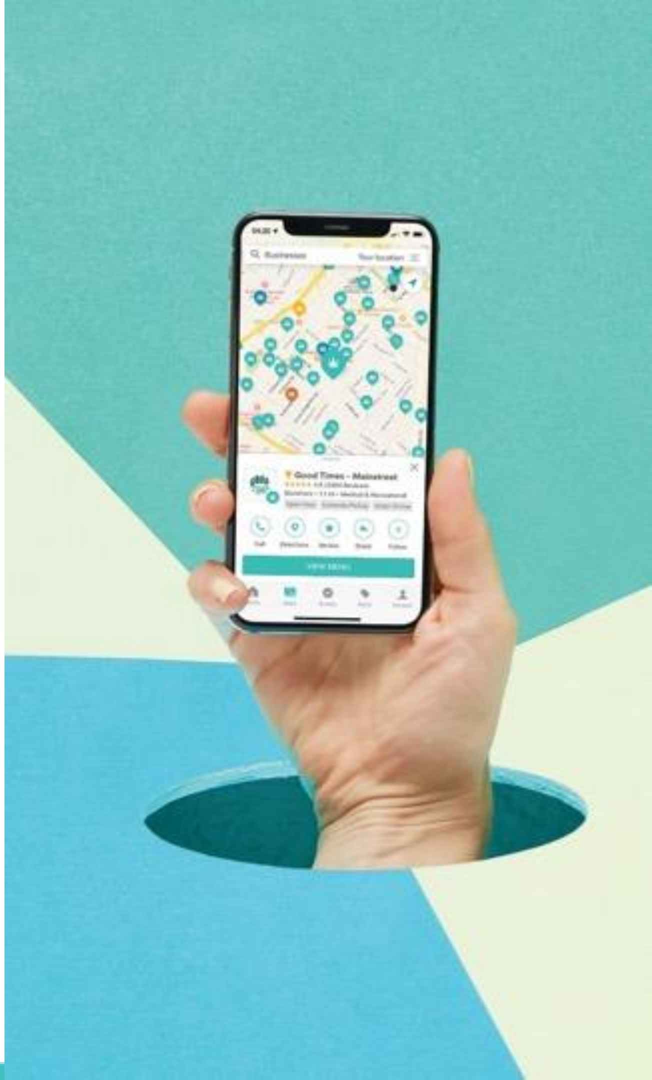
wm technology

WM Technology, Inc.
Q1 FY22 Quarterly Results

May 4, 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 May 4, 2022. Accordingly, undue reliance should not be placed upon the forward-looking statements.

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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 stock-based compensation, change in fair value of warrant liability, transaction related bonuses, transaction costs, legal settlements and other non-cash, unusual and/or infrequent costs in the case of Adjusted EBITDA. Below we have provided a reconciliation of net (loss) 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 (Loss) Income" included at the end of this presentation and the footnotes provided for such non-GAAP measures.

Financial Results

- **Q1 FY22 Revenue of $57 million (+40% year-over-year growth) vs. guidance of $54 - $56 million**
  - Monthly Active Users: 16.4M, +52% y-o-y and +4% from the prior quarter
  - Avg. Monthly Paying Clients: 5,026, +28% y-o-y
  - Avg. Monthly Revenue per Paying Client: $3,810, +9% y-o-y
- **Q1 FY22 Gross Profit of $54 million**
  - 93% implied Gross Margin rate, reflecting investments in new initiatives
- **Q1 FY22 Adj. EBITDA of ($1) million vs. guidance of breakeven-to-slightly positive Adj. EBITDA for the 1H 2022**
  - Excludes stock-based compensation, transaction related bonuses & costs, and legal settlements of $10 million

Note: See our Q1 2022 8-K Earnings Release issued on May 4, 2022 and filed with the SEC for additional information and/or certain adjustments

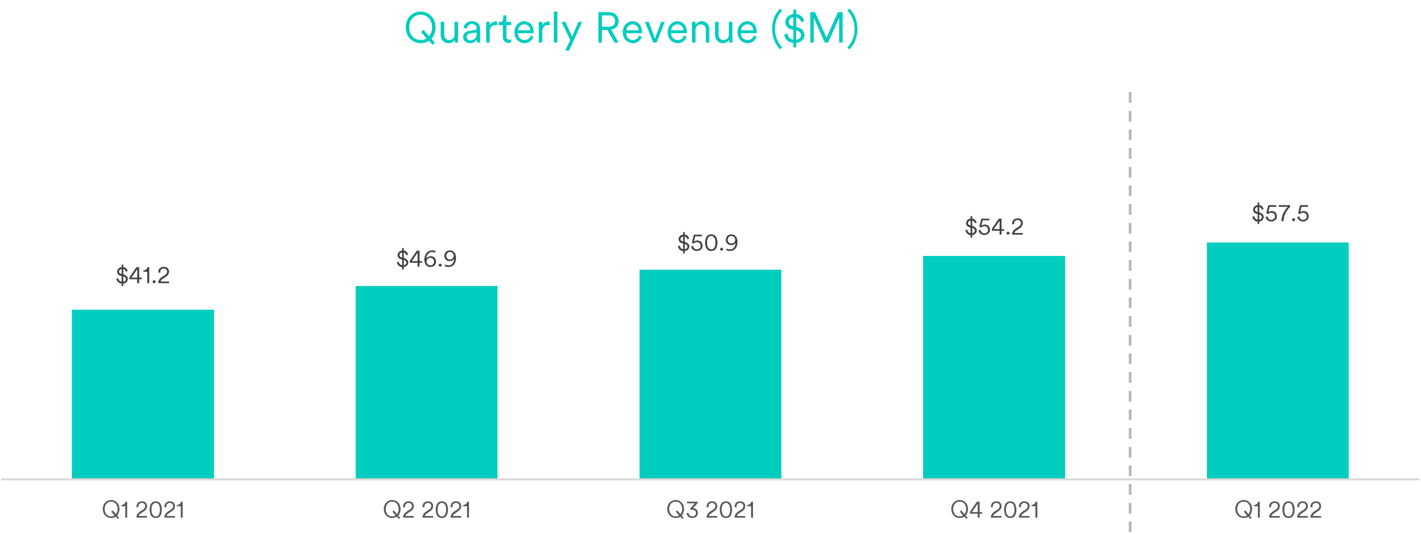
Q1 2022 P&L Summary

($M)	Q1 FY22 P&L	Q1 FY22 Δ vs. PY
Total Revenue	**$57**	***+40%***
Gross Profit	**54**	***+37%***
Margin Rate	***93%***	
Adj. Sales & Marketing[1]	(19)	*+106%*
Adj. Product Development[2]	(11)	*+43%*
Adj. G&A[3]	(24)	*+81%*
Total Adj. OPEX[4]	**($54)**	***+78%***
Adj. EBITDA	**($1)**	***NM***
Margin Rate	***(2%)***	

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

1) Adjusted Sales & Marketing (Non-GAAP) excludes stock-based compensation expense of $2M and transaction related bonuses of $1M
2) Adjusted Product Development (Non-GAAP) excludes stock-based compensation expense of $1M and transaction related bonuses of $0.5M
3) Adjusted General & Administrative (Non-GAAP) excludes stock-based compensation expense of $4M and transaction related bonuses, transaction costs and legal settlements of $0.5M
4) Total Adjusted OPEX (Non-GAAP) excludes Depreciation & Amortization expense of $4M

Quarterly Revenue Trends

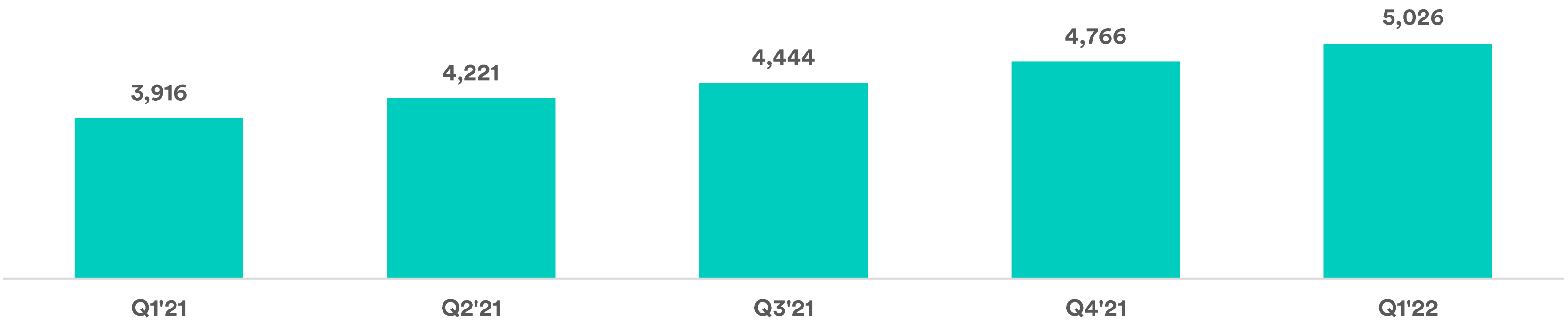


Revenue as % of FY	**21%**	**24%**	**26%**	**28%**	**22%** (2)
YoY Growth (1)	+58%	+55%	+46%	+39%	+40%
QoQ Growth (1)	+5%	+14%	+8%	+6%	+6%

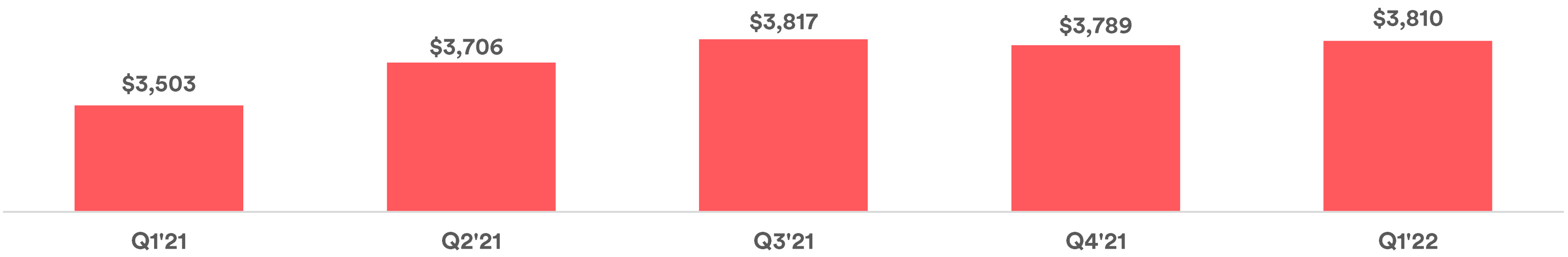
Note: Revenue as % of FY may not sum due to rounding
(1) 2021 growth rates represents U.S. Revenues only
(2) Based on midpoint of FY 2022 Revenue Guidance of $260M

Selected Key Operating and Financial Metrics by Quarter

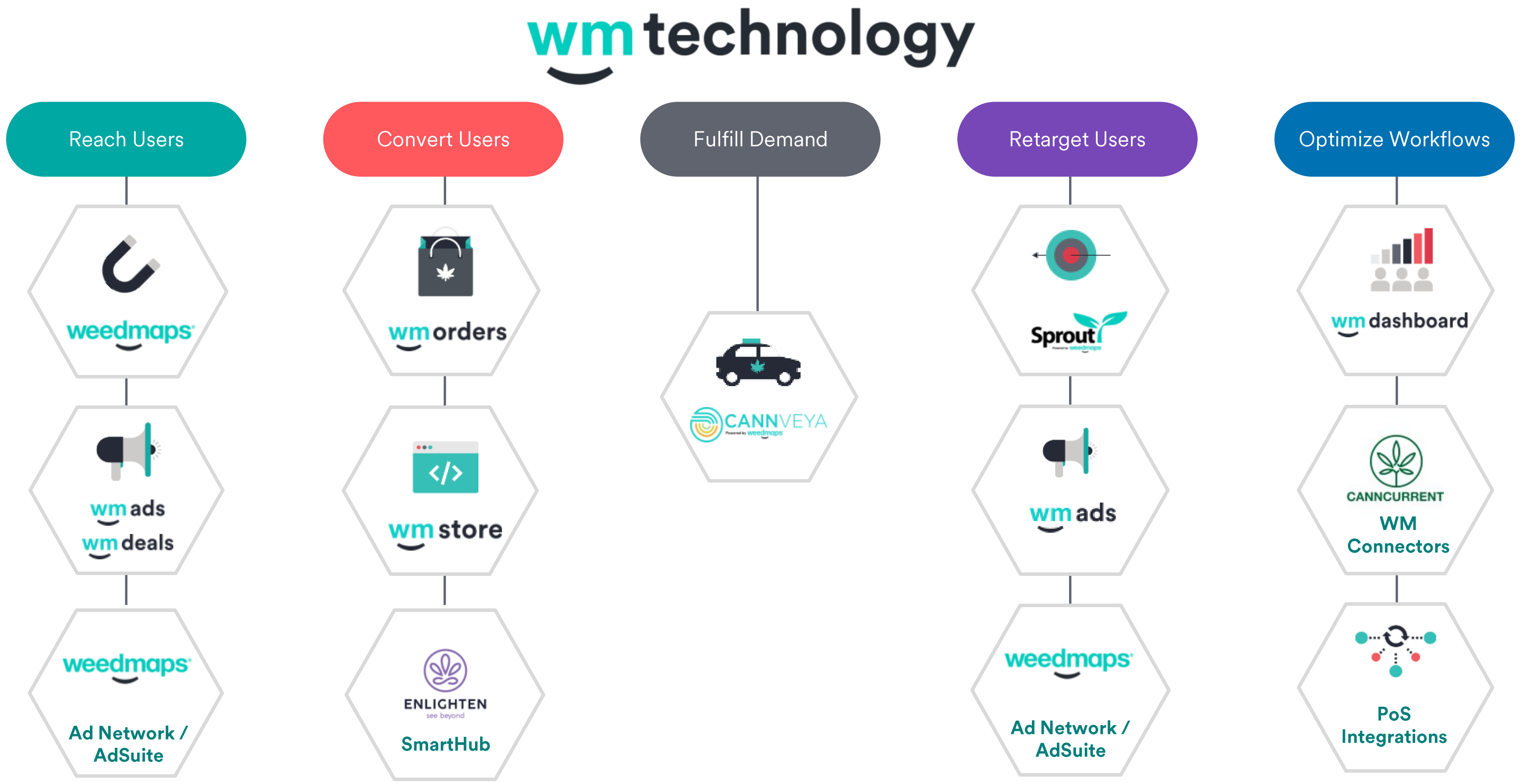
Average Monthly Paying Clients



Average Monthly Revenue per Paying Client



WM Technology’s Product & Solution Ecosystem



Non-GAAP Reconciliations: Adj. EBITDA to Reported Net (Loss) Income

$M	Q1 FY'22	Commentary
Adj. EBITDA	**($1.0)**	
EBITDA Adjustments:		
– Change in FV of Warrant Liability	(18.2)	FASB guidance requires fair value accounting on warrant liabilities. This represents the mark-to-market adjustments
– Stock-Based Compensation	(7.5)	Represents SBC related to RSUs, PSUs, and Class P Units
– M&A Transaction Costs	(0.3)	Legal expenses related to M&A acquisitions
– Transaction Related Bonuses	(2.0)	Expense amortization related to future bonus payouts in connection with prior acquisitions
– Legal Settlement	(0.1)	Settlement of claims for legal fees in connection with the business combination from counsel to former Silver Spike shareholders
– Depreciation and Amortization Expenses	(3.9)	Primarily due to capitalized software development costs and depreciation of computer equipment
+ Benefit from (provision for) Income Taxes	1.7	
Reported Net (Loss) Income	**($31.2)**	

Note: Totals and sub-totals may be sum due to rounding

Summary Balance Sheet and Cash Flow

Balance Sheet

($M)	31-Dec-21	31-Mar-22
Cash & Cash Equivalents	$68	$56
Other Current Assets	31	36
Total Current Assets	**$99**	**$92**
Property & Equipment, Net	**$13**	**$17**
Goodwill & Intangibles	54	79
Deferred Tax Assets	152	171
Other Assets	47	46
Total Other Assets	**$253**	**$296**
Total Assets	**$365**	**$405**
Total Current Liabilities	**$38**	**$37**
LT Operating Lease Liabilities	39	38
Tax Receivable Agreement	129	134
Warrant Liability	27	46
Other LT Liabilities	–	2
Total Liabilities	**$233**	**$256**
Total Equity	**$132**	**$149**
Total Liabilities & Equity	**$365**	**$405**

Note: Totals and sub-totals may be sum due to rounding

Cash Flows

($M)	YTD Mar-22
CASH FLOWS FROM OPERATIONS	
Net Loss	(31)
Depreciation & Amortization	4
FV of Warrant Liability	18
Stock-based Compensation	8
Deferred Tax Asset	(2)
Provision for Bad Debt	3
Change in Op. Assets & Liabilities	(6)
Net Cash from Operations	**($7)**
CASH FLOWS FROM INVESTING ACTIVITIES	
Cash Paid for Acquisitions & Investments	(1)
Purchases of PP&E, Net	(4)
Net Cash from Investing Activities	**($5)**
CASH FLOWS FROM FINANCING ACTIVITIES	
Distribution to Members	–
Proceeds from IPO	–
Repurchase of Class B Units	–
Net Cash from Financing Activities	**$0**
Net Change in Cash	**($12)**
Cash at Beginning of Period	68
Cash at End of Period	**$56**

Q2 FY22 Guidance

Based on current business trends and conditions, the outlook for Q2 FY22 is as follows:

- **Revenue**
  - Q2 FY22 Revenue estimated to be $60 million – $63 million
  - Represents 28% – 34% growth vs. Q2 FY21
- **Adjusted EBITDA**
  - Adjusted EBITDA margins for the First Half of FY22 will be breakeven-to-slightly positive

Basic and Fully Diluted Share Count

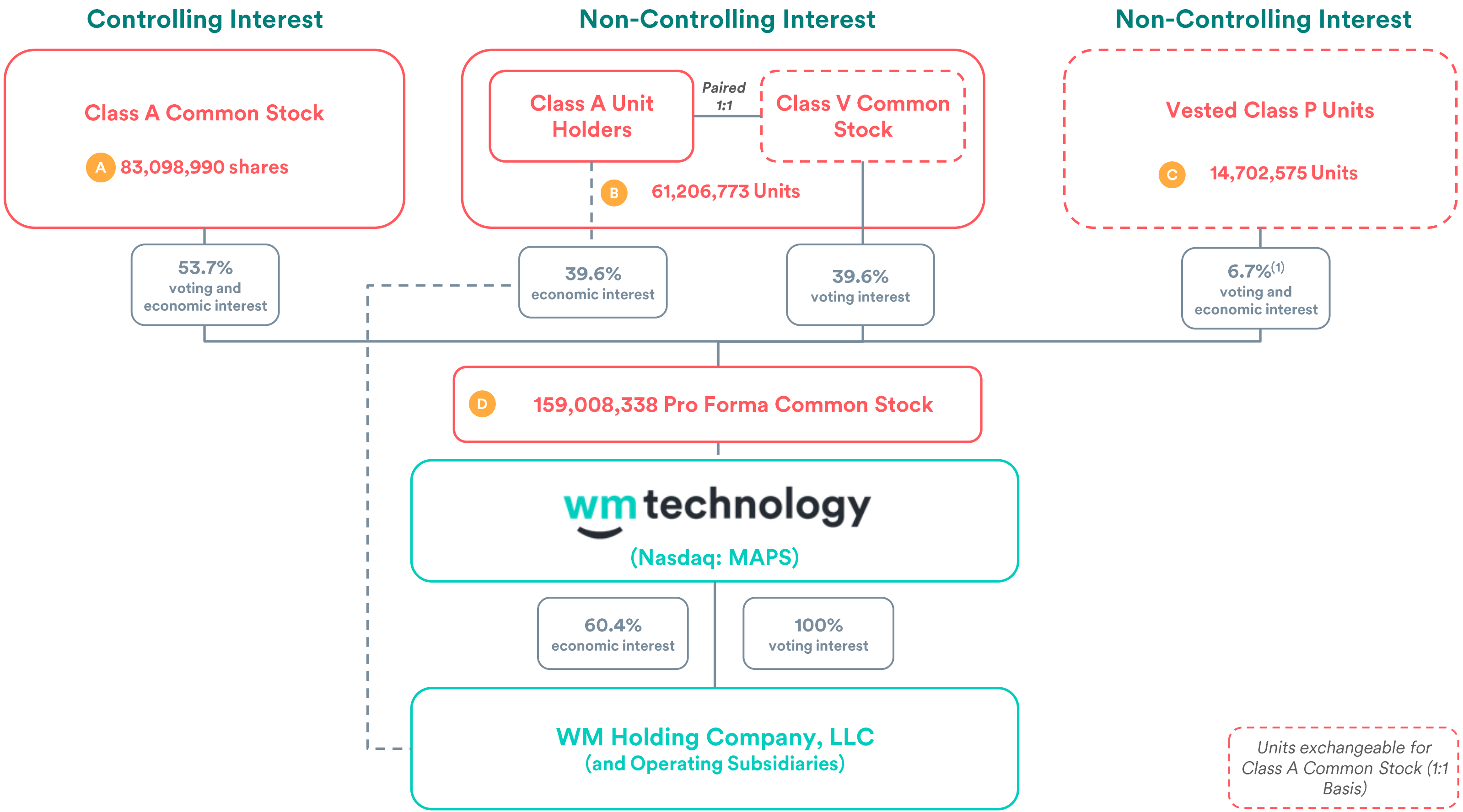
Ownership	Calculation	Percentage	10-Q Reference
Non-controlling interests ownership as of March 31, 2022		46.3%	Note 10
Controlling interests ownership as of March 31, 2022		53.7%	
Common Shares as of March 31, 2022		**Shares**	**10-Q Reference**
Common Stock Class A (voting publicly traded)	A	83,098,990	Statement of Equity
Class V Common Stock [1] (not publicly trade but has a voting right and exchangeable into shares of Class A common stock on a 1:1 basis)	+ B	61,206,773	Statement of Equity
Total Common Voting Shares		**144,305,763**	
Other Securities		**Units**	**10-Q Reference**
Class P units [2] (vested)	+ C	14,702,575	Note 11
Pro Forma Share Count		**Shares**	
Pro Forma Common Stock – basic	= D	**159,008,338**	
Pro Forma Common Stock – basic + 19.5M public & private placement warrants [3]		178,508,311	
Warrants		**Shares**	**10-Q Reference**
Public warrants		12,499,973	Note 9
Private placement warrants		7,000,000	Note 9

(1) The Company issued shares of Class V Common Stock to Class A Unit holders, representing the same number of Class A Units retailed 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) 16,249,030 outstanding as of March 31, 2022. Conversion ratio from P units to Common Stock Class A based on MAPS share price and not necessarily 1:1. See filings for additional detail.

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

Share Classes



Note: Totals may not sum due to rounding

(1) Assumes conversion of 10,308,954 Class P Units to Class A Common Stock based on 3/31/22 share price of $7.82