



# **WM Technology, Inc. Q4 and Full Year Fiscal 2021 Results**

**February 23, 2022**



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This presentation includes "forward-looking statements" regarding WM's future business expectations which involve risks and uncertainties. Forward-looking statements may be identified by the use of words such as "estimate," "plan," "project," "forecast," "intend," "will," "expect," "anticipate," "believe," "seek," "target" or other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of financial and performance metrics and projections of market opportunity and market share. These statements are based on various assumptions, whether or not identified in this presentation, and on the current expectations of our management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as, and must not be relied on by any investor as, a guarantee, an assurance, a prediction or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond our control. These forward-looking statements are subject to a number of risks and uncertainties, including changes in domestic and foreign business, market, financial, political and legal conditions; risks relating to the uncertainty of the projected financial information with respect to us; future global, regional or local economic and market conditions affecting the cannabis industry; the development, effects and enforcement of laws and regulations, including with respect to the cannabis industry; our ability to successfully capitalize on new and existing cannabis markets, including its ability to successfully monetize its solutions in those markets; our ability to manage future growth; our ability to develop new products and solutions, bring them to market in a timely manner, and make enhancements to its platform and our ability to maintain and grow its two sided digital network, including its ability to acquire and retain paying customers; the effects of competition on our future business; the outcome of any potential litigation, government and regulatory proceedings, investigations and inquiries; and those factors discussed in our registration statement on Form S-4/A filed on May 25, 2021 and subsequent Form 10-Ks, 10-Qs, or 8-Ks filed with the SEC. If any of these risks materialize or these assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. There may be additional risks that we do not presently know or that we currently believe are immaterial that could also cause actual results to differ from those contained in the forward looking statements. In addition, forward-looking statements reflect our expectations, plans or forecasts of future events and views as of the date of this presentation. We anticipate that subsequent events and developments will cause our assessments to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaims any obligation to do so, except as required by law. These forward-looking statements should not be relied upon as representing our assessments as of any date subsequent to February 23, 2022. Accordingly, undue reliance should not be placed upon the forward-looking statements.

Distribution or reference of this deck following February 23, 2022 does not constitute the Company re-affirming guidance.

## Financial Information; Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, we have disclosed Adjusted EBITDA, which is a non-GAAP financial measure that we calculate as net income before interest, taxes, depreciation and amortization, further adjusted to exclude non-cash, unusual and/or infrequent costs. Below we have provided a reconciliation of net income (the most directly comparable GAAP financial measure) to Adjusted EBITDA.

We present Adjusted EBITDA because this metric is a key measure used by our management to evaluate our operating performance, generate future operating plans and make strategic decisions regarding the allocation of investment capacity. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. Some of these limitations are as follows:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and Adjusted EBITDA does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs; and
- Adjusted EBITDA does not reflect tax payments that may represent a reduction in cash available to us.

We also provide non-GAAP sales and marketing expense, non-GAAP product development costs and non-GAAP general and administrative expense. Each of these non-GAAP expenses exclude stock-based compensation expense. Management believes these non-GAAP financial measures are useful to investors and others in assessing our operating performance due to the fact that WM utilizes stock-based compensation to attract and retain employees. Stock-based compensation is principally aimed at aligning management and employee interests with those of its stockholders and at long-term retention, rather than to address operational performance for any particular period. As a result, stock-based compensation expenses vary for reasons that are generally unrelated to financial and operational performance in any particular period.

Because of these limitations, you should consider these non-GAAP alongside and not as a substitute for other financial performance measures, including net income, our GAAP expenses, and our other GAAP results. For more information on these non-GAAP financial measures, please see the section titled "Non-GAAP Reconciliations: Adj. EBITDA to Reported Net Income" included at the end of this presentation and the footnotes provided for such non-GAAP measures.

- **Full year 2021 Revenue of \$193 million, +19% year-over-year on a reported basis, +48% year-over-year for U.S. only<sup>(1)</sup>**
- **Q4 2021 Revenue of \$54 million, +22% year-over-year on a reported basis, +39% year-over-year for U.S. only<sup>(1)</sup>**
  - For Q4 2021, Monthly Active Users grew +57% y-o-y and +13% from the prior quarter
  - For Q4 2021, Avg. Monthly Revenue per Paying Client declined (1%) y-o-y on a reported basis and grew +9% y-o-y for U.S. only<sup>(1)</sup>
  - For Q4 2021, Avg. Monthly Paying Client grew +23% y-o-y on a reported basis and +27% y-o-y for U.S. only<sup>(1)</sup>
- **Full year 2021 and Q4 2021, Gross Profit of \$185 million and \$52 million, respectively**
  - For full year 2021, Gross Margin rate of 96% reflects +61bps of margin expansion y-o-y
  - For Q4 2021, Gross Margin rate of 96% reflects +70bps of margin expansion y-o-y
- **Full year 2021 and Q4 2021 Adj. EBITDA of \$32 million and \$4 million, respectively**
  - For the full year, 16% Adj. EBITDA Margin rate
  - For Q4 2021, 7% Adj. EBITDA Margin Rate
  - For full year 2021, Adj. EBITDA excludes stock-based compensation and non-recurring charges of \$42 million

Note: See our Q4 & Full Year 2021 Earnings Release issued on February 23, 2022 for additional information and/or certain adjustments

1) YoY growth % excluding revenue and clients associated with Canada-based retail operators who failed to provide valid license information and were subsequently removed from the Weedmaps marketplace; no revenues from outside the U.S. in FY21

# Q4 and Full Year 2021 P&L Summary



(\$M)

FYE 12/31	Q4 FY21		Full Year FY21	
	P&L	Δ vs. PY	P&L	Δ vs. PY
<b>Total Revenue</b>	<b>\$54</b>	<b>+22% / +39%<sup>(1)</sup></b>	<b>\$193</b>	<b>+19% / +48%<sup>(1)</sup></b>
<b>Gross Profit</b>	<b>52</b>	<b>+23%</b>	<b>185</b>	<b>+20%</b>
<b>Margin Rate</b>	<b>96%</b>		<b>96%</b>	
Adjusted Sales & Marketing <sup>(2)</sup>	(17)	+88%	(50)	+62%
Adjusted Product Development <sup>(3)</sup>	(8)	+21%	(30)	+12%
Adjusted G&A <sup>(4)</sup>	(22)	+60%	(72)	+41%
<b>Total Adjusted OPEX<sup>(5)</sup></b>	<b>(\$48)</b>	<b>+60%</b>	<b>(\$152)</b>	<b>+40%</b>
<b>Adj. EBITDA</b>	<b>\$4</b>	<b>(66%)</b>	<b>\$32</b>	<b>(26%)</b>
<b>Margin Rate</b>	<b>7%</b>		<b>16%</b>	

Note: Totals and sub-totals may not sum due to rounding

- 1) YoY growth % excluding revenues associated with Canada-based retail operators who failed to provide valid license information and were subsequently removed from the Weedmaps marketplace; no revenues from outside the U.S. in FY21
- 2) Adjusted Sales & Marketing (Non-GAAP) excludes stock-based compensation expense of \$2M in Q4 FY21 and, \$6M in FY21
- 3) Adjusted Product Development (Non-GAAP) excludes stock-based compensation expense of \$1M in Q4 FY21 and, \$5M in FY21
- 4) Adjusted General & Administrative (Non-GAAP) excludes stock-based compensation expense of \$3M in Q4 FY21; Transaction related costs of \$1M in Q4 FY21; IPO related bonus of \$1M in Q4; Legal settlement of <\$1M in Q4. For FY'21, Adjusted General & Administrative (Non-GAAP) excludes stock-based compensation expense of \$18M; Impairment loss of \$2M; Transaction related costs of \$3M; IPO related bonus of \$2M Legal settlement of <\$1M
- 5) Total Adjusted OPEX (Non-GAAP) excludes Depreciation & Amortization expense of \$1M in Q4 and \$4M in FY21

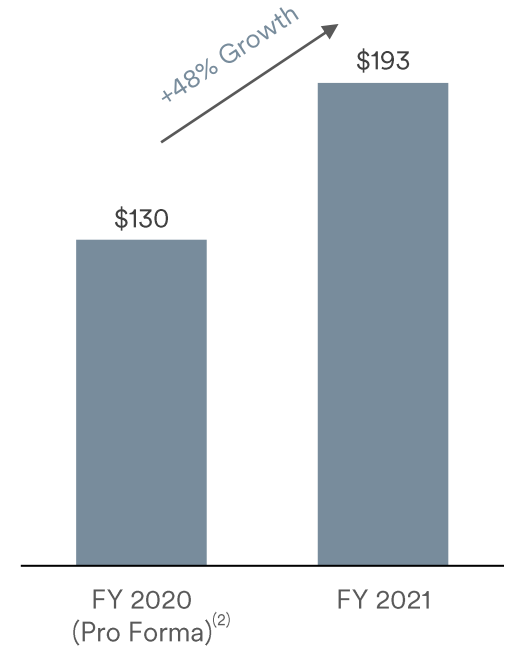
## Full Year FY19 Growth



## Full Year FY20 Growth



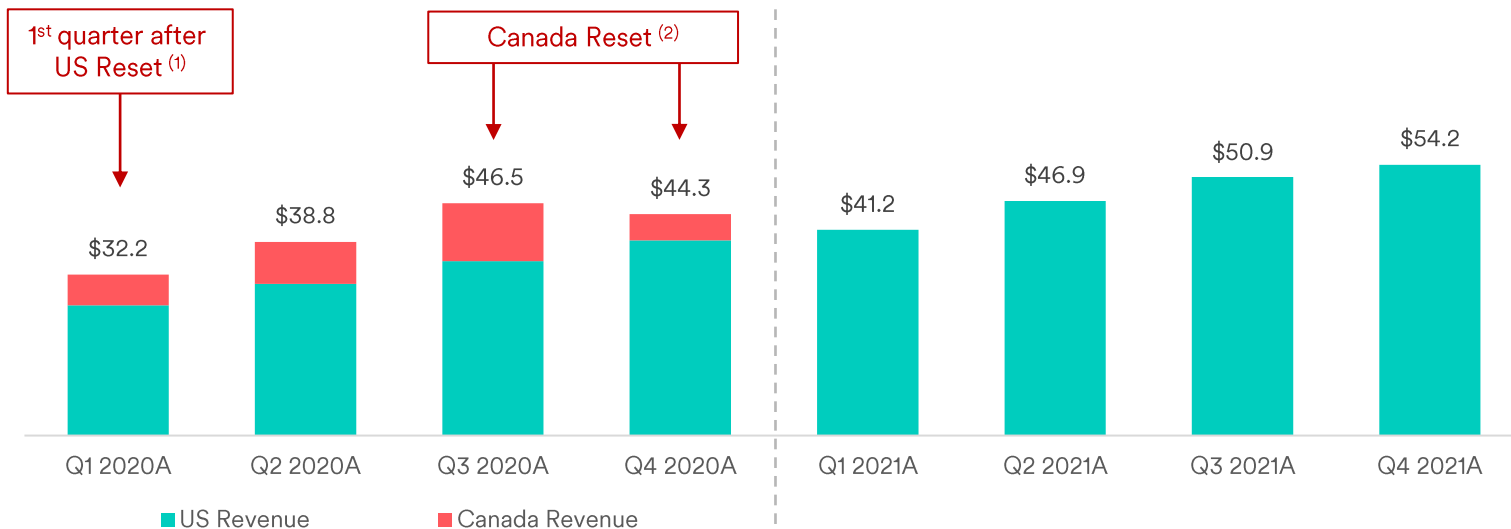
## Full Year FY21 Growth



(1) Excludes \$28M in FY19 Revenue associated with California-based retail operators who failed to provide valid license information and were subsequently removed from the Weedmaps marketplace

(2) Excludes \$31M in FY20 Revenue associated with Canada-based retail operators who failed to provide valid license information and were subsequently removed from the Weedmaps marketplace

## Quarterly Revenue (\$M)



Total YoY Growth	Not disclosed			+28%	+21%	+9%	+22%
US-only YoY Growth	Not disclosed			+58%	+55%	+46%	+39%
Total QoQ Growth	+20%	+20%	(5%)	(7%)	+14%	+8%	+6%
US-only QoQ Growth	+17%	+15%	+12%	+5%	+14%	+8%	+6%

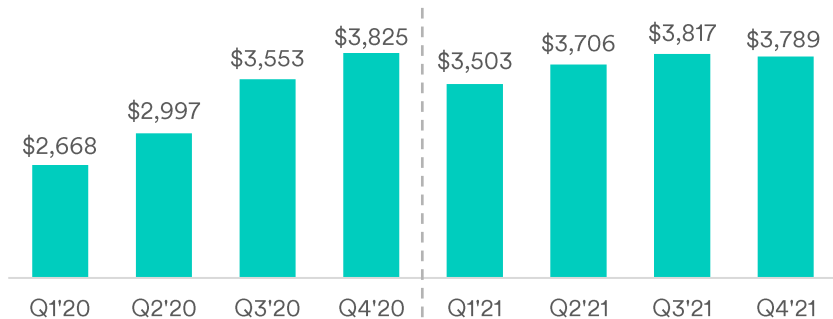
(1) On December 31, 2019, we discontinued our service to California based clients who failed to provide valid licensing information  
 (2) We discontinued services to Canada-based retail operators who failed to provide valid license information in the second half of 2020

# Selected Key Operating and Financial Metrics by Quarter

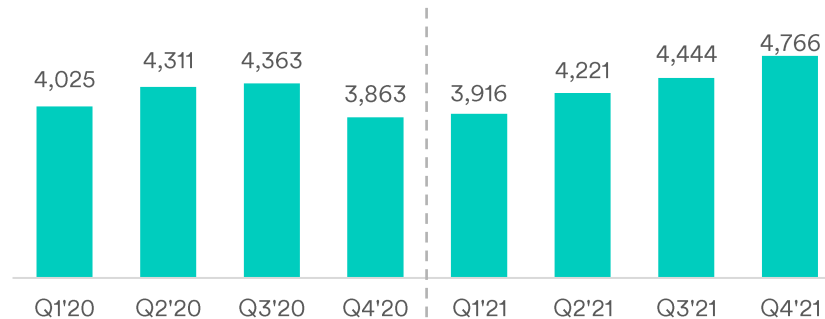


## Selected Current Key Operating and Financial Metrics

Average Monthly Revenue per Paying Client

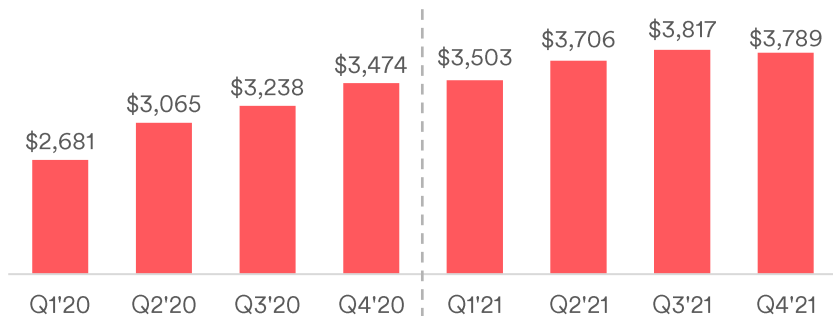


Average Monthly Paying Clients

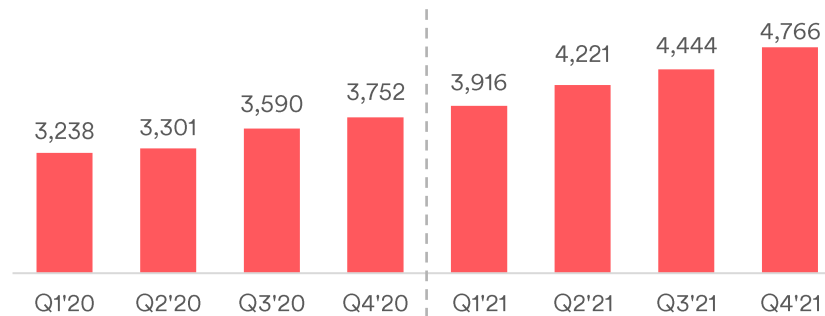


## Selected Current Key Operating and Financial Metrics – Excluding Canada <sup>(1)</sup>

Average Monthly Revenue per Paying Client

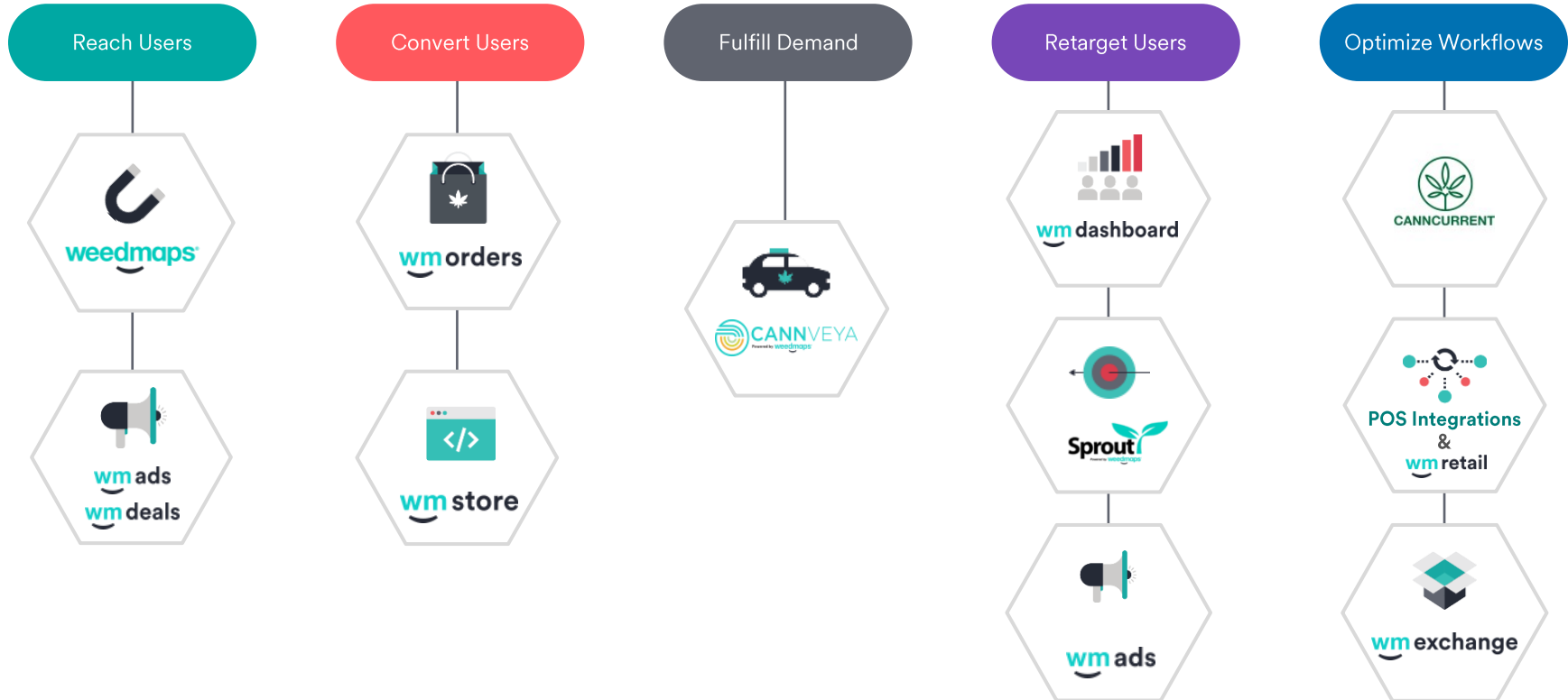


Average Monthly Paying Clients



(1) Selected Key Operating and Financial Metrics excluding impact of the removal of Canada-based retail operators who failed to provide valid license information from the platform in the second half of 2020 and were subsequently removed from the Weedmaps marketplace; amounts reflect only U.S. revenue

## wm technology





# Non-GAAP Reconciliations: Adj. EBITDA to Reported Net Income



\$M	Q4 FY'21	Full Year FY'21	Commentary
<b>Adj. EBITDA</b>	<b>\$3.8</b>	<b>\$31.7</b>	
<b><u>EBITDA Adjustments:</u></b>			
+ Change in FV of Warrant Liability	82.9	166.5	FASB guidance requires fair value accounting on warrant liabilities. This represents the mark-to-market adjustments
– Stock-Based Compensation	(5.7)	(29.3)	
– Warrant Transaction Costs	-	(5.5)	FASB guidance requires issuance costs for warrants that are classified as liabilities to be expensed as incurred
– Impairment of Right-of-use Asset	-	(2.4)	Impairment given expected subleasing market rent
– M&A Transaction Costs	(1.1)	(2.6)	Legal expenses related to M&A acquisitions
– DeSPAC Transaction Related Bonus Payment	(0.7)	(2.2)	
– Legal settlement	(0.1)	(0.1)	Settlement of claims from former Silver Spike shareholders made in connection with the business combination
– Depreciation and Amortization Expenses	(1.5)	(4.4)	Primarily computer equipment, furniture fixtures, leasehold improvements
– Provision for Income Taxes	0.8	0.6	
<b>Reported Net Income</b>	<b>\$78.4</b>	<b>\$152.2</b>	

Note: Totals and sub-totals may not sum due to rounding

# Summary Balance Sheet and Cash Flow



## Balance Sheet

(\$M)	31-Dec-21
Cash	\$68
Other Current Assets	31
<b>Total Current Assets</b>	<b>\$99</b>
<b>Property &amp; Equipment, Net</b>	<b>\$13</b>
Goodwill & Intangibles	54
Deferred Tax Assets	152
Other Assets <sup>(1)</sup>	47
<b>Total Other LT Assets</b>	<b>\$253</b>
<b>Total Assets</b>	<b>\$365</b>
<b>Total Current Liabilities</b>	<b>\$38</b>
LT Operating Lease Liabilities	39
Tax Receivable Agreement	129
Warrant Liability	27
Other LT Liabilities <sup>(2)</sup>	–
<b>Total Liabilities</b>	<b>\$233</b>
<b>Total Equity</b>	<b>\$132</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$365</b>

## Cash Flows

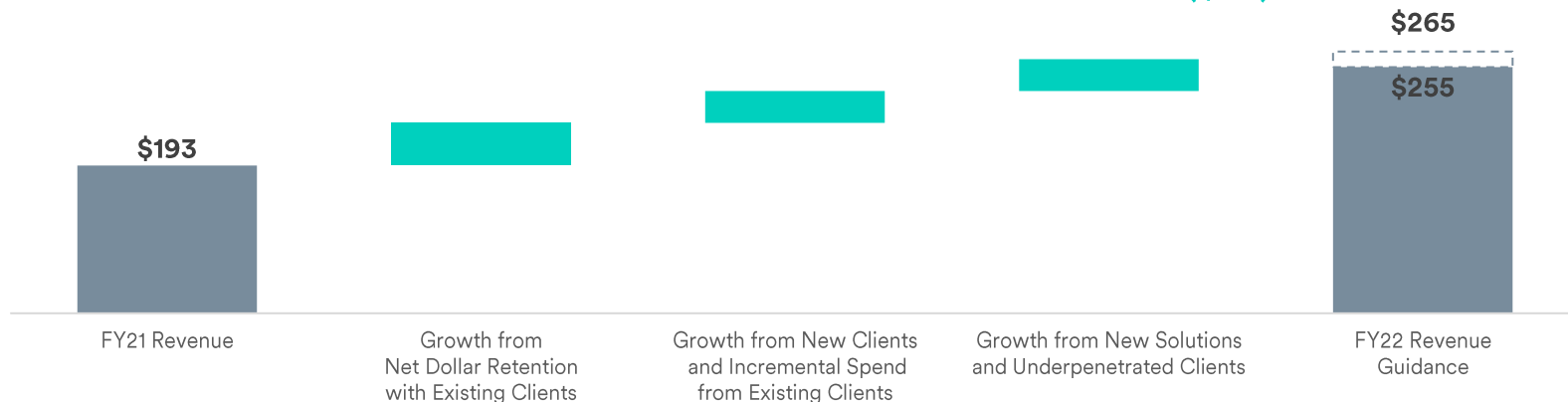
(\$M)	31-Dec-21
<b>CASH FLOWS FROM OPERATIONS</b>	
Net Income	\$152
Depreciation & Amortization	4
FV of Warrant Liability	(167)
Impairment	2
Stock-based Compensation	29
Change in Op. Assets & Liabilities	1
<b>Net Cash from Operations</b>	<b>\$23</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Cash Paid for Acquisitions & Investments	(23)
Purchase of PP&E	(8)
<b>Net Cash from Investing Activities</b>	<b>(\$30)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	
Distributions to members	(19)
Payment of the notes payable	–
Proceeds from initial public offering	80
Repurchase of Class B units	(6)
<b>Net Cash from Financing Activities</b>	<b>\$55</b>
<b>Net Change in Cash</b>	<b>48</b>
Cash at Beginning of Period	20
<b>Cash at End of Period</b>	<b>\$68</b>

Note: Totals and sub-totals may not sum due to rounding

(1) Other Assets includes \$37M of Right-of-use assets in FY21

(2) Other LT Liabilities includes non-current portion of Operating lease liabilities in FY21

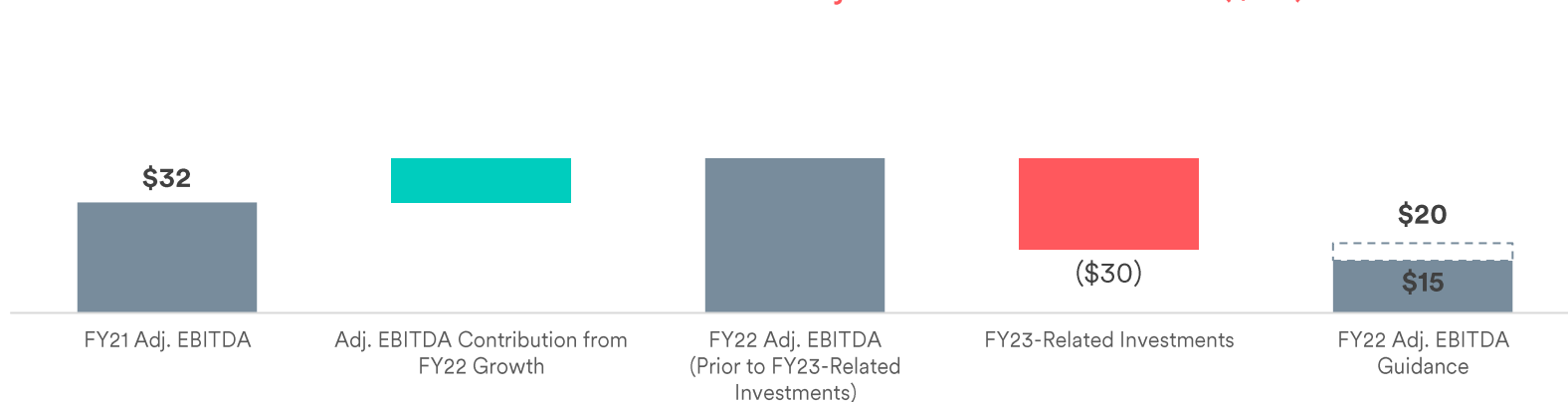
## Full Year FY22 Revenue Guidance (\$M)



Full Year FY22 Revenue guidance of **\$255-265M** implies **32 - 37% Growth**

Q1 FY22 Revenue guidance of **\$54-56M**

## Full Year FY22 Adj. EBITDA Guidance (\$M)

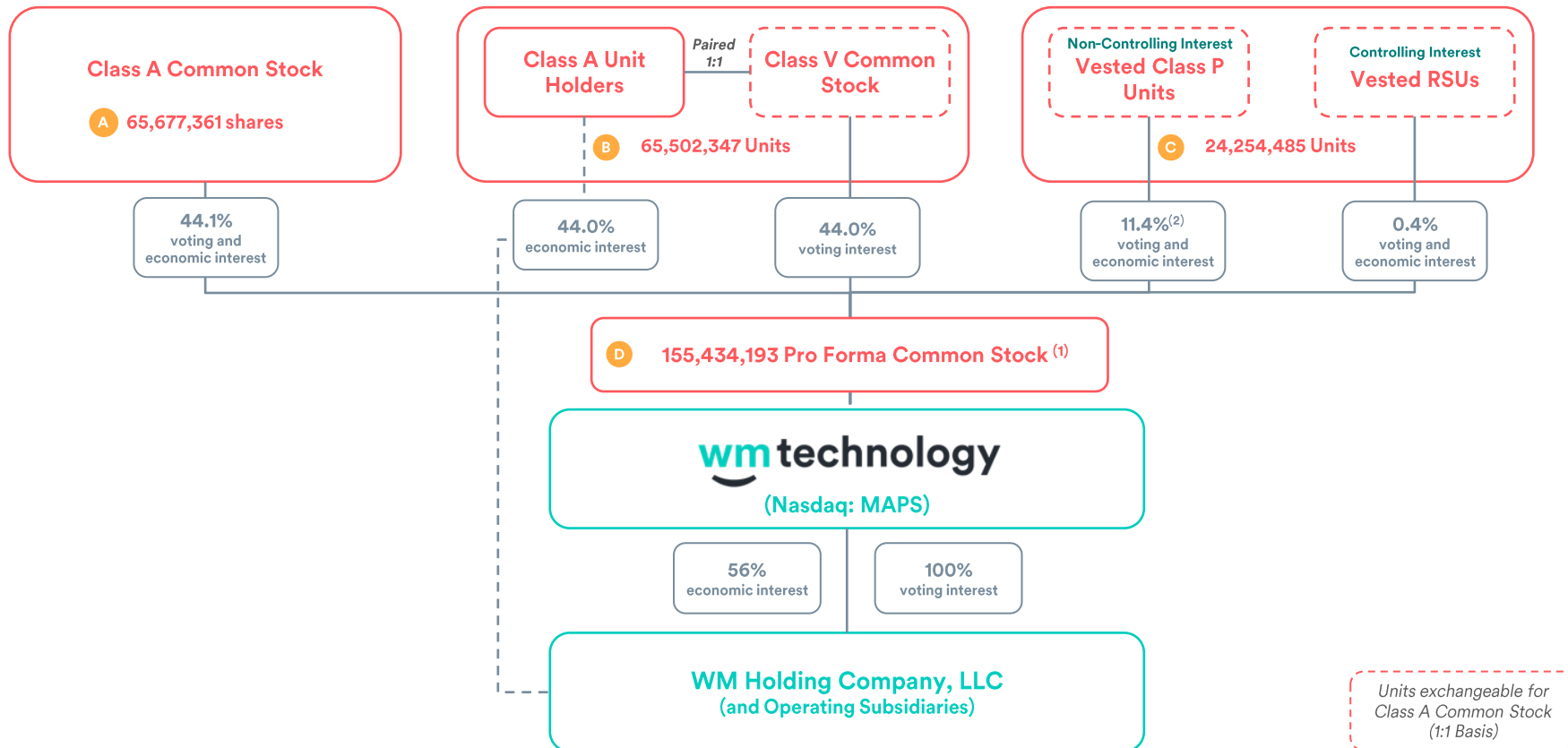


Full Year FY22 Adj. EBITDA guidance of **\$15-20M** implies **6 - 8% Margin**

Q1 FY22 Adj. EBITDA Margin expected to be **breakeven**

## Controlling Interest

## Non-Controlling Interest



Units exchangeable for Class A Common Stock (1:1 Basis)

Note: Totals may not sum due to rounding

(1) Includes all Vested Class P Units. Actual Class P Units converted into Class A Common Stock could be lower based on conversion share price and distribution threshold

(2) Assumes conversion of 17,015,014 Class P Units to Class A Common Stock based on 12/31/21 share price of \$5.98 less distribution threshold

# Fully-Diluted Share Count



Ownership	Calculation	Percentage	10-K Reference
Non-controlling interests ownership as of December 31, 2021		55.5%	Note 11
Controlling interests ownership as of December 31, 2021		44.5%	
<b>Common Shares as of December 31, 2021</b>		<b>Shares</b>	<b>10-K Reference</b>
Common Stock Class A (voting publicly traded)	A	65,677,361	Balance Sheet
Class V Common Stock <sup>(1)</sup> (not publicly trade but has a voting right and exchangeable into shares of Class A common stock on a 1:1 basis)	+ B	65,502,347	Balance Sheet
<b>Total Common Voting Shares</b>		<b>131,179,708</b>	
<b>Other Securities</b>		<b>Units / Shares</b>	<b>10-K Reference</b>
Class P units <sup>(2)</sup> (vested)	+ C	23,685,659	Note 12
Restricted Stock Awards <sup>(3)</sup> (vested)	+ C }	568,826	Note 12
<b>Pro Forma Share Count</b>		<b>Shares</b>	
Pro Forma Common Stock – basic	= D	<b>155,434,193</b>	
Pro Forma Common Stock – diluted <sup>(4)</sup>		157,234,093	
Pro Forma Common Stock – basic + 19.5M public & private placement warrants <sup>(5)</sup>		174,934,126	
<b>Warrants</b>		<b>Shares</b>	<b>10-K Reference</b>
Public warrants		12,499,993	Note 2
Private placement warrants		7,000,000	Note 2

(1) The Company issued 65,502,347 shares of Class V Common Stock to Class A Unit holders, representing the same number of Class A Units retained by the Legacy WMH equity holders. Each holder of the shares of Class V Common Stock is entitled to one vote for each share of Class V Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote. Shares of the Class V Common Stock do not participate in the earnings or losses of the Company and are therefore not participating securities. As such, separate presentation of basic and diluted earnings per share of Class V Common Stock under the two-class method has not been presented

(2) 25,660,529 outstanding as of December 31, 2021

(3) 6,581,369 granted as of December 31, 2021 (182,662 units forfeited after grant)

(4) Uses treasury stock method for the public & private warrants and restricted stock units. Results in public warrants representing 1,153,782 shares, private warrants representing 646,118 shares. See page Note 2 of the 10-K

(5) In this situation, MAPS to receive cash proceeds of \$224M (19.5M warrants \* \$11.50 exercise price), subject to adjustments