Delivery LLC membership interests	—	—	—	—	—	(1,041,532)	(1,041,532)	1,041,532	—
Recapitalization of outstanding equity interests	5,311,957	—	(5,311,957)	(385,192)	385,192	—	—	—	—
Issuance of preferred units, less transaction expenses	—	—	20,561,201	—	—	—	20,561,201	—	20,561,201
Recognition of noncontrolling interest in KSM Real Estate LLC	—	—	—	—	—	—	—	113,375	113,375
Issuance of nonvoting common units	—	7,594,173	—	—	—	—	7,594,173	—	7,594,173
Redemption of nonvoting common units	—	(122,800)	—	—	—	(27,200)	(150,000)	—	(150,000)
Unit-based compensation expense	—	—	—	—	4,258,129	—	4,258,129	—	4,258,129
Net (loss) / income	—	—	—	—	—	(11,862,876)	(11,862,876)	42,232	(11,820,644)
September 30, 2017	**$7,311,957**	**$21,993,138**	**$24,799,351**	**$ —**	**$4,643,321**	**$(20,559,245)**	**$ 38,188,522**	**$ 155,607**	**$ 38,344,129**
December 31, 2017	**$7,311,957**	**$21,993,138**	**$24,799,351**	**$ —**	**$4,920,628**	**$(22,028,295)**	**$ 36,996,779**	**$ 159,397**	**$ 37,156,176**
Issuance of nonvoting common units	—	1,323,111	—	—	—	—	1,323,111	—	1,323,111
Member's distribution	—	—	—	—	—	—	—	(47,000)	(47,000)
Unit-based compensation expense	—	—	—	—	808,053	—	808,053	—	808,053
Net (loss) / income	—	—	—	—	—	(2,410,700)	(2,410,700)	45,950	(2,364,750)
September 30, 2018	**$7,311,957**	**$23,316,249**	**$24,799,351**	**$ —**	**$5,728,681**	**$(24,438,995)**	**$ 36,717,243**	**$ 158,347**	**$ 36,875,590**

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

BITESQUAD.COM, LLC AND SUBSIDIARIES
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	$ (2,364,750)	$ (11,820,644)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Gain on sale of business	(765,690)	—
Depreciation and amortization expense	32,691	24,026
Unit-based compensation expense	808,053	4,258,129
Non-cash interest expense on convertible notes	65,556	—
Discount on notes payable	104,725	21,238
Discount on loans receivable	(8,124)	131,240
Changes in operating accounts, net of acquisitions:		
Settlements due from credit card processor	(1,707,048)	(682,400)
Accounts receivable	(344,504)	(292,498)
Inventory	(107,654)	(10,954)
Prepaid expenses and other current assets	(717,648)	(406,700)
Other assets	(26,830)	(66,406)
Restaurant food liability	3,020,716	2,020,402
Accounts payable	310,656	(157,256)
Accrued payroll	256,492	170,958
Accrued sales taxes	213,293	293,503
Other accruals	1,379,449	415,148
Net Cash Flows Provided by (Used in) Operating Activities	149,383	(6,102,214)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisitions	(2,348,216)	(3,205,845)
Net Cash Flows Used in Investing Activities	(2,348,216)	(3,205,845)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Preferred Units	—	20,561,201
Proceeds from Convertible Notes	5,900,000	—
Payment on deferred financing costs	(100,000)	—
Member's distribution	(47,000)	—
Redemption of nonvoting common units	—	(150,000)
Payments on notes payable	(884,668)	(340,016)
Advances on loans receivables	(381,667)	(375,003)
Net Cash Flows Provided by Financing Activities	4,486,665	19,696,182
Net Change in Cash	2,287,832	10,388,123
Cash - Beginning of Period	12,275,564	2,091,814
Cash - End of Period	$ 14,563,396	$ 12,479,937
NONCASH INVESTING AND FINANCING ACTIVITIES		
Fair value of common units issued for acquisitions	$ 1,323,111	$ 7,594,173
Noncontrolling interest in KSM Real Estate LLC	—	113,375
Seller-financed notes payable related to acquisitions	4,743,855	—

See accompanying Notes to Unaudited Condensed Consolidated Financial Statements.

Note 1 – Nature of Business and Summary of Significant Accounting Policies

Nature of Operations. Bitesquad.com, LLC ("Bite Squad") is an on-demand restaurant delivery and pickup service that connects diners and restaurants via Bite Squad's website and mobile application. Diners enter their delivery address and Bite Squad displays the menus of nearby restaurant partners. Orders are placed by diners online at www.bitesquad.com or through Bite Squad's mobile applications. Bite Squad charges restaurant partners a per order commission for generating the order and may also charge a delivery fee or certain other fees directly to the diner. Bite Squad is headquartered in Minneapolis, Minnesota, and was formed on April 25, 2012 as a limited liability company in the state of Minnesota. Bite Squad was formed to have a perpetual life and the members have limited liability for the obligations of the LLC.

Unaudited Interim Financial Statements. These unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and accompanying notes for each of the two years ended December 31, 2017 and 2016.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and with instructions to Form 10-Q and Rule 10-01 of Securities and Exchange Commission ("SEC") Regulation S-X as they apply to interim financial information. Accordingly, the interim condensed consolidated financial statements do not include all the information and notes required by U.S. GAAP for complete annual financial statements, although the Company believes that the disclosures made are adequate to make the information not misleading.

The interim condensed consolidated financial statements are unaudited, but in Bite Squad's opinion include all adjustments that are necessary for a fair statement of results for the periods presented. The interim financial results are not necessarily indicative of results that may be expected for any other interim period or the fiscal year.

Principles of Consolidation*.* The accompanying unaudited condensed consolidated financial statements include the accounts of Bite Squad and all its wholly-owned subsidiaries (collectively, the "Company"). Significant intercompany accounts and transactions have been eliminated. Bite Squad consolidates variable interest entities ("VIEs") where it has been determined that Bite Squad is the primary beneficiary of those entities' operations.

Effective January 5, 2017, Bite Squad's Board of Governors exercised its option to acquire 100% ownership of KASA Delivery, LLC ("KASA"). KASA provides order fulfillment, executive management, finance, information technology, accounting, back office, regulatory and other services to Bite Squad. Bite Squad finances the operations of KASA. KASA was formed on May 15, 2012 as a limited liability company in the state of Minnesota. KASA was formed to have a perpetual life and the sole member has limited liability for the obligations of the LLC. In prior years, Bite Squad consolidated KASA as a VIE because Bite Squad was the primary beneficiary of KASA's operations.

KASA rents office space and parking from KSM Real Estate, LLC, an entity related through common ownership. KASA's personal property was provided as collateral in KSM Real Estate's loan, and KASA agreed to an unconditional guarantee of the loan. Because KASA is the primary source of rental income for KSM Real Estate, LLC, and has guaranteed payments of the loan, KASA has a variable interest in KSM Real Estate, LLC. KASA is the primary beneficiary in KSM Real Estate, LLC due to common ownership. KSM Real Estate, LLC is a VIE and is consolidated with Bite Squad in the accompanying consolidated financial statements. See Note 7 for further disclosures regarding KSM Real Estate, LLC.

Use of Estimates. The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Convertible Notes. The Company accounts for convertible notes, net in accordance with ASC 470-20, *Debt with Conversion and Other Options.* Convertible notes are classified as liabilities measured at amortized cost, net of debt discounts from the allocation of proceeds. Interest expense is recognized using the effective interest method over the expected term of the debt instrument in accordance with ASC 835, *Interest.*

Recent Accounting Pronouncements.

In June 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2018-07, *Compensation – Stock Compensation (Topic 718)*. The ASU is intended to simplify the accounting for stock-based payments to non-employees by aligning it with the accounting for stock-based payments to employees, with certain exceptions. The new standard is effective for the Company in fiscal year 2020. The Company is evaluating the effect of the new standard on the condensed consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU No. 2017-04, *Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment*. The guidance removes Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. Entities will continue to have the option to perform a qualitative assessment to determine if a quantitative impairment test is necessary. The new standard is effective for the Company in fiscal year 2022, and early adoption is permitted. The Company is evaluating the effect of the new standard on the condensed consolidated financial statements and related disclosures.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*. ASU No. 2016-15 adds or clarifies guidance on the classification of certain cash receipts and payments in the statement of cash flows with the intent of reducing diversity in practice related to eight types of cash flows including contingent consideration payments made after a business combination. The new standard is effective for the Company in fiscal year 2019. The Company is evaluating the effect of the new standard on the condensed consolidated financial statements and related disclosures.

In March 2016, the FASB issued ASU No. 2016-09, *Compensation – Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting*. The ASU is intended to simplify various aspects of accounting for share-based compensation arrangements. The ASU allows an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures as they occur. The new standard is effective for the Company in fiscal year 2018. The Company elected to account for forfeitures as they occur, and the adoption did not have a material impact upon the condensed consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard requires lessees to record assets and liabilities on the balance sheet for all leases with terms longer than 12 months. The new standard is effective for the Company in fiscal year 2020. Upon adoption, the lessee will apply the new standard retrospectively to all periods or retrospectively using a cumulative effect adjustment in the year of adoption. The Company is evaluating the effect that ASU No. 2016-02 will have on the condensed consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. ASU No. 2014-09 establishes principles for recognizing revenue upon the transfer of promised goods or services to customers, in an amount that reflects the expected consideration received in exchange for those goods or services. The new standard is effective for the Company in fiscal year 2019 and permits the use of either a retrospective or a cumulative effect transition method. The Company is evaluating the adoption method and the effect of the new standard on the Company's disclosures. The adoption is not expected to have a material impact on the Company's consolidated financial position, results of operations, and cash flows or its business processes, systems, and controls.

Note 2 – Acquisitions

During the nine months ended September 30, 2018, the Company acquired certain assets and liabilities of the companies in the table below. Consideration for the acquisitions included 65,761 Non-Voting Common Units, valued using an option pricing model based on the terms of the Company's issuance of Preferred Units in 2017. The goodwill recorded represents the opportunity to expand restaurant delivery services and enhance the breadth and depth of the Company's restaurant networks. The Company expects $8,028,955 of goodwill added in 2018 to be tax deductible; however, the tax treatment is ultimately dependent on members' individual tax returns. The Company incurred $15,703 of transaction expenses recorded in the Company's condensed consolidated statement of operations.

Acquisition dates and purchase consideration allocated to assets acquired based on acquisition-date fair value were as follows:

Date	Assets Acquired	Goodwill	FV of Units Issued	Notes Payable (net of discount)	Gift Card Liability	Net Cash Paid
March 14, 2018	**City Spree**	$ 881,095	$ 259,045	$ 370,726	$ 1,577	$ 249,747
March 30. 2018	**Chow Cab**	3,724,075	733,857	1,990,219	9,434	990,566
April 20, 2018	**Boone Takeout**	702,828	81,909	520,919	2,918	97,082
June 5, 2018	**Arrowhead Delivery**	1,152,585	98,870	723,715	6,650	323,350
Various	**Various**	1,568,371	149,430	723,098	8,373	687,470
	Total	$8,028,955	$1,323,111	$ 4,328,677	$ 28,952	$ 2,348,215

In 2017, the Company acquired certain assets of the companies in the table below. Consideration for the acquisitions included 377,444 Non-Voting Common Units, valued using an option pricing model based on the terms of the Company's issuance of Preferred Units in 2017. The goodwill recorded represents the opportunity to expand restaurant delivery services and enhance the breadth and depth of the Company's restaurant networks. The Company expects $10,800,018 of goodwill added in 2017 to be tax deductible; however, the tax treatment is ultimately dependent on members' individual tax returns. The Company incurred $114,607 of transaction expenses recorded in the Company's condensed consolidated statement of operations.

Acquisition dates and purchase consideration allocated to assets acquired based on acquisition-date fair value were as follows:

Date	Assets Acquired	Goodwill	FV of Units Issued	Net Cash Paid
March 21, 2017	**Chef Shuttle**	$ 2,915,590	$ 915,923	$ 1,999,667
March 30, 2017	**Foodify**	1,174,885	1,107,666	67,219
May 1, 2017	**Columbia Carry-out & 864togo**	1,381,924	1,205,570	176,354
June 22, 2017	**Foodie Call, Inc.**	990,652	785,042	205,610
August 15, 2017	**Aloha 2 Go**	2,492,319	2,092,319	400,000
Various	**Various**	1,844,648	1,487,653	356,995
	Total	$ 10,800,018	$7,594,173	$ 3,205,845

Note 3 – Goodwill

The change in the carrying amount of goodwill for the nine months ending September 30, 2018 was as follows:

	Goodwill	Accumulated Impairment Losses	Net Book Value
Balance as of December 31, 2017	$29,264,690	$ —	$ 29,264,690
Acquisitions	8,028,955	—	8,028,955
Sale of business	(150,000)		(150,000)
Balance as of June 30, 2018	$37,143,645	$ —	$ 37,143,645

On July 31, 2018, the Company closed the sale of substantially all assets of certain catering-only businesses that were originally purchased from Make the Delivery, LLC (d/b/a Zipdish.com). The assets were sold to a shareholder in the affiliates of Make the Delivery, LLC, and the Company is required to provide transition services for 90 days after closing. The Company sold the assets for total consideration of $1,362,000, with $500,000 in cash, received in October 2018, and the remainder through a promissory note. The promissory note of $862,000 requires monthly payments starting 90 days after closing, with payments due at the greater of $5,000 or 3% of monthly gross receipts of the businesses. The Company discounted the promissory note using 5% interest rate, recording an initial discount of $446,310. The Company recorded a gain on the sale of $765,690, recorded in net non-operating (income)/expense in the consolidated statement of operations, and derecognized $150,000 of goodwill.

Note 4 – Related Party Transactions

During the nine months ended September 30, 2018 and 2017, the Company paid the following to related parties through common ownership:

- KASA Capital, Inc. - $0 and $5,000 in 2018 and 2017, respectively, for information technology-related services.
- KSM Holdings, LLC - $160,000 and $162,554 in 2018 and 2017, respectively for management consulting services.
- KASA Stores, LLC - $2,327 and $26,275 in 2018 and 2017, respectively, for telephone and internet, advertising, shipping, and travel costs.
- Auto Direct Midwest, LLC - $33,333 and $2,200 in 2018 and 2017, respectively, for management consulting services.
- ADM Management, Inc. - $83,333 and $143,476 in 2018 and 2017, respectively, for management consulting services.
- ADM Management, LLC - $36,677 and $0 in 2018 and 2017, respectively, for management consulting services.

In 2018 and 2017, respectively, the Company loaned $381,667 and $527,504 to certain former owners of Restaurant Delivery Developers, LLC, in secured, interest-free loans that were part of the former owners' employment agreements. In 2017, the Company forgave $120,000 of the loans related to an amendment to the employment agreements, recorded in general and administrative expenses in the consolidated statement of operations. Cumulative total loans as of September 30, 2018 and December 31, 2017 were $1,320,004 and $938,338, respectively, which are shown on the consolidated balance sheet net of discount of $55,925 and $60,579, respectively.

Note 5 – Contingencies

Legal

From time to time, the Company is involved in various legal proceedings arising from the normal course of business activities, including labor and employment claims. The Company records an accrual based on the reasonably estimable loss or range of loss. When no point of loss is more likely than another, we record the lowest amount in the estimated range of loss, and if material, disclose the estimated range of loss. The Company does not believe these claims will have a material impact on the consolidated financial statements.

Note 6 – Convertible Notes, Net

On September 19, 2018, and subsequently on November 13 and November 15, 2018, the Company issued a series of convertible promissory notes ("the notes") to various investors up to $10 million, with $5,900,000 loaned on September 19, $123,777 on November 13, and $1,500,000 on November 15. The notes are subordinate to the Preferred Unit holders' liquidation preference. The terms of the notes do not require payment unless and until a liquidation event occurs. Upon a liquidation event, if the total proceeds from the liquidation event are insufficient to cover the liquidation preference in effect at the time, the principal balance converts to Common Units at $44.14 per unit. If the total proceeds from the liquidation event are sufficient to ensure payment of the liquidation preference in effect at the time, and the liquidation event occurs on or prior to January 31, 2019, the Company will pay 110% of the principal amount of the notes.

If the total proceeds from the liquidation event are sufficient to ensure payment of the liquidation preference, and the liquidation event occurs after January 31, 2019, the Company will pay the greater of: (1) a specified payment based on the anniversary date from the liquidation event date, ranging from 150% to 250% of the principal amount, or (2) the amount the noteholder would have received if the principal balance was converted into Common Units immediately prior to the liquidation event.

The Company determined the conversion and term-extending embedded features within the convertible promissory notes do not represent embedded derivatives in accordance with ASC 815, *Derivatives*. The Company recorded the notes loaned on September 19, 2018, at the cash proceeds received and is recording interest expense and accreting the notes to reach the payout of 110% of the principal value at January 31, 2019, anticipated to be $6,490,000. The notes are recorded net of deferred debt issuance costs of $100,000 and the debt issuance costs are amortized over the expected life of the notes. Because of the merger agreement described in Note 11, the Company expects the notes to be redeemed on or prior to January 31, 2019 and has recorded the notes in current liabilities on the consolidated balance sheet.

Note 7 – Notes Payables

During the nine months ended September 30, 2018, the Company issued $4,743,855 of non-interest bearing promissory notes in conjunction with the 2018 acquisitions discussed within Note 2. The Company imputed discounts of $415,179 on the notes payable at 5.0 percent. The payment schedule for the notes differs for each acquisition with maturities ranging from 2018 to 2022.

Imputed interest expense related to the discounts on notes payable was $104,725 and $21,238 for the nine months ended September 30, 2018 and 2017, respectively.

KASA rents office space and parking from KSM Real Estate, LLC, an entity related through common ownership. The lease had a one-year term starting January 1, 2017, with annual base rent of $168,000. The lease includes three options to renew the lease for a period of five years, with the first extension commencing January 1, 2018. Rent expense was $141,750 and $126,000 for the nine months ended September 30, 2018 and 2017, respectively.

KASA's personal property and the building were provided as collateral in KSM Real Estate LLC's loan, and KASA agreed to an unconditional guarantee of the loan. The property's loan matures June 24, 2038 and has a 5.45% interest rate. The remaining principal balances of $792,614 and $810,574 at September 30, 2018 and December 31, 2017, respectively, were offset by deferred financing cost balances of $23,716 and $24,619 at September 30, 2018 and December 31, 2017, respectively.

Note 8 – Income Taxes

Bite Squad and KASA are treated as limited liability companies (LLCs) for federal and state income tax purposes. As such, the income, losses, and credits are included in the income tax returns of its members. In 2017, KASA Delivery Corporation was formed as a corporation in Minnesota and is a wholly-owned subsidiary of Bite Squad. KASA Delivery Corporation is treated as a taxable entity. KASA Delivery Corporation provides services to Bite Squad under a management services agreement. The Company recorded income tax expense of $48,066 for the nine months ended September 30, 2018 and no income tax expense for the nine months ended September 30, 2017. No deferred tax impact was recorded related to income tax expense.

The Company is not currently under examination in any taxing jurisdiction. In the event of any future tax assessments, the Company has elected to record the income taxes and related interest and penalties as income tax expense in the Company's consolidated statement of operations.

Note 9 – Members' Equity

On January 6, 2017, Bite Squad recapitalized the outstanding equity interests and amended its operating agreement. Existing membership units were initially exchanged for new classes of units. The amended operating agreement established four classes of membership units: Voting Common Units, Non-Voting Common Units, Preferred Units, and Incentive Units. All units are generally restricted in their transferability.

Voting Common Units. Holders of Voting Common Units have one vote per unit, except for the two founders' Voting Common Units, each of which is entitled 10 votes per unit.

The 2,000,000 Founding Common Units outstanding as of December 31, 2016 were exchanged for 399,858 Preferred Units and 1,600,142 Voting Common Units. There were 1,998,570 authorized and issued Voting Common Units as of June 30, 2018 and December 31, 2017.

Non-Voting Common Units. Holders of Non-Voting Common Units have no voting rights. The 1,182,554 Non-Voting Common Units outstanding as of December 31, 2016 were exchanged for the same amount of Non-Voting Common Units under the amended operating agreement.

During the nine months ended September 30, 2018, the Company issued 65,761Non-Voting Common Units as acquisition consideration (Note 2), and all these units are outstanding as of September 30, 2018. There were 1,616,589 and 1,549,998 outstanding Non-Voting Common Units as of September 30, 2018 and December 31, 2017, respectively.

Preferred Units. Holders of Preferred Units have one vote on an as-converted basis (the number of Common Units into which Preferred Units could be converted). All Preferred Units will automatically be converted into Common Units upon a public offering or in the event the Company is taxed as a corporation for U.S. federal tax purposes. Investor members, as defined in the operating agreement, may redeem their units for cash at any time on or after the six-year anniversary of the amended operating agreement.

The 687,956 Convertible Preferred Units outstanding as of December 31, 2016 were exchanged for 289,528 Preferred Units and 398,428 Voting Common Units. After the recapitalization, holders of the Preferred Units sold 325,384 Preferred Units for $8,938,799 and the Company sold 766,650 Preferred Units for $21,061,201 during 2017. Transaction expenses of $500,000 were recorded as a reduction of the proceeds, and the Company received the remaining $20,561,201 of net proceeds. As of September 30, 2018, and December 31, 2017, 1,456,036 Preferred Units were outstanding.

Incentive Units. The Incentive Units consist of Series B Incentive Units and Special Incentive Units. The 182,924 Common Profit Interest Units outstanding as of December 31, 2016 were exchanged for the same amount of Series B Incentive Units, and this amount remains outstanding as of September 30, 2018 and December 31, 2017. During the nine months ended September 30, 2018 and 2017, the Company recognized compensation costs of $301,799 and $2,504,373, respectively, based on each unit agreement's required service period and performance condition. As of September 30, 2018, there was $29,342 of total unrecognized compensation expense, which is expected to be recognized over a weighted average period of 0.1 years.

The Company authorized and issued 441,309 Special Incentive Units to the founders of Bite Squad. At their discretion, the founders can issue the units to members of management. The founders issued 189,452 Special Incentive Units as of December 31, 2017. An additional 15,549 Special Incentive Units were issued during the nine months ended September 30, 2018, and 17,142 units were forfeited. Incentive Units have no voting rights, except for the two founders' Special Incentive Units, each of which is entitled 10 votes per unit. Compensation costs during the nine months ended September 30, 2018 and 2017 were $506,254 and $1,753,756, respectively. As of September 30, 2018, there was $1,327,789 of total unrecognized compensation expense, which is expected to be recognized over a weighted average period of 1.85 years.

The Special Incentive Units' vesting accelerates on a liquidation event, including the agreement described in Note 11, and the Company anticipates the incentive unit compensation to be paid out six months after the closing date.

Note 10 – Fair Value Measurements

Fair value measurements are reported in one of three levels based on the lowest level of significant input used: Level 1 (unadjusted quoted prices in active markets); Level 2 (observable market inputs, other than quoted prices included in Level 1); and Level 3 (unobservable inputs that cannot be corroborated by observable market data).

The Company's contingent consideration (Level 3) is measured at fair value on a recurring basis and represents the estimated value (using a probability-weighted approach) of future payments to be made to previous owners of an acquired business. The Company has estimated a contingent consideration liability related to the Takeout Taxi acquisition, due to the previous owners of the acquired business if certain defined targets are achieved in a liquidity event. The maximum contingent consideration payment is $700,000. The changes in the Company's contingent consideration liability were as follows:

Balance as of December 31, 2017	$407,235
Amounts recorded related to new acquisitions	—
Net fair value adjustments	—
Settlements of contingent consideration liabilities	—
Balance as of September 30, 2018	$407,235

Note 11 – Subsequent Events

Management has evaluated subsequent events occurring through January 25, 2019, the date the condensed consolidated financial statements were available to be issued, for events requiring recording or disclosure in the Company's condensed consolidated financial statements.

On December 11, 2018, the Company entered into a merger agreement (the "Merger Agreement") with Waitr Holdings Inc. ("Waitr") and Wingtip Merger Sub, Inc. ("Merger Sub"), a wholly-owned subsidiary of Waitr Holdings Inc. On completion of the transactions contemplated by the Merger Agreement (the "Merger") on January 17, 2019, Merger Sub merged with and into the Company, with the Company surviving as a wholly-owned, indirect subsidiary of Waitr. The aggregate consideration for the Merger consisted of (1) $192.9 million cash, and (2) 10.6 million shares of Waitr's common stock, subject to final closing balance sheet adjustments.

Exhibit 99.4

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

Capitalized terms used and not otherwise defined herein have the meanings ascribed to them in the Amendment No. 1 to the Current Report on Form 8-K (“Form 8-K/A”) to which this pro forma financial information is being filed as an exhibit. Unless the context otherwise requires, the “Company” refers to the Landcadia Holdings, Inc. and its subsidiaries (“LCA”) prior to the closing of the transaction with Waitr Incorporated (the “business combination”), and to Waitr Holdings, Inc. after the business combination.

The following unaudited pro forma condensed combined balance sheet as of September 30, 2018 assumes that the business combination, the acquisition of BiteSquad.com, LLC (“Bite Squad”), and Debt Financings occurred on September 30, 2018. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2018 and year ended December 31, 2017 present pro forma effect to the business combination, the acquisition of Bite Squad, and Debt Financings as if they had been completed on January 1, 2017.

The pro forma financial statements are prepared in conformity with the Securities Exchange Commission (“SEC”), Regulation S-X: Article 3, Rule 3-05, Financial Statements of Businesses Acquired or to be Acquired (“Rule 3.05”) and Article 11, *Pro forma Financial Information* (“Article 11”). Certain information and disclosures normally included in financial statements prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) have been condensed or omitted pursuant to such rules and regulations. However, we believe that the disclosures provided herein are adequate to make the information presented not misleading. The pro forma combined financial statements do not necessarily reflect what the post-combination company’s financial condition or results of operations would have been had the business combination, the Debt Financing, and acquisition of Bite Squad occurred on the dates indicated. The pro forma combined financial information also may not be useful in predicting the future financial condition and results of operations of the post-combination company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The historical financial information of the Company was derived from the unaudited and audited financial statements of Landcadia Holdings, Inc. as of and for the nine months ended September 30, 2018 and for the year ended December 31, 2017. The historical financial information of Waitr Incorporated (“Waitr”) was derived from the unaudited and audited consolidated financial statements of Waitr as of and for the nine months ended September 30, 2018 and for the year ended December 31, 2017. The historical financial information of Bite Squad was derived from the unaudited and audited consolidated financial statements of Bite Squad as of and for the nine months ended September 30, 2018 and for the year ended December 31, 2017, attached as an exhibit to this Form 8-K/A. This information should be read together with the Company’s Annual Report on Form 10-K for the year ended December 31, 2017 and the Company’s quarterly report on Form 10-Q for the quarter ended September 30, 2018, as well as Waitr’s unaudited and audited consolidated financial statements included in the Definitive Proxy Statement and “Bite Squad Management’s Discussion and Analysis of Financial Condition and Results of Operations”, which is included elsewhere in the 8-K/A, along with other financial information included elsewhere in this Form 8-K/A.

The business combination between the Company and Waitr was accounted for as a reverse recapitalization, with no goodwill or other intangible assets recorded, in accordance with GAAP. Under this method of accounting, the Company has been treated as the “acquired” company for financial reporting purposes. Accordingly, for accounting purposes, the business combination was treated as the equivalent of Waitr issuing stock for the net assets of the Company, accompanied by a recapitalization. The net assets of the Company were stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the business combination are those of Waitr.

Waitr was determined to be the accounting acquirer based on evaluation of the following facts and circumstances:

- The post-combination company’s board of directors consists of seven directors. Waitr has control of the Chairmanship and appointed four of the seven Board members;
- Waitr holds C-suite management roles for the post-combination company.
- From a revenue and business operation standpoint, Waitr is the larger entity in terms of relative size;
- Waitr’s current Lake Charles, LA headquarters are the headquarters of the post-combination company

- The post-combination company will assume Waitr's name
- The shares of common stock and warrants began trading on Nasdaq under the symbols "WTRH" and "WTRHW," respectively
- The intended strategy of the post-combination entity will continue Waitr's current strategy of partnering with local independent restaurants and regional and national chains in underserved markets
- Other factors were considered, including the fact that the Landcadia stockholder group has the greatest voting interest. However, Waitr holding the C-suite management roles for the post-combination company, in addition to its ability to appoint 4 of the 7 Board members significantly decreases the ability of the Landcadia stockholders to control on voting interest alone. Additionally, the Landcadia stockholder group holds only a slight majority with 57.8% of the voting interest.

Following the business combination, the Company entered into a merger agreement for the acquisition of Bite Squad. The acquisition of Bite Squad will be treated as a business combination under ASC 805 and will be accounted for using the acquisition method. The Company will record the fair value of assets acquired and liabilities assumed from Bite Squad. Any consideration paid in excess of fair value of assets acquired and liabilities assumed will be attributed to goodwill.

Description of the business combination and the acquisition of Bite Squad

The aggregate consideration for the business combination was approximately $300.0 million, payable in the form of cash and shares of the Company's common stock valued at $10.00 per share. The cash portion of the consideration was an aggregate amount equal to the sum of (i) $46,679,403 plus (ii) the Additional Cash Amount of $25,000,000. The remainder of consideration amount, less the Cash Consideration, was paid in the form of shares of the Company's common stock valued at $10.00 per share. In addition, 559,507 options to purchase Waitr shares that are unvested, outstanding and unexercised as of immediately prior to the Effective Time, were assumed by the Company. The following represents the aggregate consideration:

(in thousands, except share amounts)	Nine Months ended September 30, 2018
Shares transferred at Closing	22,832
Value per share (1)	$ 10.00
Total Share Consideration	$ 228,320
Plus: Cash Transferred to Waitr Stockholders	71,680
Total Cash and Share Consideration - at Closing	$ 300,000

(1) Value represents the Reference Price per the Merger Agreement. The closing share price on the date of the consummation of the transaction was $11.31. As the business combination was accounted for as a reverse recapitalization, the value per share is disclosed for informational purposes only in order to indicate the fair value of shares transferred.

The consideration for the acquisition of Bite Squad consisted of (i) an aggregate of $192.9 million payable in cash, subject to adjustments, and (ii) an aggregate of 10,591,968 shares of the Company's common stock, par value $0.0001 per share. The following represents the aggregate consideration:

(in thousands, except share amounts)		Nine Months ended September 30, 2018
Shares transferred at Closing		10,592
Value per share (1)	$	10.00
Total Share Consideration	$	105,920
Plus: Cash Transferred to Bite Squad Stockholders		192,949
Total Cash and Share Consideration - at Closing	$	298,869

(1) Value represents the Reference Price per the Merger Agreement. The closing share price on the date of the consummation of the transaction was $11.95. As the acquisition of Bite Squad was accounted for as a business combination, total consideration reflected in the unaudited pro forma condensed combined balance sheet was calculated using the share price on the date of closing of the acquisition of Bite Squad.

The following summarizes the pro forma common stock shares outstanding:

	Shares	%
LCA Merger Consideration shares (1)	22,831,697	
Total Waitr shares	22,831,697	35%
Shares issued to Founders in connection with financing	1,675,000	
Common shares held by current LCA shareholders	23,278,841	
Total LCA shares	24,953,841	39%
Founder shares	6,250,000	10%
Bite Squad Merger Consideration shares (1)	10,591,968	16%
Pro Forma Common Stock at September 30, 2018	64,627,506	100%

(1) Refer to the Consideration Shares table herein.

The following unaudited pro forma condensed combined balance sheet as of September 30, 2018 and the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2018 and the year ended December 31, 2017 are based on the historical financial statements of the Company, Waitr, and Bite Squad. The unaudited pro forma adjustments are based on information currently available, assumptions, and estimates underlying the unaudited pro forma adjustments are described in the accompanying notes. Actual results may differ materially from the assumptions used to present the accompanying unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
(in thousands)

	As of September 30, 2018									As of September 30, 2018
	Waitr (Historical)	Landcadia (Historical)	Bitesquad (Historical) (O)	Pro Forma Adjustments		Debt Financing Adjustments		Bitesquad Transaction Adjustments		Pro Forma Combined
ASSETS										
Current assets:										
Cash and cash equivalents	$ 2,842	$ 1,332	$ 14,563	$ 236,323	(A)	122,905	(K)	(192,949)	(L)	$ 61,019
				(68,405)	(B)			(10,668)	(R)	
				(8,750)	(D)			(9,497)	(S)	
				(15,582)	(E)					
				(3,321)	(G)					
				(3,274)	(H)					
				(4,500)	(J)					
Accounts receivable, net	3,508	—	5,193	—						8,701
Capitalized contract costs, current	1,591	—	—	—						1,591
Services receivable	623	—	—	—						623
Other current assets	2,631	19	1,665	—						4,315
Total current assets	**11,195**	**1,351**	**21,421**	**132,491**		**122,905**		**(213,114)**		**76,249**
Cash and cash equivalents held in trust	—	236,881	—	(236,881)	(A)					—
Property and equipment, net	2,957	—	915	—				(915)	(T)	2,957
Capitalized contract costs, current	720	—	—	—						720
Goodwill	1,408	—	37,144	—				177,209	(M)	215,761
Intangible assets, net	285	—	—	—				107,000	(N)	107,285
Other noncurrent assets	144	—	1,803	—				(1,416)	(T)	531
Total assets	**$ 16,709**	**$ 238,232**	**$ 61,283**	**$ (104,390)**		**$ 122,905**		**$ 68,764**		**$ 403,503**
LIABILITIES AND STOCKHOLDERS' EQUITY										
Current Liabilities										
Accounts payable	$ 1,733	$ 560	$ 674	$ (560)	(A)					$ 1,784
				(623)	(E)					
Gratuities payable	841	—	—							841
Deferred revenue, current	2,947	—	—							2,947
Income tax payable	13	477	—							490
Accrued payroll	2,092	—	2,130							4,222
Accrued interest	652	—	—	(652)	(G)					—
Accrued professional fees	3,331	—	—	(3,331)	(E)					—
Short-term loan	1,310	—	—	—						1,310
Other current liabilities	1,920	—	17,790					(7,369)	(R)	12,316
								(25)	(T)	
Convertible loan payable to affiliate		1,500				(1,500)	(K)			—
Total current liabilities	**14,839**	**2,537**	**20,594**	**(5,166)**		**(1,500)**		**(7,394)**		**23,910**
Long-term liabilities										
Line of Credit	3,600			(3,600)	(J)					—
Term loan						64,488	(K)			64,488
Convertible notes, net	8,589	—	—	(8,589)	(G)	58,200	(K)			58,200
Bifurcated embedded derivative on convertible notes	1	—	—	(1)	(G)					—
Accrued workers' compensation liability	1,405	—	—							1,405
Deferred revenue, noncurrent	1,300	—	—							1,300
Other noncurrent liabilities	573	8,750	3,813	(8,750)	(D)			(2,662)	(R)	481
				(499)	(J)			(744)	(T)	
Total liabilities	**30,307**	**11,287**	**24,407**	**(26,605)**		**121,188**		**(10,800)**		**149,784**

Common stock subject to possible conversion (21,913,368 shares at conversion value as of June, 2018)	—	221,945	—	(221,945)	(C)					—
Stockholders' equity(deficit)										
Class A common stock, $0.0001 par value	—	—	—	2	(C)			1	(L)	6
				2	(B)					
				1	(I)					
Class F common stock, $0.0001 par value	—	1	—	(1)	(I)					—
Convertible Voting Preferred Stock: Seed I, Par Value of $0.00001	—	—	—	—						—
Convertible Voting Preferred Stock: Seed II, Par Value of $0.00001	—	—	—	—						—
Convertible Voting Preferred Stock: Seed AA, Par Value of $0.00001	—	—	—	—						—
Common Stock, Par Value of $0.00001	—	—	—	—						—
Additional paid-in capital	40,363	3,240	36,876	221,942	(C)	1,717	(K)	(36,876)	(Q)	322,096
				(68,405)	(B)			126,574	(L)	
				(2)	(B)			(5,350)	(S)	
				1,759	(F)					
				5,922	(G)					
				(3,274)	(H)					
				(8,324)	(E)					
				5,934	(P)					
Accumulated deficit	(53,961)	1,759	—	(1,759)	(F)			(638)	(R)	(68,383)
				(3,303)	(E)			(4,147)	(S)	
				(400)	(J)					
				(5,934)	(P)					
Total stockholders' equity (deficit)	**(13,598)**	**5,000**	**36,876**	**144,160**		**1,717**		**79,564**		**253,719**
Total liabilities and stockholders' equity(deficit)	**$ 16,709**	**$ 238,232**	**$ 61,283**	**$ (104,390)**		**$ 122,905**		**$ 68,764**		**$ 403,503**

See accompanying notes to unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
(in thousands, except share and per share data)

	Nine Months Ended September 30, 2018									Nine Months Ended September 30, 2018
	Waitr (Historical)	Landcadia (Historical)	Bitesquad (Historical)	Pro Forma Adjustment		Debt Financing Adjustments		Bitesquad Transaction Adjustments		Pro Forma Combined
Revenue	$ 48,000	$ —	$ 58,575	$ —						$ 106,575
Operating expenses:										
Operations and support	30,348	—	39,507	35	(II)					69,890
Sales and marketing	8,989	—	10,951	13	(II)					19,953
Research and development	1,988	—	2,072	28	(II)					4,088
General and administrative	22,426	1,312	8,635	660	(FF)					27,566
				(5,473)	(GG)					
				6	(II)					
Depreciation and amortization	902	—	33	—				13,631	(HH)	14,566
Related party expenses	76	—	316	—						392
Loss on disposal of assets	8	—	—	—						8
Total operating expenses	**64,737**	**1,312**	**61,514**	**(4,731)**		**—**		**13,631**		**136,463**
(Loss) from operations	**(16,737)**	**(1,312)**	**(2,939)**	**4,731**		**—**		**(13,631)**		**(29,888)**
Other expenses and losses, net										
Interest expense (income), net	901	(2,690)	143	2,690	(AA)	4,821	(EE)			5,118
				(747)	(BB)					
Gain on derivative	(336)	—	—	336	(CC)					—
Other expenses	1	—	(765)	—						(764)
Net (loss) before income taxes	**(17,303)**	**1,378**	**(2,317)**	**2,452**		**(4,821)**		**(13,631)**		**(34,242)**
Income tax expense	38	472	48	—	(DD)	—	(EE)			86
				(472)	(AA)					
Net (Loss) income	**$ (17,341)**	**$ 906**	**$ (2,365)**	**$ 2,924**		**$ (4,821)**		**$ (13,631)**		**$ (34,328)**
Earnings per Share										
Net (Loss) per shares of common stock – basic and diluted	$ (1.55)	$ (0.15)	$ —							$ (0.53)
Weighted average shares of common stock outstanding – basic and diluted	11,219,053	7,627,086	—							64,627,506

See accompanying notes to unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS
(in thousands, except share and per share data)

	Twelve Months Ended December 31, 2017									Twelve Months Ended December 31, 2017
	Waitr (Historical)	Landcadia (Historical)	Bitesquad (Historical)	Pro Forma Adjustments		Debt Financing Adjustments		Bitesquad Transaction Adjustments		Pro Forma Combined
Revenues	$ 22,911	$ —	$ 41,320							$ 64,231
Operating expenses										
Operations and support	17,668	—	29,838	64	(II)					47,570
Sales and marketing	5,617	—	10,769	26	(II)					16,412
Research and development	1,586	—	4,033	44	(II)					5,663
General and administrative	12,601	480	9,496	1,095	(FF)					23,981
				300	(FF)					
				9	(II)					
Depreciation and amortization	723	—	31	—				18,175	(HH)	18,929
Related party expenses	182	—	451	—						633
Impairment of intangible assets	584	—	—							584
Loss on disposal of assets	33	—	—	—						33
Total operating expenses	**38,994**	**480**	**54,618**	**1,538**		**—**		**18,175**		**113,805**
Operating (loss)	**(16,083)**	**(480)**	**(13,298)**	**(1,538)**		**—**		**(18,175)**		**(49,574)**
Other expenses and losses, net:										
Interest expense (income), net	281	(1,798)	(15)	1,798	(AA)	6,372	(EE)			6,355
				(283)	(BB)					
(Gain) Loss on derivative	52	—	—	(52)	(CC)					—
(Gain) Loss on debt extinguishment	10,537	—	—	—						10,537
Other expenses	(52)	—	(4)	—						(56)
Net (Loss) before income taxes	**(26,901)**	**1,318**	**(13,279)**	**(3,001)**		**(6,372)**		**(18,175)**		**(66,410)**
Income tax expense	6	448	7	—	(DD)	—	(EE)			13
				(448)	(AA)					
Net (Loss) income	**$ (26,907)**	**$ 870**	**$ (13,286)**	**$ (2,553)**		**$ (6,372)**		**$ (18,175)**		**$ (66,423)**
Earnings per Share										
Net (Loss) per shares of common stock – basic and diluted	$ (2.42)	$ (0.05)	$ —							$ (1.03)
Weighted average shares of common stock outstanding – basic and diluted	11,141,548	7,553,650	—							64,627,506

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The business combination between Landcadia Holdings, Inc. and Waitr was accounted for as a reverse recapitalization in accordance with GAAP. Under this method of accounting, the Company has been treated as the "acquired" company for financial reporting purposes. Accordingly, for accounting purposes, the business combination was treated as the equivalent of Waitr issuing stock for the net assets of the Company, accompanied by a recapitalization. The net assets of the Company were stated at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the business combination are those of Waitr.

The acquisition of Bite Squad was considered a business combination in accordance with ASC 805, and will be accounted for using the acquisition method. Under the acquisition method, the acquisition-date fair value of the gross consideration transferred to effect the Bite Squad acquisition is allocated to the assets acquired and liabilities assumed based on their estimated fair values.

The following are preliminary estimated fair values of the Bite Squad merger consideration, assets acquired and liabilities assumed (in thousands):

Shares transferred at closing	10,592
Value per share	$ 11.95
Total share consideration	126,574
Plus: Cash transferred to Bite Squad stockholders	192,949
Total merger consideration	$319,523
Cash and cash equivalents	14,563
Settlement due from credit card processors	3,320
Accounts receivable	1,873
Inventory	733
Prepaid expenses & other	932
Intangible assets	107,000
Loans receivable	212
Other noncurrent assets	175
Restaurant food liability	(6,617)
Accounts payable	(674)
Accrued payroll	(2,130)
Accrued taxes	(1,052)
Other accruals	(2,727)
Convertible notes, net(1)	(5,877)
Current portion of notes payable(1)	(1,492)
Notes payable(1)	(2,662)
Contingent consideration(1)	(407)
Total assets acquired and liabilities assumed	$105,170
Goodwill	$214,353

(1) Upon consummation of the merger, Bite Squad's indebtedness was repaid. See adjustment (R) below.

The Company has made preliminary purchase price allocations based on currently available information. The final determination of fair value of assets acquired and liabilities assumed is expected to be completed as soon as practicable.

The unaudited pro forma condensed combined balance sheet as of September 30, 2018 assumes that the business combination, the acquisition of Bite Squad, and Debt Financing occurred on September 30, 2018. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2018 and the year ended December 31, 2017 present pro forma effect to the business combination, the acquisition of Bite Squad, and Debt Financings as if they had been completed on January 1, 2017.

Management has made significant estimates and assumptions in its determination of the pro forma adjustments and the preliminary allocation of gross consideration transferred. As the unaudited pro forma condensed combined financial information has been prepared based on these preliminary estimates, the final amounts recorded may differ materially from the information presented.

The unaudited pro forma condensed combined financial information does not give effect to any anticipated synergies, operating efficiencies, tax savings, or cost savings that may be associated with the business combination or acquisition of Bite Squad.

The pro forma adjustments reflecting the consummation of the business combination, the acquisition of Bite Squad, and Debt Financing are based on certain currently available information and certain assumptions and methodologies that the Company believes are reasonable under the circumstances. The unaudited condensed pro forma adjustments, which are described in the accompanying notes, may be revised as additional information becomes available and is evaluated. Therefore, it is likely that the actual adjustments will differ from the pro forma adjustments and it is possible the difference may be material. The Company believes that its assumptions and methodologies provide a reasonable basis for presenting all of the significant effects of the business combination, the Debt Financing, and acquisition of Bite Squad based on information available to management at the time, and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information is not necessarily indicative of what the actual results of operations and financial position would have been had the business combination, the Debt Financing, and acquisition of Bite Squad taken place on the dates indicated, nor are they indicative of the future consolidated results of operations or financial position of the post-combination company. They should be read in conjunction with the historical financial statements and notes thereto of Landcadia Holdings, Waitr, and Bite Squad.

2. Accounting Policies

Upon consummation of the business combination and the acquisition of Bite Squad, management will perform a comprehensive review of the three entities' accounting policies. As a result of the review, management may identify differences between the accounting policies of the three entities which, when conformed, could have a material impact on the financial statements of the post-combination company. Based on its initial analysis, management did not identify any differences that would have a material impact on the unaudited pro forma condensed combined financial information. As a result, the unaudited pro forma condensed combined financial information does not assume any differences in accounting policies.

3. Adjustments to Unaudited Pro Forma Condensed Combined Financial Information

The unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the business combination, the Debt Financing, and the acquisition of Bite Squad and has been prepared for informational purposes only.

The historical financial statements have been adjusted in the unaudited pro forma condensed combined financial information to give pro forma effect to events that are (1) directly attributable to the business combination, the Debt Financing, and the acquisition of Bite Squad, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the results of the post-combination company. Waitr, Bite Squad and the Company have not had any historical relationship prior to the business combination and the acquisition of Bite Squad. Accordingly, no pro forma adjustments were required to eliminate activities between the companies.

The pro forma combined provision for income taxes does not necessarily reflect the amounts that would have resulted had the post-combination company filed consolidated income tax returns during the periods presented.

The pro forma basic and diluted earnings per share amounts presented in the unaudited pro forma condensed combined statements of operations are based upon the number of Waitr's shares outstanding, assuming the business combination and acquisition of Bite Squad occurred on January 1, 2017.

Adjustments to Unaudited Pro Forma Condensed Combined Balance Sheet

The adjustments included in the unaudited pro forma condensed combined balance sheet as of September 30, 2018 are as follows:

(A) Reflects the reclassification of $236.9 million of cash and cash equivalents held in the Landcadia Holdings trust account that becomes available to fund the business combination after settlement of $560.0 thousand of accounts payable.

(B) Reflects consideration of $68.4 million of cash and 22,831,697 shares of common stock of Landcadia Holdings valued at $10.0 per share, par value $0.0001 per share.

(C) Reflects the reclassification of $221.9 million of common stock subject to possible redemption to permanent equity.

(D) Reflects the settlement of $8.8 million of deferred underwriters' fees incurred during the Landcadia IPO, due upon completion of the business combination.

(E) Reflects adjustments of $15.6 million to cash for transaction costs expected to be incurred in relation to the business combination. A portion of the transaction costs were considered to be equity issuance related costs, and have been reflected as an adjustment to APIC. The remaining portion of the costs are reflected as an adjustment to accumulated deficit, or accrued liabilities if previously accrued as of September 30, 2018.

(F) Reflects the reclassification of Landcadia Holdings' historical accumulated deficit.

(G) Reflects the conversion and settlement of $8.6 million of Waitr convertible notes payable. The holders of the Waitr convertible notes had the option to settle the outstanding note balance and accrued interest amount in cash, in lieu of receiving Waitr equity. Approximately $3.3 million of the outstanding note payable balance was settled in cash. The remaining amount of notes payable were converted into Class A common stock.

(H) Reflects the cash amount paid to Waitr Stockholders that were deemed to be non-accredited by the Company, in lieu of Class A common stock.

(I) Reflects the conversion of Class F common stock to Class A common stock.

(J) Reflects the settlement of the outstanding line of credit, along with related accrued origination fee as of September 30, 2018.

(K) Reflects adjustments related to the Debt Facility and the Notes, including the requisite payment of the Company's outstanding loan to FEI Sponsor. Lenders under the Debt Facility are entitled to receive their pro rata share of warrants to purchase that number of shares of the Company's common stock such that they would receive $5.0 million of common equity. The total value assigned to the warrants was approximately $1.5 million using the Black-Scholes Model. The Notes are convertible at any time at the holder's election, in whole or in part into common equity of the Company at a rate of $13.00 per share, subject to a conversion cap. If all of the Notes were converted, and additional 4.6 million shares would be issued to holders of the Notes.

(L) Reflects consideration of $192.9 million of cash and 10,591,968 shares of common stock of the Company valued at $11.95 per share, par value $0.0001 per share.

(M) Represents the estimated adjustment to goodwill as a result of the acquisition of Bite Squad (in thousands).

Preliminary purchase price	$319,523
Less: fair value of net assets acquired	105,170
Total estimated goodwill	214,353
Less: Bite Squad historical goodwill	37,144
Pro forma adjustment	$177,209

(N) Reflects the adjustment to intangible assets to reflect the preliminary fair market value (in thousands):

Customer Relationships	$ 76,000
Trade name	3,500
Developed technology	27,500
Total (pro forma adjustment)	$107,000

(O) Reflects reclassification of certain amounts in Bite Squad's historical balance sheet to conform to the Company's historical presentation. Adjustments were as follows:

Original caption	**Amount**	**New Caption**
Settlements due from credit card processors	$ 3,320	Accounts receivable
Inventory	733	Other current assets
Loans receivable, net	212	Other noncurrent assets
Restaurant food liability	6,617	Other current liabilities
Accrued sales taxes	1,052	Other current liabilities
Convertible notes, net	5,877	Other current liabilities
Current portion of notes payable	1,492	Other current liabilities
Notes payable	2,662	Other noncurrent liabilities
Contingent consideration	407	Other noncurrent liabilities
Total members' equity	36,876	Additional paid in capital

(P) Reflects adjustment of $5.9 million for stock-based compensation expense related to the acceleration of vesting for certain Waitr stock options. As the impact of the acceleration of vesting is non-recurring in nature, the adjustment was reflected within accumulated deficit.

(Q) Reflects the elimination of Bite Squad's historical members' equity of $36.9 million.

(R) Reflects settlement of Bite Squad's historical debt that was repaid as part of the transaction.

(S) Reflects adjustments of $9.5 million to cash for transaction costs expected to be incurred in relation to the acquisition of Bite Squad. A portion of the transaction costs were considered to be equity issuance costs, and have been reflected as an adjustment to APIC. The remaining portion of the costs are reflected as an adjustment to accumulated deficit.

(T) Reflects the removal of certain historical assets that were not acquired and liabilities that were not assumed as a result of the elimination of Bite Squad's variable interest due to cancellation of an agreement upon closing of the acquisition of Bite Squad. Also reflects the elimination of a loan receivable that was settled in lieu of a cash payment as a result of the closing of the acquisition of Bite Squad.

Adjustments to Unaudited Pro Forma Condensed Combined Statements of Operations

The pro forma adjustments included in the unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2018 and year ended December 31, 2017 are as follows:

(AA) Elimination of interest income on the trust account and related tax impact.

(BB) Elimination of interest expense on the Convertible Notes.

(CC) Elimination of the gain/loss on the derivative related to the Convertible Notes.

(DD) Reflects the net impact on income taxes resulting from an income tax benefit attributable to application of the statutory tax rate of 25.5% to the adjustment related to reduction of interest expense incurred on Waitr's convertible notes, offset by the impact on the pro forma valuation allowance. The tax impacts of the business combination were estimated based on the applicable tax law in effect on September 30, 2018 and December 31, 2017, respectively, inclusive of the effects of the Tax Act which was signed into law on December 22, 2017.

(EE) Reflects additional interest expense as a result of the Debt Facility and the Notes, which were calculated based on the following terms:

	Debt Facility	**Notes**
Principal Balance	$67.1 million	$60.0 million
Term	4 years	4 years
Interest Rate	7.125% per annum, paid quarterly in cash or as payment-in-kind	1.00% per annum, paid quarterly in cash

Due to allocated discounts, the effective interest rates for the Debt Facility and the Notes were approximately 8.13% and 1.75%, respectively.

(FF) Reflects additional compensation expense recorded as a result of the execution of employment agreements with certain members of the management team and additional expenses for agreements with external consultants.

(GG) Reflects the elimination of nonrecurring transaction costs incurred during the nine months ended September 30, 2018 that are directly attributable to the business combination

(HH) Reflects additional amortization expense as a result of an increase in fair market value of certain intangible assets (in thousands):

	Preliminary fair value	Remaining Useful Life in Years	Year Ended December 31, 2017 Amortization Expense	Nine Months Ended September 30, 2018 Amortization expense
Customer Relationships	$ 76,000	7.5	$ 10,133	$ 7,600
Trade name	3,500	3.0	1,167	875
Developed technology	27,500	4.0	6,875	5,156
Total (pro forma adjustment)	$ 107,000		$ 18,175	$ 13,631

(II) Reflects incremental stock compensation expense as a result of the exchange of certain Waitr, stock options for options of the post combination company in connection with the business combination.

4. Earnings per Share

Represents the net earnings per share calculated using the historical weighted average Waitr shares outstanding, and the issuance of additional shares in connection with the business combination, and the acquisition of Bite Squad, assuming the shares were outstanding since January 1, 2017. As the business combination, the acquisition of Bite Squad, and related proposed equity transactions are being reflected as if they had occurred at the beginning of the periods presented, the calculation of weighted average shares outstanding for basic and diluted net income (loss) per share assumes that the shares issuable relating to the business combination and acquisition of Bite Squad have been outstanding for the entire periods presented. If the maximum number of shares are redeemed, this calculation is retroactively adjusted to eliminate such shares for the entire periods.

	Twelve Months ended December 31, 2017	Nine Months ended September 30, 2018
Pro Forma Basic & Diluted Loss Per Share		
Pro Forma Net Income Attributable to Common Shareholders	$ (66,423)	$ (34,328)
Basic & Diluted Shares Outstanding	64,627,506	64,627,506
Pro Forma Basic & Diluted Loss Per Share	$ (1.03)	$ (0.53)
Pro Forma Shares Outstanding - Basic & Diluted		
LCA Merger Consideration shares		22,831,697
Shares issued to Founders in connection with financing		1,675,000
Common shares held by current LCA shareholders		23,278,841
Bite Squad Merger Consideration shares		10,591,968
Founder shares		6,250,000
Pro Forma Shares Outstanding - Basic & Diluted		**64,627,506**

BITE SQUAD MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the sections titled "Unaudited Pro Forma Condensed Combined Financial Information," "Summary Historical Financial Information of Bite Squad," "Information About Bite Squad" and the financial statements and related notes thereto included elsewhere in this proxy statement. Unless otherwise stated, the discussion below primarily reflects Bite Squad's historical condition and results of operations as of December 31, 2017 and 2016 and for the years ended December 31, 2017 and 2016, which are based on Bite Squad's audited consolidated financial statements as of the dates and for the years then ended (the "audited financial statements") and as of September 30, 2018 and for the nine month periods ended September 30, 2018 and 2017, which are based on Bite Squad's unaudited interim condensed consolidated financial statements for the periods then ended (the "unaudited interim financial statements"). Dollar amounts in this discussion are expressed in thousands, except as otherwise noted.

The following discussion contains forward-looking statements that reflect future plans, estimates, beliefs and expected performance. The forward-looking statements are dependent upon events, risks and uncertainties that may be outside of Bite Squad's control. Bite Squad's actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the sections titled "Risk Factors — Risks Related to Bite Squad's Business and Industry" and "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this proxy statement. Bite Squad does not undertake any obligation to publicly update any forward-looking statements except as otherwise required by applicable law.

Overview

Bite Squad operates a leading online ordering and delivery platform that enables consumers to discover and order meals from local restaurants, powered by its team of delivery drivers. Originally formed on April 25, 2012 as a Minnesota limited liability company, Bite Squad began operations in 2012 and has grown quickly to connect restaurants, diners, and delivery drivers in various markets. Bite Squad facilitates ordering of food and beverages by diners from restaurants for takeout and delivery, primarily through the Bite Squad platform. Bite Squad markets its proprietary application and digital platform to restaurants and diners mainly across small and medium sized markets, which Bite Squad defines as geographic city and town clusters within the top 51-500 markets in the United States, based on population. These markets are home to approximately 35% of restaurants in the United States. Like larger U.S. cities, these markets have growing demand for online and application-driven food takeout and delivery and have historically been underserved by Bite Squad's competitors. Bite Squad believes that its focus on small and medium sized markets, established market launch playbook, and differentiated operating model provide it with a competitive advantage in its target markets.

As of September 30, 2018, Bite Squad operated across twenty states, in 52 markets comprised of approximately 300 cities, with a population of approximately 30 million, and believes it was the market leader in the majority of these markets in terms of number of restaurants. Average Daily Orders (as defined below) for the three months ended September 30, 2018 were approximately 18,813 and were approximately 16,215 in the nine months ended September 30, 2018, and 7,599, and 2,861 in 2017 and 2016, respectively. During the three months ended September 30, 2018, Bite Squad generated revenues of $21,425 compared to $10,791 in the same period of 2017. Bite Squad's revenues grew to $41,320 in the year ended December 31, 2017 from $18,373 in the year ended December 31, 2016.

Factors Affecting the Comparability of Bite Squad's Results of Operations

Seasonality and Holidays. Bite Squad's business tends to follow restaurant closure and diner behavior patterns. In many of Bite Squad's markets, Bite Squad generally experiences a relative increase in diner activity from September to May and a relative decrease in diner activity from June to August due to school summer breaks and other vacation periods. In addition, restaurants tend to close on certain holidays, including Thanksgiving and Christmas Day, in Bite Squad's key markets. Further, diner activity may be impacted by unusually cold, rainy, or warm weather. Cold and rain typically drive increases in order volume, while unusually warm or sunny weather typically drives decreases in orders. Consequently, Bite Squad's results between quarters, or between periods that include prolonged periods of unusually cold, warm, inclement, or otherwise unexpected weather, may vary.

Acquisition Pipeline. Bite Squad actively maintains and evaluates a pipeline of potential acquisitions and expects to be acquisitive in the future. Potentially significant future business acquisitions may impact the comparability of the Bite Squad's results in future periods with those for prior periods.

Key Factors Affecting Bite Squad's Performance

Efficient Market Expansion. Bite Squad's continued revenue growth and path to improved cash flow and profitability is dependent on successful penetration of its target markets and achieving its targeted scale in current and future markets. Once a target market is identified, Bite Squad's market launch playbook calls for hiring a market manager to interview, hire, and onboard new drivers, while Bite Squad's corporate and business development team is simultaneously deployed to onboard an appropriate selection of strategically located and diverse restaurants. A local awareness and marketing campaign is typically commenced ahead of launch and temporarily ramped up simultaneously with operational launch, which is driven by the acquisition of a targeted number of Restaurant Partners and drivers. Simultaneous with the market launch playbook, Bite Squad will research potential asset acquisition targets as a mechanism to accelerate diner and restaurant acquisition in new markets. Delay or failure in achieving positive market-level margins (exclusive of indirect and corporate overhead costs) could adversely affect Bite Squad's working capital, which in turn, could slow its growth plans.

Bite Squad typically targets markets where it estimates that it could achieve sustainable, positive market-level margins that support sustainable market operating cash flows and profits, improve efficiency, and appropriately leverage the scale of its advertising, marketing, research and development, and other corporate resources. Historically, Bite Squad estimates that it reached positive market-level margins (exclusive of indirect and corporate overhead costs) approximately six months, on average, following market launch, which could be accelerated significantly with an acquisition. Bite Squad's financial condition, cash flows, and results of operations depend, in significant part, on its ability to achieve and sustain its target profitability thresholds in its markets.

Bite Squad's Restaurant and Diner Network. Bite Squad's growth has been and is expected to continue to be driven in significant part by its ability to successfully expand its network of Restaurant Partners and diners using the Bite Squad Platform. The quality and quantity of Restaurant Partners on-boarded onto the Bite Squad Platform in a market drives the number of diners and order frequency, and, in turn, the number and quality of diners utilizing the Bite Squad Platform makes Bite Squad more attractive to restaurants. Bite Squad believes that its Restaurant Partner retention strategy with Bite Squad's differentiated, value-added services fosters Restaurant Partner loyalty and incentivizes Restaurant Partners to drive business toward the Bite Squad Platform. Bite Squad also believes that its brand recognition, driven by its strong regional presence and employee delivery drivers, accessible customer service, and low delivery fee further contributes to diner loyalty.

Key Business Metrics

Defined below are the key business metrics that Bite Squad uses to analyze its business performance, determine financial forecasts, and help develop long-term strategic plans:

Active Diners. The number of diner accounts from which an order has been placed through the Bite Squad Platform during the past twelve months (as of the end of the relevant period).

Orders. The number of revenue-generating transactions placed by customers on Bite Squad and affiliate Platforms during the relevant period.

Average Daily Orders. The number of Orders during the period divided by the number of days in that period.

Restaurant Partners. The number of active restaurant partners on the Bite Squad Platform over the trailing twelve months. It takes a new Restaurant Partner approximately 5 to 15 days, on average, from the agreement date to go live on the Bite Squad platform.

Gross Food Sales. The total food and beverage sales, sales taxes, gratuities, and delivery fees processed through the Bite Squad Platform during a given period. Gross Food Sales are different than the order value upon which Bite Squad charges its fee to Restaurant Partners, which excludes gratuities and delivery fees.

Average Order Size. Gross Food Sales for a given period divided by the number of Orders during the same period.

	Three Months Ended September 30,		**Nine Months Ended September 30,**		**Year Ended December 31,**	
	2018	**2017**	**2018**	**2017**	**2017**	**2016**
Active Diners (as of period end)	889,420	445,103	889,420	445,103	556,695	213,694
Orders	1,730,823	771,566	4,426,777	1,827,080	2,773,680	1,047,258
Average Daily Orders	18,813	8,387	16,215	6,693	7,599	2,861
Restaurant Partners	11,125	7,507	11,125	7,507	8,522	3,445
Gross Food Sales (dollars in thousands)	$ 67,023	$ 36,160	$ 180,840	$ 94,228	$136,141	$ 57,230
Average Order Size	$ 38.72	$ 46.87	$ 40.85	$ 51.57	$ 49.08	$ 54.65

Basis of Presentation

Revenue

Bite Squad generates revenue primarily when diners place an order on the Bite Squad Platform. Bite Squad engages a third-party payment processor to collect the total amount of the order from the diner, who must use a credit or debit card to pay for their meal, and remits the gross ticket to Bite Squad daily on a one-day lag. Because Bite Squad is acting as a reseller of the Restaurant Partner in the transaction, Bite Squad recognizes as revenue only its fees received from restaurants and diners. Gratuities, sales taxes, and food costs are not included in revenue because they are passed through to employees, tax authorities, and restaurant partners, respectively. Bite Squad generally presents relevant restaurants on its application in order of proximity to the diner and does allow restaurants to promote themselves within the Bite Squad Platform by contributing towards diner fees to make the overall transaction less expensive for the diner (Bite Squad does not keep anything on these transactions, the savings are passed-through to diners as a lower fee).

Cost and Expenses

Operations and Support. Operations and support expenses consist primarily of salaries, benefits, equity-based compensation, and bonuses for employees and contractors engaged in operations and customer service, including drivers, who are mainly part-time and full-time employees and comprise a substantial majority of Bite Squad's approximately 6,500 employees as of September 30, 2018, as well as market managers, restaurant onboarding, and payment processing costs for diner orders.

Sales and Marketing. Sales and marketing expenses consist primarily of salaries, commissions, benefits, equity-based compensation, and bonuses for sales and sales support personnel, including restaurant business development managers, marketing employees and contractors, and third party marketing expenses such as social media and search engine marketing, online display, sponsorships (the costs of which are recognized on a straight line basis over the useful period of the contract), and print marketing.

Research and Development. Research and development expenses consist primarily of salaries, benefits, equity-based compensation, and bonuses for employees and contractors engaged in the design, development, maintenance and testing of the Bite Squad Platform.

General and Administrative. General and administrative expenses consist primarily of salaries, benefits, equity-based compensation, and bonuses for executive, finance and accounting, human resources and administrative employees, third-party legal, accounting, and other professional services, insurance (including auto, workers' compensation and general liability), travel, facilities rent, and other corporate overhead costs.

Depreciation and Amortization. Depreciation and amortization expenses consist primarily of depreciation of the corporate headquarters. Bite Squad does not allocate depreciation and amortization expense to other line items.

Related Party Expenses. Related party expenses consist primarily of payments to founders for management services in their capacity as Co-CEOs, and other general and administrative costs consisting primarily of expense reimbursements to CEO-controlled businesses for normal operating expenses incurred by those business on behalf of Bite Squad, such as shipping and third-party marketing expenses.

Other Expenses (Income), Net. Other expenses (income), net primarily includes interest income on short-term investments and imputed interest income and expense on loans receivable and notes payable, respectively. For the nine months ended September 30, 2018, this also includes a gain on sale of a business.

Results of Operations

The following table sets forth Bite Squad's results of operations for the unaudited interim periods indicated, with line items presented in thousands of dollars and as a percentage of Bite Squad's revenue:

(in thousands, except percentages(1))	Three months ended September 30, 2018	% of Revenue	2017	% of Revenue	Nine months ended September 30, 2018	% of Revenue	2017	% of Revenue
Revenue	**$ 21,425**	**100%**	**$10,791**	**100%**	**$ 58,575**	**100%**	**$ 28,266**	**100%**
Costs and expenses:								
Operations and support	15,619	73	8,677	80	39,507	67	21,746	77
Sales and marketing	4,311	20	3,244	30	10,951	19	7,827	28
Research and development	644	3	838	8	2,072	4	3,296	12
General and administrative	3,581	17	2,346	22	8,635	15	6,879	24
Depreciation and amortization	18	—	7	—	33	—	24	—
Related party expenses	103	—	116	1	316	1	340	1
Total costs and expenses	**24,276**	**113**	**15,228**	**141**	**61,514**	**105**	**40,112**	**142**
Loss from operations	**(2,851)**	**(13)**	**(4,437)**	**(41)**	**(2,939)**	**(5)**	**(11,846)**	**(42)**
Other expenses (income), net								
Net interest expense (income)	109	1	(1)	—	144	—	(15)	—
Net non-operating expense (income)	(766)	4	(4)	—	(765)	1	(11)	—
Net loss before income taxes	**(2,194)**	**(10)**	**(4,432)**	**(41)**	**(2,318)**	**(4)**	**(11,820)**	**(42)**
Income tax (benefit) expense	16	—	—	—	48	—	—	—
Net loss	**$ (2,210)**	**(10)**	**$ (4,432)**	**(41)**	**$ (2,366)**	**(4)**	**$(11,820)**	**(42)**

Note: Results include KSM Real Estate, LLC, an entity related through common ownership. See Note 1 in the consolidated financial statements for further information

(1) Percentages may not foot due to rounding

Three Months Ended September 30, 2018 Compared to the Three Months Ended September 30, 2017

Revenue

Revenue increased by $10,634, or 99%, to $21,425 in the three months ended September 30, 2018 from $10,791 in the three months ended September 30, 2017, due primarily to increased transaction volume. Bite Squad operated in 52 markets in the three months ended September 30, 2018, compared to 32 markets in the three months ended September 30, 2017, while Average Daily Orders and Gross Food Sales increased to 18,813 and $67,023, respectively, in the third quarter of 2018 from 8,387 and $36,160, respectively, in the third quarter of 2017. Average Order Size decreased primarily due to order growth in lower cost markets combined with reductions to diner fees.

Operations and Support Expenses

Operations and support expenses increased by $6,942, or 80%, to $15,619 in the three months ended September 30, 2018 from $8,677 in the three months ended September 30, 2017, due to increased business volume. As a percentage of revenue, operations and support expenses decreased to 73% in the third quarter of 2018 from 80% in the third quarter of 2017, primarily due to improved scale.

Sales and Marketing

Sales and marketing expense increased by $1,067, or 33%, to $4,311 in the three months ended September 30, 2018 from $3,244 in the three months ended September 30, 2017, primarily due to increased spend on digital marketing and sales commissions for business development personnel attributable to Bite Squad's entry into new markets. As a percentage of revenue, sales and marketing expenses decreased to 20% in the third quarter of 2018 from 30% in the third quarter of 2017, reflecting the scalability of Bite Squad's marketing spend after it becomes established in markets.

Research and Development

Research and development expense decreased by $194, or 23%, to $644 in the three months ended September 30, 2018 from $838 in the three months ended September 30, 2017, mainly due to non-cash compensation expense for vesting equity-based compensation recorded in 2017.

General and Administrative

General and administrative expense increased by $1,235, or 53%, to $3,581 in the three months ended September 30, 2018 from $2,346 in the three months ended September 30, 2017, due primarily to increased overhead costs to support Bite Squad's increasing business volume, including increased legal, insurance, human resources, occupancy, travel and other corporate overhead expenses. As a percentage of revenue, general and administrative expenses decreased from 22% in the third quarter of 2017 to 17% in the third quarter of 2018. General and administrative expense tends be highly scalable, meaning that it tends to increase at a substantially slower pace than revenue, as a significant portion of these costs is fixed.

Depreciation and Amortization

Depreciation and amortization expenses increased by $11, or 157%, to $18 in the three months ended September 30, 2018 from $7 in the three months ended September 30, 2017, due to amortization of deferred debt issuance costs related to convertible notes.

Other expenses (income), net

Other income was $(657) in the three months ended September 30, 2018 compared to other income of $(5) in the three months ended September 30, 2017 due to the divestiture of certain business assets, resulting in a non-cash gain on sale of $766.

Income Tax Expense

Income tax expense increased to $16 in the three months ended September 30, 2018 from $0 for the three months ended September 30, 2017.

Net Loss

Net loss decreased by $2,222, or 50%, to 2,210 in the three months ended September 30, 2018 from $4,432 in the three months ended September 30, 2017, for the reasons described above.

Nine months ended September 30, 2018 Compared to the Nine months ended September 30, 2017

Revenue

Revenue increased by $30,309, or 107%, to $58,575 in the nine months ended September 30, 2018 from $28,266 in the nine months ended September 30, 2017, due primarily to increased transaction volume, reflecting Bite Squad's expanded footprint into new markets, as discussed above.

Average Daily Orders and Gross Food Sales increased to 16,215 and $180,840, respectively, in the nine months ended September 30, 2018 from 6,693 and $94,228, respectively, in the nine months ended September 30, 2017. Average Order Size decreased primarily due to significant order growth in lower cost markets combined with reductions to diner fees.

Operations and Support Expenses

Operations and support expenses increased by $17,761, or 82%, to $39,507 in the nine months ended September 30, 2018 from $21,746 in the nine months ended September 30, 2017, due to increased business volume. As a percentage of revenue, operations and support expenses decreased to 67% in the nine months ended September 30, 2018 from 77% in the nine months ended September 30, 2017, primarily due to improved scale.

Sales and Marketing

Sales and marketing expense increased by $3,124, or 40%, to $10,951 in the nine months ended September 30, 2018 from $7,827 in the nine months ended September 30, 2017, due primarily to increased digital marketing and sales commissions for business development managers attributable to Bite Squad's entry into new markets. As a percentage of revenue, sales and marketing expenses decreased to 19% in the nine months ended September 30, 2018 from 28% in the nine months ended September 30, 2017, due to improved scale.

Research and Development

Research and development expense decreased by $1,224, or 37%, to $2,072 in the nine months ended September 30, 2018 from $3,296 in the nine months ended September 30, 2017, mainly due to non-cash compensation expense for vesting equity-based compensation recorded in 2017.

General and Administrative

General and administrative expense increased by $1,756, or 26%, to $8,635 in the nine months ended September 30, 2018 from $6,879 in the nine months ended September 30, 2017, due primarily increased overhead costs to support Bite Squad's increasing business volume, including increased insurance, human resources, legal, occupancy, travel and other corporate overhead expenses. As a percentage of revenue, general and administrative expenses decreased to 15% in the nine months ended September 30, 2018 from 24% in the nine months ended September 30, 2017.

Depreciation and Amortization

Depreciation and amortization expenses increased by $9, or 38%, to $33 in the nine months ended September 30, 2018 from $24 in the nine months ended September 30, 2017.

Other expenses (income) and losses (gain), net

Other income was $(621) in the nine months ended September 30, 2018, compared to other income of $26 in the nine months ended September 30, 2017.

Income Tax Expense

Income tax expense increased to $48 for the nine months ended September 30, 2018 from $0 in the nine months ended September 30, 2017.

Net Loss

Net loss decreased by $9,454, or 80%, to $2,366 in the nine months ended September 30, 2018 from $11,820 in the nine months ended September 30, 2017 for the reasons described above.

Comparison of Years Ended December 31, 2017 and 2016

The following table sets forth Bite Squad's results of operations for the years indicated, with line items presented in thousands of dollars and as a percentage of Bite Squad's revenue:

(in thousands, except percentages(1))	Year Ended December 31, 2017	% of Revenue	2016	% of Revenue
Revenue	**$ 41,320**	**100%**	**$18,373**	**100%**
Costs and expenses:				
Operations and support	29,839	72	13,323	73
Sales and marketing	10,769	26	4,042	22
Research and development	4,033	10	840	5
General and administrative	9,496	23	3,316	18
Depreciation and amortization	31	—	2	—
Related party expenses	451	1	745	4
Total costs and expenses	**54,619**	**132**	**22,268**	**121**
Income (loss) from operations	**(13,298)**	**(32)**	**(3,895)**	**(21)**
Other expenses (income) and losses (gain), net				
Interest expense, net	(15)	—	12	—
Other expenses (income)	(4)	—	—	—
Net loss before income taxes	**(13,279)**	**(32)**	**(3,907)**	**(21)**
Income tax expense	7	—	—	—
Net loss	**$(13,286)**	**(32)**	**$(3,907)**	**(21)**

Note: Results include KSM Real Estate, LLC, an entity related through common ownership. See Note 1 in the consolidated financial statements for further information.

(1) Percentages may not foot due to rounding

Revenue

2017 compared to 2016

Revenue increased by $22,947, or 125%, to $41,320 for the year ended December 31, 2017 from $18,373 for the year ended December 31, 2016. Bite Squad operated in 32 markets in 2017, compared to 23 markets in 2016, while Average Daily Orders and Gross Food Sales increased to 7,599 and $136,141, respectively, in 2017 from 2,861 and $57,230, respectively, in 2016. Average Order Size decreased primarily due to significant order growth in lower cost markets combined with reductions to diner fees.

Operations and Support

2017 compared to 2016

Operations and support expenses increased by $16,516, or 124%, to $29,839 for the year ended December 31, 2017 from $13,323 for the year ended December 31, 2016, primarily due to the increased scale of operations, including ramp-up expenses in anticipation of new markets coming online throughout the year. As a percentage of revenue, operations and support expenses decreased to 72% in 2017 from 73% in 2016, primarily due to the increase in revenue described above.

Sales and Marketing

2017 compared to 2016

Sales and marketing expenses increased by $6,727, or 166%, to $10,769 for the year ended December 31, 2017 from $4,042 for the year ended December 31, 2016, primarily due to market expansion, the expansion of the marketing function, and an increased focus on digital media. As a percentage of revenue, sales and marketing expenses increased by 4% to26% in 2017 from 22% in 2016.

Research and Development

2017 compared to 2016

Research and development expenses increased by $3,193, or 380%, to $4,033 for the year ended December 31, 2017 from $840 for the year ended December 31, 2016, primarily due to increased non-cash equity compensation expense for research and development employees of $2,113, reflecting efforts to improve Bite Squad's back-end and customer facing technologies.

General and Administrative

2017 compared to 2016

General and administrative expenses increased by $6,179, or 186%, to $9,496 for the year ended December 31, 2017 from $3,316 for the year ended December 31, 2016, driven primarily by the significant increase in Bite Squad's transaction volume and operational scale, as described above. As a percentage of revenue, general and administrative expenses increased to 23% in 2017 from 18% in 2016, primarily due to the anticipated need to support a significant business volume increase due to new markets that came online in the second half of 2016 described above.

Liquidity and Capital Resources

As of September 30, 2018, Bite Squad had cash of $14,563, consisting primarily of cash deposits, which earn an immaterial amount of interest. Bite Squad's primary sources of liquidity to date have been proceeds from the issuance of membership units.

Effective September 19, 2018, Bite Squad entered into an unsecured convertible loan agreement, whereas the noteholders have agreed to lend up to $10 million through a series of convertible promissory notes. As of September 30, 2018 the carrying value of the convertible note and the associated interest accrued was $6.0 million.

Bite Squad believes that its existing cash, together with the cash it succeeds to in the business combination, will be sufficient to meet its working capital requirements for at least the next twelve months. Bite Squad's liquidity assumptions may, however, prove to be incorrect, and Bite Squad could utilize its available financial resources sooner than it currently expects.

Bite Squad's future capital requirements and the adequacy of available funds will depend on many factors, including those set forth under "Risk Factors" in this proxy statement.

The following table sets forth Bite Squad's summary cash flow information for the periods indicated:

(in thousands)	Nine months ended September 30, 2018	Nine months ended September 30, 2017	Year ended December 31, 2017	Year ended December 31, 2016
	(unaudited)			
Net cash generated from or used in operating activities	$ 149	$ (6,102)	$(6,059)	$(2,731)
Net cash used in investing activities	(2,348)	(3,205)	(3,206)	(2,509)
Net cash used in financing activities	4,487	19,696	19,448	3,755

Cash Flows Generated From or Used In Operating Activities

For the nine months ended September 30, 2018, net cash generated from operating activities was $149, compared to net cash used of $6,102 for the same period in 2017, an increase of $6,251, reflecting Bite Squad's improved operating performance net of non-cash items.

For the year ended December 31, 2017, net cash used in operating activities was $6,059 compared to $2,731 for the year ended December 31, 2016, primarily reflecting increased cash operating expenses attributable to market growth and new market expansion efforts.

Cash Flows Used In Investing Activities

For the nine months ended September 30, 2018, net cash used in investing activities was $2,348 compared to $3,205 for the nine months ended September 30, 2017. For the year ended December 31, 2017, net cash used in investing activities was $3,206 compared to $2,509 for the year ended December 31, 2016. In both years, net cash used in investing activities consisted primarily of the purchase of certain assets, primarily intangible assets, from smaller competing restaurant delivery services as a means to accelerate growth into new markets.

Cash Flows Provided By or Used In Financing Activities

For the nine months ended September 30, 2018, net cash provided by financing activities was $4,487, primarily representing proceeds from the issuance of convertible notes. For the nine months ended September 30, 2017, net cash provided by financing activities was $19,696 primarily reflecting an issuance of preferred membership units in the first quarter of 2017.

For the year ended December 31, 2017, cash provided by financing activities was $19,448, an increase from $3,755 for the year ended December 31, 2016. In both years, cash provided by financing activities consisted primarily of proceeds from equity issuances.

Contractual Obligations and Other Commitments

Bite Squad has corporate offices in Minneapolis, Minnesota, as well as smaller offices across most markets in which it operates across the United States. Bite Squad recognizes rent expense on a straight-line basis over the relevant lease period. Bite Squad rents office space and parking from KSM Real Estate, LLC, an entity related through common ownership. The building itself and certain personal property of Bite Squad were provided as collateral in KSM Real Estate LLC's loan, and Bite Squad agreed to an unconditional guarantee of the loan through a wholly owned subsidiary, KASA Delivery, LLC.

Bite Squad's future minimum lease payments under its non-cancellable operating leases for equipment and office facilities, vehicles used in delivery operations, notes payable and mortgage payable obligations were as follows as of September 30, 2018:

	Payments Due by Period				
(in thousands)	**Less than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**Thereafter**	**Total**
Operating lease obligations(1)	$ 1,039	$ 297	—	—	$1,336
Notes payable(2)	1,494	2,570	501	—	4,565
Mortgage payable(3)	68	135	135	931	1,270
Total	**$ 2,601**	**$3,003**	**$636**	**$ 931**	**$7,171**

(1) Operating leases include office facilities, equipment, and vehicles used in delivery operations.
(2) Notes payable includes payments on Bite Squad's promissory notes per the terms of various asset purchase agreements. The notes are non-interest bearing, and amounts are shown excluding non-cash imputed interest.
(3) Mortgage payable includes principal and interest payments for the corporate office arrangement described above.

The convertible notes, net, the carrying value of which was $5,877 as of September 30, 2018, are not included in the table above because they were repaid on January 17, 2019 upon the consummation of the transactions contemplated by that certain agreement and plan of merger, dated as of December 11, 2018, by and among Bite Squad, Waitr Holdings Inc. ("Waitr") and Wingtip Merger Sub, Inc., a wholly-owned subsidiary of Waitr ("Merger Sub"), pursuant to which Merger Sub merged with and into Bite Squad, with Bite Squad surviving the merger in accordance with the Minnesota Revised Uniform Limited Liability Company Act as a wholly-owned, indirect subsidiary of Waitr.

As of September 30, 2018, other than the notes, convertible notes, and mortgage payable, Bite Squad does not have any debt or material lease obligations, and all of Bite Squad's property, equipment and software have either been purchased with cash or, in the case of software, internally developed. Bite Squad has no material long-term purchase obligations outstanding with any vendors or other third parties.

Off-Balance Sheet Arrangements

Bite Squad did not have any off-balance sheet arrangements as of September 30, 2018.

Critical Accounting Policies

The accounting principles followed by Bite Squad and the methods of applying these principles are in accordance with U.S. GAAP, which often require the judgment of management in the selection and application of certain accounting principles and methods. Bite Squad considers the following accounting policies to be critical to understanding its financial statements because the application of these policies requires significant judgment on the part of management, which could have a material impact on Bite Squad's financial statements. The following accounting policies include estimates that require management's subjective or complex judgments about the effects of matters that are inherently uncertain. For information on Bite Squad's significant accounting policies, including the policies discussed below, see Note 1 to the audited financial statements.

Revenue Recognition

In general, the Company recognizes revenue when (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or services have been rendered to the diner, (iii) the fee is fixed or determinable and (iv) collectability is reasonably assured. Revenue is generally recognized once the delivery service is completed.

Bite Squad generates revenues when diners place an order on the Bite Squad Platform. Bite Squad processes and collects the entire amount (Gross Food Sales) of the diner's transaction on the platform. Restaurant Partners pay Bite Squad a fee, a percentage of the transaction, on orders that are processed through Bite Squad's platform. Bite Squad also charges certain fees directly to the diner and may charge for beverages or utensils on catering orders. Because Bite Squad is acting as an agent in the transaction, revenues are reported net of any diner promotions or refunds, the balance due to the restaurant, gratuities due to employees, and sales tax. Costs incurred to process transactions and provide delivery services are included in operations and support expenses in the consolidated statements of operations.

Stock-Based Compensation

Bite Squad measures compensation expense for incentive units in accordance with *ASC Topic 718, Compensation — Stock Compensation*. Stock-based compensation is measured at fair value on grant date and recognized as compensation expense over the service period on a straight-line basis for awards expected to vest.

Bite Squad uses a backsolve method to determine the fair value of equity grants. As our units are not publicly traded, determining the fair value of incentive units at the grant date requires significant judgment. If any of the assumptions used in the pricing model change significantly, equity-based compensation for future awards may differ materially compared to the awards granted.

Bite Squad's Black Scholes pricing method utilized the following complex and subjective assumptions:

Risk-free rate: Risk-free interest rate was set at two-and-a-half-year U.S. Treasury rate, which served as a proxy for the risk-free rate over the estimated time to a liquidation event.

Volatility: Volatility of Bite Squad's unit price is estimated at 175%, based on a combination of published historical volatilities of comparable publicly traded companies, with an upward adjustment to account for the smaller size of Bite Squad and significantly higher growth rates of Bite Squad (both historically and expected).

Expected term: The expected term calculation was estimated at two and half years until a liquidation event.

Forfeiture rate: Effective January 1, 2018, Bite Squad elected to recognize actual forfeitures of unit-based awards as they occur in accordance with ASU No. 2016-09, *Compensation Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). Refer to *Recently Adopted Accounting Pronouncements* for additional information. Prior to 2018, there were no forfeitures to account for.

Goodwill

Goodwill represents the excess of the cost of an acquired business over the fair value of the assets acquired at the date of acquisition. Bite Squad performs impairment testing for goodwill annually in the fourth quarter or more frequently if events or changes in circumstances indicate that goodwill may be impaired. In testing goodwill for impairment, Bite Squad may elect to utilize a qualitative assessment to evaluate whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the qualitative assessment indicates that goodwill impairment is more likely than not, Bite Squad performs a quantitative impairment test.

The quantitative impairment test uses a two-step process. In the first step, the fair value of each reporting unit is determined and compared to the reporting unit's carrying value, including goodwill. If the fair value of a reporting unit is less than its carrying value, the second step of the goodwill impairment test is performed to measure the amount of impairment, if any. In the second step, the fair value of the reporting unit is allocated to the assets and liabilities of the reporting unit as if it had been acquired in a business combination and the purchase price was equivalent to the fair value of the reporting unit. The excess of the fair value of the reporting unit over the amounts assigned to its assets and liabilities is referred to as the implied fair value of goodwill. If the implied fair value of goodwill at the reporting unit level is less than its carrying value, an impairment loss is recorded to the extent that the implied fair value of goodwill at the reporting unit is less than its carrying value.

Application of the goodwill impairment test requires judgment, including the identification of reporting units, allocation of assets and liabilities to reporting units, and determination of fair value. The determination of reporting unit fair value is sensitive to the amount of earnings projections, cash flow projections, and market strategies. Unanticipated changes, including immaterial revisions, to these assumptions could result in a provision for impairment in a future period. Given the nature of these evaluations and their application to specific assets and time frames, it is not possible to reasonably quantify the impact of changes in these assumptions.

As a result of the analysis, no impairment losses were recorded for the years ended December 31, 2017 and 2016.

Fair Value Measurements

Bite Squad records the fair value of assets and liabilities in accordance with ASC Topic 820, *Fair Value Measurement* ("ASC 820"). ASC 820 defines fair value as the price received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

In addition to defining fair value, ASC 820 establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels, which is determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 — Quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.

Level 3 — Unobservable inputs reflecting Bite Squad's own assumptions about the inputs used in pricing the asset or liability at fair value.

Recently Issued and Adopted Accounting Pronouncements

For recently issued and adopted accounting pronouncements, see Note 1 to the consolidated financial statements.

Quantitative and Qualitative Disclosures about Market Risk

Bite Squad has in the past and may in the future be exposed to interest rate and certain other market risks in the ordinary course of its business, but to date these risks have mostly been indirect.

Risks Related to Market Conditions

Bite Squad performs the annual goodwill impairment tests in the fourth quarter, or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair value of Bite Squad below its carrying value. Such indicators may include the following, among others: a significant decline in expected future cash flows, a significant adverse change in legal factors or in the business climate, unanticipated competition, and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of our goodwill and could have a material impact on the consolidated financial statements. For further details of our interim and annual assessments, see the discussion above in "Critical Accounting Policies." Significant changes in economic and market conditions could result in changes to expectations of future financial results and key valuation assumptions. Such changes could result in revisions of management's estimates of Bite Squad's fair value and could result in a material impairment of goodwill.