

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-Q**

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended March 31, 2023

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_ to \_\_\_\_

Commission file number 001-39021

**WM TECHNOLOGY, INC.**

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

98-1605615

(I.R.S. Employer Identification No.)

41 Discovery  
Irvine, California

(Address of Principal Executive Offices)

92618

(Zip Code)

(844) 933-3627

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value per share	MAPS	The Nasdaq Global Select Market
Warrants, each whole warrant exercisable for one share of Class A Common Stock at an exercise price of \$11.50 per share	MAPSW	The Nasdaq Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Large accelerated filer  Accelerated filer   
Non-accelerated filer  Smaller reporting company  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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

As of May 5, 2023, there were 92,573,466 shares of the registrant's Class A common stock outstanding and 55,486,361 shares of Class V common stock outstanding.

WM TECHNOLOGY, INC.

TABLE OF CONTENTS

	<u>Page</u>
<a href="#">Forward-Looking Statements</a>	
<b>Part I - Financial Information</b>	<b><u>2</u></b>
<a href="#">Item 1. Condensed Consolidated Financial Statements (Unaudited)</a>	<u>2</u>
<a href="#">Condensed Consolidated Balance Sheets as of March 31, 2023 and December 31, 2022</a>	<u>2</u>
<a href="#">Condensed Consolidated Statements of Operations for the Three Months Ended March 31, 2023 and 2022</a>	<u>3</u>
<a href="#">Condensed Consolidated Statements of Equity for the Three Months Ended March 31, 2023 and 2022</a>	<u>4</u>
<a href="#">Condensed Consolidated Statements of Cash Flows for the Three Months Ended March 31, 2023 and 2022</a>	<u>5</u>
<a href="#">Notes to Condensed Consolidated Financial Statements</a>	<u>7</u>
<a href="#">Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<u>29</u>
<a href="#">Item 3. Quantitative and Qualitative Disclosures About Market Risk</a>	<u>44</u>
<a href="#">Item 4. Controls and Procedures</a>	<u>44</u>
<b>Part II - Other Information</b>	<b><u>46</u></b>
<a href="#">Item 1. Legal Proceedings</a>	<u>46</u>
<a href="#">Item 1A. Risk Factors</a>	<u>46</u>
<a href="#">Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</a>	<u>46</u>
<a href="#">Item 3. Defaults Upon Senior Securities</a>	<u>46</u>
<a href="#">Item 4. Mine Safety Disclosures</a>	<u>46</u>
<a href="#">Item 5. Other Information</a>	<u>46</u>
<a href="#">Item 6. Exhibits</a>	<u>47</u>
<a href="#">Signatures</a>	<u>48</u>

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this report, including statements regarding our future results of operations and financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, forward-looking statements may be identified by words such as “anticipate,” “believe,” “continue,” “could,” “design,” “estimate,” “expect,” “intend,” “may,” “plan,” “potentially,” “predict,” “project,” “should,” “will,” “would,” or the negative of these terms or other similar expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our financial and business performance, including key business metrics and any underlying assumptions thereunder;
- our market opportunity and our ability to acquire new clients and retain existing clients;
- our expectations and timing related to commercial product launches;
- the success of our go-to-market strategy;
- our ability to scale our business and expand our offerings;
- our competitive advantages and growth strategies;
- our future capital requirements and sources and uses of cash;
- our ability to obtain funding for our future operations;
- the impact of the material weakness in our internal controls and our ability to remediate this material weakness on the timing we anticipate, or at all;
- the outcome of any known and unknown litigation and regulatory proceedings;
- changes in domestic and foreign business, market, financial, political and legal conditions;
- the effect of macroeconomic conditions, including but not limited to the COVID-19 pandemic, inflation, uncertain credit and global financial markets, recent and potential future disruptions in access to bank deposits or lending commitments due to bank failures and geopolitical events, including the military conflict between Russia and Ukraine;
- future global, regional or local economic and market conditions affecting the cannabis industry;
- the development, effects and enforcement of and changes to laws and regulations, including with respect to the cannabis industry;
- our ability to successfully capitalize on new and existing cannabis markets, including our ability to successfully monetize our solutions in those markets;
- our ability to manage future growth;
- our ability to effectively anticipate and address changes in the end-user market in the cannabis industry;
- our ability to develop new products and solutions, bring them to market in a timely manner and make enhancements to our platform and our ability to maintain and grow our two-sided digital network, including our ability to acquire and retain paying clients;
- the effects of competition on our future business;
- our success in retaining or recruiting, or changes required in, officers, key employees or directors
- cyber-attacks and security vulnerabilities; and
- the possibility that we may be adversely affected by other economic, business or competitive factors.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors described in the section titled “Risk Factors” and included in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 16, 2023. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events, and circumstances reflected

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in the forward-looking statements may not be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that “we believe,” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments.

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**Part I - Financial Information**
**Item 1. Financial Statements**

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Unaudited)  
(In thousands, except for share data)

	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets		
Cash	\$ 25,902	\$ 28,583
Accounts receivable, net	15,401	17,438
Prepaid expenses and other current assets	6,866	8,962
Total current assets	48,169	54,983
Property and equipment, net	25,556	24,928
Goodwill	68,368	68,368
Intangible assets, net	9,784	10,339
Right-of-use assets	30,245	31,447
Other assets	8,504	8,970
Total assets	\$ 190,626	\$ 199,035
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 26,170	\$ 33,635
Deferred revenue	6,366	6,256
Operating lease liabilities, current	6,574	6,334
Tax receivable agreement liability, current	500	—
Other current liabilities	98	98
Total current liabilities	39,708	46,323
Operating lease liabilities, non-current	31,314	33,043
Tax receivable agreement liability, non-current	100	500
Warrant liability	1,365	2,090
Other long-term liabilities	2,900	2,302
Total liabilities	75,387	84,258
Commitments and contingencies (Note 3)		
Stockholders' equity		
Preferred Stock - \$0.0001 par value; 75,000,000 shares authorized; no shares issued and outstanding at March 31, 2023 and December 31, 2022	—	—
Class A Common Stock - \$0.0001 par value; 1,500,000,000 shares authorized; 92,573,466 shares issued and outstanding at March 31, 2023 and 92,062,468 shares issued and outstanding at December 31, 2022	9	9
Class V Common Stock - \$0.0001 par value; 500,000,000 shares authorized, 55,486,361 shares issued and outstanding at March 31, 2023 and December 31, 2022	5	5
Additional paid-in capital	72,444	67,986
Accumulated deficit	(57,095)	(54,620)
Total WM Technology, Inc. stockholders' equity	15,363	13,380
Noncontrolling interests	99,876	101,397
Total stockholders' equity	115,239	114,777
Total liabilities and stockholders' equity	\$ 190,626	\$ 199,035

The accompanying notes are an integral part of these condensed consolidated financial statements.

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(In thousands, except for share data)**

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Revenues	\$ 48,007	\$ 57,452
Operating expenses		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	3,494	3,740
Sales and marketing	12,060	21,882
Product development	10,934	13,090
General and administrative	22,500	29,055
Depreciation and amortization	3,167	3,945
Total operating expenses	52,155	71,712
Operating loss	(4,148)	(14,260)
Other income (expenses)		
Change in fair value of warrant liability	725	(18,219)
Change in tax receivable agreement liability	(100)	—
Other expense, net	(446)	(502)
Loss before income taxes	(3,969)	(32,981)
Benefit from income taxes	—	(1,748)
Net loss	(3,969)	(31,233)
Net loss attributable to noncontrolling interests	(1,494)	(17,340)
Net loss attributable to WM Technology, Inc.	\$ (2,475)	\$ (13,893)
Class A Common Stock:		
Basic and diluted loss per share	\$ (0.03)	\$ (0.19)
Class A Common Stock:		
Weighted average basic and diluted shares outstanding	92,323,757	72,450,204

The accompanying notes are an integral part of these condensed consolidated financial statements.

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF EQUITY**  
**(Unaudited)**  
**(In thousands, except for share data)**

Three Months Ended March 31, 2023

	Common Stock Class A		Common Stock Class V		Additional Paid-in Capital	Accumulated Deficit	Total WM Technology, Inc. Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Par Value	Shares	Par Value					
<b>As of December 31, 2022</b>	92,062,468	\$ 9	55,486,361	\$ 5	\$ 67,986	\$ (54,620)	\$ 13,380	\$ 101,397	\$ 114,777
Stock-based compensation	—	—	—	—	4,396	—	4,396	285	4,681
Issuance of common stock - vesting of restricted stock units, net of shares withheld for taxes	475,510	—	—	—	—	—	—	—	—
Distributions	—	—	—	—	—	—	—	(250)	(250)
Issuance of common stock - Class P Unit exchange	35,488	—	—	—	62	—	62	(62)	—
Net loss	—	—	—	—	—	(2,475)	(2,475)	(1,494)	(3,969)
<b>As of March 31, 2023</b>	<b>92,573,466</b>	<b>\$ 9</b>	<b>55,486,361</b>	<b>\$ 5</b>	<b>\$ 72,444</b>	<b>\$ (57,095)</b>	<b>\$ 15,363</b>	<b>\$ 99,876</b>	<b>\$ 115,239</b>

Three Months Ended March 31, 2022

	Common Stock Class A		Common Stock Class V		Additional Paid-in Capital	Retained Earnings	Total WM Technology, Inc. Stockholders' Equity	Non-controlling Interests	Total Equity
	Shares	Par Value	Shares	Par Value					
<b>As of December 31, 2021</b>	65,677,361	\$ 7	65,502,347	\$ 7	\$ 2,173	\$ 61,369	\$ 63,556	\$ 68,384	\$ 131,940
Stock-based compensation	—	—	—	—	7,246	—	7,246	681	7,927
Issuance of common stock - vesting of restricted stock units, net of shares withheld for taxes	879,284	—	—	—	(6)	—	(6)	(7)	(13)
Issuance of common stock for acquisitions	4,721,706	—	—	—	12,836	—	12,836	15,889	28,725
Issuance of common stock - Class A Unit exchange	4,295,574	1	(4,295,574)	(1)	3,669	—	3,669	(3,669)	—
Issuance of common stock - Class P Unit exchange	7,525,045	—	—	—	6,427	—	6,427	(6,427)	—
Issuance of common stock - warrants exercised	20	—	—	—	—	—	—	—	—
Impact of Tax Receivable Agreement due to exchanges of Units	—	—	—	—	11,625	—	11,625	—	11,625
Net loss	—	—	—	—	—	(13,893)	(13,893)	(17,340)	(31,233)
<b>As of March 31, 2022</b>	<b>83,098,990</b>	<b>\$ 8</b>	<b>61,206,773</b>	<b>\$ 6</b>	<b>\$ 43,970</b>	<b>\$ 47,476</b>	<b>\$ 91,460</b>	<b>\$ 57,511</b>	<b>\$ 148,971</b>

The accompanying notes are an integral part of these condensed consolidated financial statements.

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(In thousands)**

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Net loss	\$ (3,969)	\$ (31,233)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	3,167	3,945
Change in fair value of warrant liability	(725)	18,219
Change in tax receivable agreement liability	100	—
Stock-based compensation	4,383	7,517
Deferred tax asset	—	(1,748)
Provision for doubtful accounts	1,951	2,759
Changes in operating assets and liabilities:		
Accounts receivable	86	(7,802)
Prepaid expenses and other current assets	2,447	1,617
Other assets	25	—
Accounts payable and accrued expenses	(5,417)	3,132
Deferred revenue	109	(256)
Net cash provided by (used in) operating activities	<u>2,157</u>	<u>(3,850)</u>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(3,226)	(4,201)
Cash paid for acquisitions, net of cash acquired	—	(713)
Net cash used in investing activities	<u>(3,226)</u>	<u>(4,914)</u>
<b>Cash flows from financing activities</b>		
Repayments of insurance premium financing	(1,450)	(3,143)
Distributions	(250)	—
Proceeds from repayment of related party note	88	—
Taxes paid related to net share settlement of equity awards	—	(13)
Net cash used in financing activities	<u>(1,612)</u>	<u>(3,156)</u>
Net decrease in cash	(2,681)	(11,920)
Cash – beginning of period	28,583	67,777
Cash – end of period	<u>\$ 25,902</u>	<u>\$ 55,857</u>

The accompanying notes are an integral part of these condensed consolidated financial statements.



**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(In thousands)**  
**(Continued)**

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Supplemental disclosures of noncash investing and financing activities</b>		
Stock-based compensation capitalized for software development	\$ 298	\$ 410
Insurance premium financing	\$ —	\$ 248
Issuance of equity for acquisitions	\$ —	\$ 28,725
Holdback liability recognized in connection with the acquisition	\$ —	\$ 98
Accrued liabilities assumed in connection with acquisition	\$ —	\$ 586

The accompanying notes are an integral part of these condensed consolidated financial statements.

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

## **1. Business and Organization**

Founded in 2008, and headquartered in Irvine, California, WM Technology, Inc. (the “Company”) operates a leading online cannabis marketplace for consumers together with a comprehensive set of eCommerce and compliance software solutions for cannabis businesses, which are sold to both storefront locations and delivery operators (“retailers”) and brands in the U.S. states, U.S. territories and Canadian legalized cannabis markets. The Company’s comprehensive business-to-consumer (“B2C”) and business-to-business (“B2B”) suite of products afford cannabis retailers and brands of all sizes integrated tools to compliantly run their businesses and to reach, convert, and retain consumers.

The Company’s business primarily consists of its commerce-driven marketplace (“Weedmaps”), and its fully integrated suite of end-to-end Software-as-a-Service (“SaaS”) solutions software offering (“Weedmaps for Business”). The Weedmaps marketplace provides cannabis consumers with information regarding cannabis retailers and brands. In addition, the Weedmaps marketplace aggregates data from a variety of sources including retailer point-of-sale solutions to provide consumers with the ability to browse by strain, price, cannabinoids and other information regarding locally available cannabis products, through the Company’s website and mobile apps. The marketplace provides consumers with product discovery, access to deals and discounts, and reservation of products for pickup by consumers or delivery to consumers by participating retailers (retailers complete orders and process payments outside of the Weedmaps marketplace as Weedmaps serves only as a portal, passing a consumer’s inquiry to the dispensary). The marketplace also provides education and learning information to help newer consumers learn about the types of products to purchase. The Company believes the size, loyalty and engagement of its user base and the frequency of consumption of cannabis of its user base is highly valuable to the Company’s clients and results in clients paying for its services.

Weedmaps for Business, the Company’s SaaS offering, is a comprehensive set of eCommerce and compliance software solutions catered towards cannabis retailers, delivery services and brands that streamline front and back-end operations and help manage compliance needs. These tools support cannabis businesses at every stage in the consumer funnel, enabling them to:

- Strategically reach prospective cannabis consumers;
- Manage pickup, delivery and inventory in compliance with local regulations;
- Help improve the customer experience by creating online browsing and ordering functionality on a brand or retailer (including delivery) operator’s website and by extending that functionality in-store with kiosks;
- Foster customer loyalty and re-engage with segments of consumers;
- Leverage the Weedmaps for Business products in conjunction with any other preferred software solutions via integrations and application programming interfaces (“APIs”); and
- Make informed marketing and merchandising decisions using performance analytics and consumer and brand insights to promote products to specific consumer groups.

The Company’s solutions are designed to address these challenges facing cannabis consumers and businesses. The Weedmaps marketplace allows cannabis users to search for and browse cannabis products from retailers and brands, and ultimately reserve products from certain local retailers, in a manner similar to other technology platforms with breadth and depth of product, brand and retailer selection. With the development of Weedmaps for Business, the Company offers an end-to-end platform for licensed cannabis retailers to comply with state law. The Company sells a monthly subscription offering to storefront, delivery and brand clients as well as upsell and add-on offerings to licensed clients. The Company’s current subscription package includes:

- WM Listings: A listing page with product menu for a retailer or brand on the Weedmaps marketplace, enabling the Company’s clients to be discovered by the marketplace’s users. This also allows clients to disclose their license information, hours of operation, contact information, discount policies and other information that may be required under applicable state law;
- WM Orders: Software for retailers to receive pickup and delivery orders directly from a Weedmaps listing and connect orders directly with a client’s POS system (for certain POS systems). The marketplace also enables brands to route customer purchase interest to a retailer that carries the brand’s product. After a dispensary receives the order request from the consumer, the dispensary and the consumer can continue to communicate, adjust items in the request, and handle any stock issues, prior to and while the dispensary processes and fulfills the order;

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

- WM Store: Customizable online store which allows retailers and brands to import their Weedmaps listing menu or product reservation functionality to their own white-labeled WM Store website or separately owned website. WM Store facilitates customer pickup or delivery orders and enables retailers to reach more customers by bringing the breadth of the Weedmaps marketplace to a client's own website;
- WM Connectors: A centralized integration platform, including API tools, for easier menu management, automatic inventory updates and streamlined order fulfillment to enable clients to save time and more easily integrate into the WM Technology ecosystem and integrate with disparate software systems. This creates business efficiencies and improves the accuracy and timeliness of information across Weedmaps, creating a more positive experience for consumers and businesses; and
- WM Insights: An insights and analytics platform for clients leveraging data across the Weedmaps marketplace and software solutions. WM Insights provides data and analytics on user engagement and traffic trends to a client's listing page. For Brand clients, WM Insights allows them to monitor their brand and product rankings, identify retailers not carrying products and keep track of top brands and products by category and state.

The Company also offers other add-on products for additional fees, including:

- WM Ads: Ad solutions on the Weedmaps marketplace designed for clients to amplify their businesses and reach more highly engaged cannabis consumers throughout their buying journey including:
  - Featured Listings: Premium placement ad solutions on high visibility locations on the Weedmaps marketplace (desktop and mobile) to amplify the Company's clients' businesses and maximize clients' listings and deal presence.
  - WM Deals: Discount and promotion pricing tools that let clients strategically reach prospective price-conscious cannabis customers with deals or discounts to drive conversion. In some jurisdictions, it is required by applicable law to showcase discounts.
  - Other WM Ads solutions: Includes banner ads and promotion tiles on our marketplace as well as banner ads that can be tied to keyword searches. These products provide clients with targeted ad solutions in highly visible slots across our digital surfaces.
- WM AdSuite: Omni-channel (on and off platform) marketing solution with access to the Weedmaps marketplace and cannabis-friendly off marketplace outlets including certain publishers, out-of-home units in addition to other media solutions. These campaigns leverage proprietary first-party Weedmaps data to target verified cannabis consumers.
- WM CRM: Customer relationship management software allowing clients to reach new consumers, build loyalty, and grow revenue with our compliant app, text and marketing tools. The tools also allow for retargeting and re-engagement of cannabis consumers.
- WM Dispatch: Compliant, automated and optimized logistics and fulfillment last-mile delivery software (including driver apps) that helps clients manage their delivery fleets. This product streamlines the delivery experience from in-store to front-door.
- WM Screens: In-store digital menu signage and kiosk solution and media management tool enabling clients to enhance the in-store experience, impact omnichannel retail and centralize operations with revenue-driving and customizable digital signage.

The Company charges a monthly fee to retailer, delivery and brand clients for access to its subscription package, which includes WM Listings, WM Orders, WM Store, WM Connectors and WM Insights. Depending on the market, the other add-on products are available for additional fees.

The Company sells its Weedmaps for Business suite in the United States, and currently offers some of its Weedmaps for Business solutions in Canada and has a limited number of non-monetized listings in several other countries including Austria, Germany, the Netherlands, Spain and Switzerland. The Company operates in the United States, Canada and other foreign jurisdictions where medical and/or adult cannabis use is legal under state or national law. As of March 31, 2023, the Company

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

actively operated in over 30 U.S. states and territories that have adult-use and/or medical-use regulations in place. The Company defines actively operated markets as those U.S. states or territories with greater than \$1,000 monthly revenue.

The Company's mission is to power a transparent and inclusive global cannabis economy. The Company's technology addresses the challenges facing both consumers seeking to understand cannabis products and businesses who serve cannabis users in a legally compliant fashion. Over the past 14 years, Weedmaps has become a premier destination for cannabis consumers to discover and browse information regarding cannabis and cannabis products, permitting product discovery and order-ahead for pickup or delivery by participating retailers. Weedmaps for Business is a set of eCommerce-enablement tools designed to help retailers and brands get the best out of the Weedmaps' consumer experience, create labor efficiencies and manage compliance needs.

The Company holds a strong belief in the importance of enabling safe, legal access to cannabis for consumers worldwide. The Company believes it offers the only comprehensive software platform that allows cannabis retailers to reach their target audience, quickly and cost effectively, addressing a wide range of needs. The Company is committed to building the software solutions that power cannabis businesses compliantly in the industry, to advocating for legalization, licensing and social equity of cannabis and to facilitating further learning through partnership with subject matter experts to provide detailed, accurate information about cannabis.

WM Technology, Inc. was initially incorporated in the Cayman Islands on June 7, 2019 under the name "Silver Spike Acquisition Corp" ("Silver Spike"). Silver Spike was formed for the purpose of effecting a merger, amalgamation, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. On June 16, 2021 (the "Closing Date"), Silver Spike consummated the business combination (the "Business Combination"), pursuant to that certain Agreement and Plan of Merger, dated December 10, 2020 (the "Merger Agreement"), by and among Silver Spike, Silver Spike Merger Sub LLC, a Delaware limited liability company and a wholly owned direct subsidiary of Silver Spike Acquisition Corp. ("Merger Sub"), WM Holding Company, LLC, a Delaware limited liability company (when referred to in its pre-Business Combination capacity, "Legacy WMH" and following the Business Combination, "WMH LLC"), and Ghost Media Group, LLC, a Nevada limited liability company, solely in its capacity as the initial holder representative (the "Holder Representative"). On the Closing Date, and in connection with the closing of the Business Combination (the "Closing"), Silver Spike was domesticated and continues as a Delaware corporation, changing its name to WM Technology, Inc.

On the Closing Date, the Company was reorganized into an Up-C structure, in which substantially all of the assets and business of the Company are held by WMH LLC and continue to operate through WMH LLC and its subsidiaries, and WM Technology, Inc.'s material assets are the equity interests of WMH LLC indirectly held by it. Legacy WMH was determined to be the accounting acquirer in the Business Combination, which was accounted for as a reverse recapitalization in accordance with accounting principles generally accepted in the United States of America ("GAAP").

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

## **2. Summary of Significant Accounting Policies**

The summary of significant accounting policies presented below is designed to assist in understanding the Company's condensed consolidated financial statements. Such condensed consolidated financial statements and accompanying notes are the representations of the Company's management, who is responsible for their integrity and objectivity. Management believes that these accounting policies conform to GAAP in all material respects, and have been consistently applied in preparing the accompanying condensed consolidated financial statements.

### ***Basis of Presentation***

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with GAAP and applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") for quarterly reports on Form 10-Q and Article 10-1 of Regulation S-X. Accordingly, certain information and footnotes required by GAAP in annual financial statements have been omitted or condensed and these interim financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, filed with the SEC on March 16, 2023. The condensed financial statements of the Company include all adjustments of a normal recurring nature which, in the opinion of management, are necessary for a fair statement of the Company's financial position as of March 31, 2023, and results of its operations and its cash flows for the interim periods presented. The results of operations for the three months ended March 31, 2023 are not necessarily indicative of the results to be expected for the entire year. There have been no significant changes in the Company's accounting policies from those described in the Company's audited consolidated financial statements and the related notes to those statements.

### ***Principles of Consolidation***

The condensed consolidated financial statements include the accounts of WM Technology, Inc. and WM Holding Company, LLC, including their wholly and majority owned subsidiaries. In conformity with GAAP, all significant intercompany accounts and transactions have been eliminated.

### ***Foreign Currency***

Assets and liabilities denominated in a foreign currency are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Revenue and expense accounts are translated at the average exchange rates during the periods. The impact of exchange rate fluctuations from translation of assets and liabilities is insignificant for the three months ended March 31, 2023 and 2022.

### ***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 interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates made by management include, among others, the allowance for expected credit losses, the useful lives of long-lived assets, income taxes, website and internal-use software development costs, leases, valuation of goodwill and other intangible assets, valuation of warrant liability, deferred tax assets and the related valuation allowance, tax receivable agreement liability, revenue recognition, stock-based compensation and the recognition and disclosure of contingent liabilities.

### ***Risks and Uncertainties***

The Company operates in a relatively new industry where laws and regulations vary significantly by jurisdiction. Currently, thirty-nine states, the District of Columbia, Puerto Rico, the Virgin Islands, and Guam have legalized some form of cannabis use for certain medical purposes. Twenty-two of those states, the District of Columbia, Guam, and Northern Mariana have legalized cannabis for adults for non-medical purposes as well (sometimes referred to as adult or recreational use). Eight additional states have legalized forms of low-potency cannabis, for select medical conditions. Only three states continue to prohibit cannabis entirely. Additionally, while a number of U.S. legislators have introduced various bills to legalize cannabis at the federal level, none of these bills has become law. Currently, under federal law, cannabis, other than hemp (defined by the U.S. government as Cannabis sativa L. with a THC concentration of not more than 0.3% on a dry weight basis), is still a Schedule I controlled substance under the Controlled Substances Act ("CSA"). Even in states or territories that have legalized

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

cannabis to some extent, the cultivation, possession, and sale of cannabis all violate the CSA and are punishable by imprisonment, substantial fines, and forfeiture. Moreover, individuals and entities may violate federal law if they aid and abet another in violating the CSA, or conspire with another to violate the law, and violating the CSA is a predicate for certain other crimes, including money laundering laws and the Racketeer Influenced and Corrupt Organizations Act. If any of the states that permit use of cannabis were to change their laws or the federal government was to actively enforce the CSA or other laws related to the federal prohibition on cannabis, the Company's business could be adversely affected.

In addition, the Company's ability to grow and meet its operating objectives depends largely on the continued legalization and regulation of cannabis on a widespread basis. There can be no assurance that such legalization will occur on a timely basis, or at all.

The geographic concentration of the Company's clients makes the Company vulnerable to a downturn in the local market area. Historically, the Company's business operations have been located primarily in the State of California, and for the three months ended March 31, 2023, approximately 55% of the Company's revenue originated in California.

#### ***Fair Value Measurements***

The Company follows the guidance in Accounting Standards Codification ("ASC") 820 - *Fair Value Measurements* for its financial assets and liabilities that are re-measured and reported at fair value at each reporting period. See Note 4 for additional information on liabilities measured at fair value.

The fair value of the Company's financial assets and liabilities reflects management's estimate of amounts that the Company would have received in connection with the sale of the assets or paid in connection with the transfer of the liabilities in an orderly transaction between market participants at the measurement date. In connection with measuring the fair value of its assets and liabilities, the Company seeks to maximize the use of observable inputs (market data obtained from independent sources) and to minimize the use of unobservable inputs (internal assumptions about how market participants would price assets and liabilities). The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- Level 1: Quoted prices in active markets for identical assets or liabilities. An active market for an asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.
- Level 2: Observable inputs other than Level 1 inputs. Examples of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.
- Level 3: Unobservable inputs based on the Company assessment of the assumptions that market participants would use in pricing the asset or liability.

#### ***Accounts Receivable***

Accounts receivable is recorded at the invoiced amount and does not bear interest.

Effective January 1, 2021, the Company adopted the new accounting guidance on measuring credit losses on its trade accounts receivable using the modified retrospective approach. The new credit loss guidance replaces the old model for measuring the allowance for credit losses with a model that is based on the expected losses rather than incurred losses. Under the new accounting guidance, the Company measures credit losses on its trade accounts receivable using the current expected credit loss model under ASC 326 *Financial Instruments – Credit Losses*.

The Company calculates the expected credit losses on a pool basis for those trade receivables that have similar risk characteristics. For those trade receivables that do not share similar risk characteristics, the allowance for doubtful accounts is calculated on an individual basis. Risk characteristics relevant to the Company's accounts receivable include balance of customer account and aging status.

Account balances are written off against the allowance when it is determined that it is probable that the receivable will not be recovered. The Company had allowance for doubtful account balances of \$13.4 million and \$12.2 million as of March 31, 2023 and December 31, 2022, respectively.

As of March 31, 2023, a receivable due from one single customer accounted for approximately 11% of the total gross accounts receivable outstanding.

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

The following table summarizes the changes in the allowance for doubtful accounts:

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Allowance, beginning of period	\$ 12,232	\$ 5,169
Addition to allowance	1,951	2,759
Write-off, net of recoveries	(770)	(686)
Allowance, end of period	<u>\$ 13,413</u>	<u>\$ 7,242</u>

***Investments in Equity Securities***

Investments in equity securities that do not have a readily determinable fair value and qualify for the measurement alternative for equity investments provided in ASC 321, *Investments – Equity Securities* are accounted for at cost, less any impairment, plus or minus changes resulting from observable price changes in orderly transactions for an identical or similar investment of the same issuer. As of March 31, 2023 and December 31, 2022, the carrying value of the Company's investments in equity securities without a readily determinable fair value was \$3.5 million, which is recorded within other assets on the Company's condensed consolidated balance sheets.

The Company performs a qualitative assessment at each reporting date to evaluate whether the investments in equity securities are impaired. When a qualitative assessment indicates that an investment is impaired, the investment is written down to its fair value and the impairment charge is included in general and administrative expenses in the accompanying condensed consolidated statements of operations. No impairments to investments in equity securities were recorded during the three months ended March 31, 2023 and 2022.

***Property and Equipment***

Property and equipment are stated at cost, less accumulated depreciation, and consist of internally developed software, computer equipment, furniture and fixtures and leasehold improvements. Depreciation is computed using the straight-line method over the estimated useful lives of the assets and generally over three years for computer equipment, seven years for furniture and fixtures and five years for leasehold improvements. Maintenance and repairs are expensed as incurred. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in the Company's condensed consolidated statements of operations.

Capitalized website and internal-use software development costs are included in property and equipment in the accompanying balance sheets. The Company capitalizes certain costs related to the development and enhancement of the Weedmaps platform and SaaS solutions. The Company began to capitalize these costs when preliminary development efforts were successfully completed, management has authorized and committed project funding, and it was probable that the project would be completed and the software would be used as intended. Capitalization ceases upon completion of all substantial testing. Maintenance and training costs are expensed as incurred. Such costs are amortized when placed in service, on a straight-line basis over the estimated useful life of the related asset, generally estimated to be three years. Costs incurred for enhancements that were expected to result in additional features or functionality are capitalized and expensed over the estimated useful life of the enhancements, generally three years. Product development costs that do not meet the criteria for capitalization are expensed as incurred.

The Company assess impairment of property and equipment when an event and change in circumstance indicates that the carrying value of such assets may not be recoverable. If an event and a change in circumstance indicates that the carrying amount of an asset (or asset group) may not be recoverable and the expected undiscounted cash flows attributable to the asset are less than its carrying value, an impairment loss equals to the excess of the asset's carrying value over its fair value is recognized. No impairments to property and equipment were recorded during the three months ended March 31, 2023 and 2022.

***Goodwill and Intangible Assets***

Goodwill consists of the excess of the purchase price over the fair value of identifiable net assets of businesses acquired. Goodwill is reviewed for impairment each year using a qualitative or quantitative process that is performed at least annually or

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

whenever events or circumstances indicate a likely reduction in the fair value of a reporting unit below its carrying amount. The Company has concluded that it has one reporting unit.

The Company performs the annual impairment analysis on December 31 in order to provide management time to complete the analysis prior to year-end. Prior to performing the quantitative evaluation, an assessment of qualitative factors may be performed to determine whether it is more likely than not that the fair value of a reporting unit exceeds the carrying value. If it is determined that it is unlikely that the carrying value exceeds the fair value, the Company is not required to complete the quantitative goodwill impairment evaluation. If it is determined that the carrying value may exceed fair value when considering qualitative factors, a quantitative goodwill impairment evaluation is performed. When performing the quantitative evaluation, if the carrying value of the reporting unit exceeds its fair value, an impairment loss equal to the difference will be recorded.

Intangible assets are recorded at cost less accumulated amortization. Intangible assets are reviewed for impairment whenever events or changes in circumstances may affect the recoverability of the net assets. Such reviews may include an analysis of current results and take into consideration the undiscounted value of projected operating cash flows. No goodwill or intangible asset impairment charges were recorded for the three months ended March 31, 2023 and 2022.

### ***Leases***

The Company classifies arrangements meeting the definition of a lease as operating or financing leases, and leases are recorded on the condensed consolidated balance sheets as both a right-of-use asset (“ROU”) and lease liability, calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company’s incremental borrowing rate. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset result in straight-line rent expense over the lease term. For finance leases, interest on the lease liability and the amortization of the right-of-use asset results in front-loaded expense over the lease term. Variable lease expenses are recorded when incurred.

In calculating the right-of-use asset and lease liability, the Company elects to combine lease and non-lease components for all classes of assets. The Company excludes short-term leases having initial terms of 12 months or less from the new guidance as an accounting policy election, and instead recognizes rent expense on a straight-line basis over the lease term.

The Company assesses impairment of ROU assets when an event and change in circumstance indicates that the carrying value of such ROU assets may not be recoverable. If an event and a change in circumstance indicates that the carrying value of an ROU asset may not be recoverable and the estimated fair value attributable to the ROU asset is less than its carrying value, an impairment loss equals to the excess of the ROU asset’s carrying value over its fair value is recognized.

Total lease costs, net for the three months ended March 31, 2023 and 2022 were \$2.2 million and \$2.5 million, respectively. Sublease rental income is recognized as a reduction to the related lease expense on a straight-line basis over the sublease term. For the three months ended March 31, 2023 and 2022, the Company recorded contra rent expense related to its subleases of \$0.5 million and \$0.4 million, respectively.

### ***Warrant Liability***

The Company assumed 12,499,993 Public Warrants originally issued in the initial public offering of Silver Spike (the “Public Warrants”) and 7,000,000 Private Placement Warrants that were originally issued in a private placement by Silver Spike (the “Private Placement Warrants” and together with the Public Warrants, the “Warrants”) upon the Closing, all of which were issued in connection with Silver Spike’s initial public offering and entitle the holder to purchase one share of Class A Common Stock at an exercise price of at \$11.50 per share. As of March 31, 2023, 12,499,973 Public Warrants and 7,000,000 Private Placement Warrants remained outstanding. The Public Warrants are publicly traded and are exercisable for cash unless certain conditions occur, such as the failure to have an effective registration statement related to the shares issuable upon exercise or redemption by the Company under certain conditions, at which time the warrants may be cashless exercised. The Private Placement Warrants are transferable, assignable or salable in certain limited exceptions. The Private Placement Warrants are exercisable for cash or on a cashless basis, at the holder’s option, and are non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will cease to be Private Placement Warrants, and become Public Warrants and be redeemable by the Company and exercisable by such holders on the same basis as the other Public Warrants.

The Company evaluated the Warrants under ASC 815-40 - *Derivatives and Hedging - Contracts in Entity’s Own Equity*, and concluded they do not meet the criteria to be classified in stockholders’ equity. Specifically, the exercise of the Warrants



**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

may be settled in cash upon the occurrence of a tender offer or exchange that involves 50% or more of our Class A equity holders. Because not all of the voting stockholders need to participate in such tender offer or exchange to trigger the potential cash settlement and the Company does not control the occurrence of such an event, the Company concluded that the Warrants do not meet the conditions to be classified in equity. Since the Warrants meet the definition of a derivative under ASC 815, the Company recorded these warrants as liabilities on the condensed consolidated balance sheets at fair value, with subsequent changes in their respective fair values recognized in change in fair value of warrant liabilities within the condensed consolidated statements of operations at each reporting date.

#### ***Tax Receivable Agreement***

In connection with the Business Combination, the Company entered into a tax receivable agreement (the “TRA”) with continuing members that provides for a payment to the continuing Class A Unit holders of 85% of the amount of tax benefits, if any, that the Company realizes, or is deemed to realize, as a result of redemptions or exchanges of Units. In connection with such potential future tax benefits resulting from the Business Combination, the Company has established a deferred tax asset for the additional tax basis and a corresponding TRA liability of 85% of the expected benefit. The remaining 15% is recorded to additional paid-in capital.

The TRA liability is subject to remeasurement each reporting period, due to various factors, including changes in federal and state income tax rates and assessment of the probability of payment. As these remeasurement changes are subsequent to the initial measurement, the impact of the remeasurement is recorded in other income (loss) on the condensed consolidated statements of operations. As of March 31, 2023, tax receivable agreement liability was \$0.6 million. During the three months ended March 31, 2023, the Company recognized a loss of \$0.1 million related to the remeasurement of its TRA liability. See *Income Taxes* below for information related to the Company’s allowance against its net deferred tax assets.

#### ***Revenue Recognition***

The Company’s revenues are derived primarily from monthly subscriptions and additional offerings for access to the Company’s Weedmaps marketplace and SaaS solutions. The Company recognizes revenue when the fundamental criteria for revenue recognition are met. The Company recognizes revenue by applying the following steps: the contract with the customer is identified; the performance obligations in the contract are identified; the transaction price is determined; the transaction price is allocated to the performance obligations in the contract; and revenue is recognized when (or as) the Company satisfies these performance obligations in an amount that reflects the consideration it expects to be entitled to in exchange for those services. The Company excludes sales taxes and other similar taxes from the measurement of the transaction price. For clients that pay in advance for listing and other services, the Company records deferred revenue and recognizes revenue over the applicable subscription term.

The Company offers Weedmaps for Business subscriptions, which include access to the Weedmaps marketplace and certain SaaS solutions. As add-ons for additional fees, the Company offers other products, including featured listings, placements, promoted deals, nearby listings, other display advertising, client relationship management, digital menu, and delivery and logistics services. The Company’s Weedmaps for Business subscriptions generally have one-month terms that automatically renew unless notice of cancellation is provided in advance. The Company has a fixed inventory of featured listing and display advertising in each market, and price is generally determined through a competitive auction process that reflects local market demand. Revenues for these arrangements are recognized over-time, generally during a month-to-month subscription period as the products are provided. The Company rarely needs to allocate the transaction price to separate performance obligations. In the rare case that allocation of the transaction price is needed, the Company recognizes revenue in proportion to the standalone selling prices of the underlying services at contract inception.

Revenue for service contracts that the Company assesses are not probable of collection is not recognized until the contract is completed and payment is received. Collectability is reassessed when there is a significant change in facts or circumstances. The assessment of collectability considers whether the Company may limit its exposure to credit risk through its right to stop transferring additional service in the event the customer is delinquent.

#### ***Disaggregation of revenue***

Weedmaps for Business and other SaaS subscriptions include the Company’s WM Pages subscription package as well as subscriptions to the Company’s other SaaS products. The WM Pages subscription package includes access to WM Listings, WM Orders, WM Store, WM Connectors and WM Insights. Additional SaaS subscriptions include WM CRM, WM Dispatch and WM Screens. These subscriptions are typically monthly in nature. Featured and deal listings include the Featured Listings

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

and WM Deals products. Other ad solutions include certain advertising products on and off the Weedmaps marketplace, including WM AdSuite. For a description of these solutions, see the "Business and Organization" section.

The following table summarizes the Company's disaggregated net revenues information (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Weedmaps for Business and other SaaS solutions	\$ 11,684	\$ 12,737
Featured and deal listings	33,494	41,470
Subtotal	45,178	54,207
Other ad solutions	2,829	3,245
Total revenues	<u>\$ 48,007</u>	<u>\$ 57,452</u>

Deferred revenue primarily consists of billings or payments received in advance of revenue recognition from subscription offerings, as described above, and is recognized as the revenue recognition criteria are met. Deferred revenue balance as of March 31, 2023 and December 31, 2022 were \$6.4 million and \$6.3 million, respectively, and the balance is expected to be fully recognized within the next twelve months. The Company generally invoices customers and receives payment on an upfront basis and payments do not include significant financing components or variable consideration and there are generally no rights of return or refunds after the subscription period has passed.

All revenues during the periods presented were recognized over time, as opposed to at a point in time.

The following table summarizes the Company's U.S. and foreign revenues (in thousands):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
U.S. revenues	\$ 47,982	\$ 57,436
Foreign revenues	25	16
Total revenues	<u>48,007</u>	<u>57,452</u>

***Cost of Revenues (Exclusive of Depreciation and Amortization)***

The Company's cost of revenue primarily consists of web hosting, internet service costs, credit card processing costs and inventory costs related to multi-media offerings.

***Product Development Costs***

Product development costs include salaries and benefits for employees, including engineering and technical teams who are responsible for building new products, as well as maintaining and improving existing products. Product development costs that do not meet the criteria for capitalization are expensed as incurred.

***Advertising***

The Company expenses the cost of advertising in the period incurred. Advertising expense totaled \$1.0 million and \$4.9 million for the three months ended March 31, 2023 and 2022, respectively, and are included in sales and marketing expense in the accompanying condensed consolidated statements of operations.

***Stock-Based Compensation***

The Company measures fair value of employee stock-based compensation awards on the date of grant and allocates the related expense over the requisite service period. The fair value of restricted stock units and performance-based restricted stock units is equal to the market price of the Company's common stock on the date of grant. The fair value of the Class P Units is measured using the Black-Scholes-Merton valuation model. The expected volatility is based on the historical volatility and

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

implied volatilities for comparable companies, the expected life of the award is based on the simplified method. When awards include a performance condition that impacts the vesting of the award, the Company records compensation cost when it becomes probable that the performance condition will be met and the expense will be attributed over the performance period.

The Company accounts for non-employee stock-based transactions using the fair value of the consideration received (i.e., the value of the goods or services) or the fair value of the equity instruments issued, whichever is more reliably measurable.

***Employee Benefit Plan***

The Company's 401(k) saving plan is a tax-qualified deferred compensation arrangement under Section 401(k) of the Internal Revenue Code. Under the 401(k) Plan, participating U.S. employees may contribute a portion of their eligible earnings, subject to applicable U.S. Internal Revenue Service and plan limits. The Company matches up to 3.5% of the employee's eligible compensation, vested upon two years of service. For the three months ended March 31, 2023 and 2022, the Company recognized \$0.6 million of expenses in each period related to employer contributions for the 401(k) saving plan.

***Other Income (Expense)***

Other income (expense) consists primarily of change in fair value of warrant liability and tax receivable agreement liability remeasurement. Other expense, net consists primarily of political contributions, interest expense, financing fees and other tax related expenses.

***Income Taxes***

The Company uses the asset and liability method of accounting for income taxes under ASC 740 - Income Taxes. Under the guidance, deferred tax assets and liabilities are recognized for the future tax consequences of (i) temporary differences between the financial statement carrying amounts and the tax basis of existing assets and liabilities and (ii) operating loss and tax credit carryforwards. Deferred income tax assets and liabilities are based on enacted tax rates applicable to the future period when those temporary differences are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period the rate change is enacted.

The Company assesses whether it is "more-likely-than-not" that it will realize its deferred tax assets. The Company establishes a valuation allowance when available evidence indicates that it is more-likely-than-not that the deferred tax asset will not be realized. In assessing the need for a valuation allowance, the Company considers the amounts and timing of expected future deductions or carry forwards and sources of taxable income that may enable utilization. This includes an analysis of the Company's current financial position, results of operations for the current and prior years and all currently available information about future years. This assessment and estimates require significant management judgment. The Company maintains an existing valuation allowance until enough positive evidence exists to support its reversal. Change in the amount or timing of expected future deductions or taxable income may have a material impact on the level of income tax valuation allowances.

Based on the weight of all available evidence, both positive and negative, the Company determined during the fourth quarter of 2022 that a full valuation allowance was required against its net deferred tax assets. Management assessed the available positive and negative evidence to estimate whether sufficient future taxable income will be generated to permit use of the existing deferred tax assets. Significant pieces of negative evidence evaluated were the book operating loss incurred during the year ended December 31, 2022 and lowered forecasts. Payment under the tax receivable agreement liability was not probable resulting from the full valuation allowance and accordingly, substantially all of the tax receivable agreement liability was reversed. As of March 31, 2023 and December 31, 2022, tax receivable agreement liability \$0.6 million and \$0.5 million, respectively.

The tax provision for interim periods is determined using an estimate of the Company's annual effective tax rate, adjusted for discrete items, if any, that arise during the period. Each quarter, the Company updates its estimate of its annual effective tax rate, and if the estimated annual effective tax rate changes, the Company makes a cumulative adjustment in such period. The quarterly tax provision, and estimate of the Company's annual effective tax rate, is subject to variation due to several factors, including variability in pre-tax income (or loss), revaluations of the warrant liability, changes in flow-through income not subject to tax, valuation allowances and tax law developments.

As a result of the Business Combination, WM Technology, Inc. became the sole managing member of WMH LLC, which is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, WMH LLC is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

WMH LLC is passed through to and included in the taxable income or loss of its members, including WM Technology, Inc. following the Business Combination, on a pro rata basis. WM Technology, Inc. is subject to U.S. federal income taxes, in addition to state and local income taxes with respect to its allocable share of any taxable income of WMH LLC following the Business Combination. The Company is also subject to taxes in foreign jurisdictions.

WMH LLC will generally be required from time to time to make pro rata distributions in cash to the Company and the other holders of WMH Units at certain assumed tax rates in amounts that are intended to be sufficient to cover the taxes on the Company's and the other WMH equity holders' respective allocable shares of the taxable income of WMH LLC

For the three months ended March 31, 2023, the Company recorded zero income tax provision due to the impact of the full valuation allowance on its net deferred assets. For the three months ended March 31, 2022, the Company recorded an income tax benefit of 1.7 million and the income tax benefit was the result of the tax benefit of the Company's pro rata share of losses and tax credits flowing through from WM Holding LLC. The effective tax rates differ from the federal statutory rate of 21% primarily due to the impact of valuation allowances, warrant valuations, non-controlling interests represented by the portion of the flow-through income not subject to tax, permanent stock-based compensation and state taxes.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. The Company does not believe it has any uncertain income tax positions that are more-likely-than-not to materially affect its condensed consolidated financial statements.

### ***Segment Reporting***

The Company and its subsidiaries operate in one business segment.

### ***Earnings (Loss) Per Share***

Basic income (loss) per share is computed by dividing net income (loss) attributable to WM Technology, Inc. by the weighted-average number of shares of Class A Common Stock outstanding during the period.

Diluted income (loss) per share is computed giving effect to all potential weighted-average dilutive shares for the period. The dilutive effect of outstanding awards or financial instruments, if any, is reflected in diluted income (loss) per share by application of the treasury stock method or if-converted method, as applicable. Potential common shares are excluded from the calculation of diluted EPS in the event they are antidilutive or subject to performance conditions for which the necessary conditions have not been satisfied by the end of the reporting period. See Note 12 for additional information on dilutive securities.

### ***Concentrations of Credit Risk***

The Company's financial instruments are potentially subject to concentrations of credit risk. The Company places its cash with high quality credit institutions. From time to time, the Company maintains cash balances at certain institutions in excess of the Federal Deposit Insurance Corporation limit. As of March 31, 2023, the Company had cash balances that exceeded the FDIC limit with four financial institutions. Management believes that the risk of loss is not significant and has not experienced any losses in such accounts.

### ***Reclassifications***

Repayments of insurance premium financing in the amount of \$3.1 million for the three months ended March 31, 2022 was previously classified on the condensed consolidated statements of cash flows under operating activities. The Company reclassified the repayments to financing activities in accordance with ASC 230 - Statement of Cash Flows. There is no impact to the total cash flow activities from this reclassification.

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

### 3. Commitments and Contingencies

#### *Litigation*

During the ordinary course of the Company's business, it is subject to various claims and litigation. Management believes that the outcome of such claims or litigation will not have a material adverse effect on the Company's financial position, results of operations or cash flow.

#### *Employee Termination Costs*

During the year ended December 31, 2022, the Company approved plans to reduce the workforce based on cost-reduction initiatives intended to reduce operating expenses and sharpen the Company's focus on key growth priorities. The Company also incurred termination costs related to the departures of the Company's former executives.

The following table provides a roll forward of employee termination costs:

	<b>Three Months Ended March 31, 2023</b>
Unpaid employee termination costs, December 31, 2022	\$ 3,646
Employee termination costs - severance and other cash costs	465
Total paid	(2,617)
Unpaid employee termination costs, March 31, 2023	\$ 1,494

The unpaid employee termination costs are included in accounts payable and accrued expenses on the condensed consolidated balance sheets. Employee termination costs are included in general and administrative expenses on the condensed consolidated statements of operations.

### 4. Fair Value Measurements

The following table presents information about the Company's liabilities that are measured at fair value on a recurring basis at March 31, 2023 and December 31, 2022, and indicates the fair value hierarchy of the valuation inputs the Company utilized to determine such fair value (in thousands):

	<b>Level</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Liabilities:</b>			
Warrant liability – Public Warrants	1	\$ 875	\$ 1,250
Warrant liability – Private Placement Warrants	3	490	840
Total warrant liability		\$ 1,365	\$ 2,090

The following tables summarize the changes in the fair value of the warrant liabilities (in thousands):

	<b>Three Months Ended March 31, 2023</b>		
	<b>Public Warrants</b>	<b>Private Placement Warrants</b>	<b>Warrant Liabilities</b>
Fair value, beginning of period	\$ 1,250	\$ 840	\$ 2,090
Change in valuation inputs or other assumptions	(375)	(350)	(725)
Fair value, end of period	\$ 875	\$ 490	\$ 1,365

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

	<b>Three Months Ended March 31, 2022</b>		
	<b>Public Warrants</b>	<b>Private Placement Warrants</b>	<b>Warrant Liabilities</b>
Fair value, beginning of period	\$ 16,750	\$ 10,710	\$ 27,460
Change in valuation inputs or other assumptions	10,750	7,469	18,219
Fair value, end of period	<u>\$ 27,500</u>	<u>\$ 18,179</u>	<u>\$ 45,679</u>

*Public Warrants*

The Company determined the fair value of the Public Warrants, based on the publicly listed trading price of such warrants as of the valuation date. Accordingly, the Public Warrants are classified as Level 1 financial instruments. The fair value of the Public Warrants was \$0.9 million and \$1.3 million as of March 31, 2023 and December 31, 2022, respectively.

*Private Placement Warrants*

The estimated fair value of the Private Placement Warrants is determined with Level 3 inputs using the Black-Scholes model. The significant inputs and assumptions in this method are the stock price, exercise price, volatility, risk-free rate, and term or maturity. The underlying stock price input is the closing stock price as of each valuation date and the exercise price is the price as stated in the warrant agreement. The volatility input was determined using the historical volatility of comparable publicly traded companies which operate in a similar industry or compete directly against the Company. Volatility for each comparable publicly traded company is calculated as the annualized standard deviation of daily continuously compounded returns. The Black-Scholes analysis is performed in a risk-neutral framework, which requires a risk-free rate assumption based upon constant-maturity treasury yields, which are interpolated based on the remaining term of the Private Placement Warrants as of each valuation date. The term/maturity is the duration between each valuation date and the maturity date, which is five years following the date the Business Combination closed, or June 16, 2026.

The following table provides quantitative information regarding Level 3 fair value measurements inputs at their measurement dates:

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Exercise price	\$ 11.50	\$ 11.50
Stock price	\$ 0.85	\$ 1.01
Volatility	82.6 %	82.3 %
Term (years)	3.21	3.46
Risk-free interest rate	3.79 %	4.17 %

Significant changes in the volatility would result in a significant lower or higher fair value measurement, respectively.

The fair value of the Private Placement Warrants was \$0.5 million and \$0.8 million as of March 31, 2023 and December 31, 2022, respectively.

The Warrants were accounted for as liabilities in accordance with ASC 815 - *Derivatives and Hedging* and are presented within warrant liability on the accompanying condensed consolidated balance sheets. The warrant liabilities are measured at fair value at inception and on a recurring basis, with changes in fair value presented within change in fair value of warrant liability in the condensed consolidated statements of operations.

There were no transfers in or out of Level 3 from other levels in the fair value hierarchy.

## 5. Acquisitions

*Eyechronic*

On January 14, 2022, the Company acquired all the equity interests of Eyechronic LLC (“Eyechronic”) d/b/a Enlighten and rebranded as WM Screens, a Delaware limited liability company and a provider of software, digital signage services and multi-media offerings to dispensaries and brands, for total consideration of approximately \$29.4 million. The Company

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

accounted for the Eyechronic acquisition as an acquisition of a business under ASC 805, *Business Combinations* (“ASC 805”). The acquired assets and liabilities of Eyechronic were recorded at their acquisition date fair values.

The following table summarizes the components of consideration and the estimated fair value of assets acquired (in thousands):

**Consideration Transferred:**

Cash consideration <sup>(1)</sup>	\$	697
Share consideration <sup>(2)</sup>		28,725
<b>Total consideration</b>	<b>\$</b>	<b>29,422</b>

(1) Includes \$0.2 million settlement of pre-existing accounts payable with Eyechronic and holdback of \$0.1 million recorded within other current liabilities on the Company’s condensed consolidated balance sheets.

(2) The fair value of share consideration was calculated based on 5,399,553 shares of Class A common stock multiplied by the share price on the closing date of \$5.32. This includes 677,847 of holdback shares to be issued subject to customary indemnification obligations.

**Estimated Assets Acquired and Liabilities Assumed:**

<b>Assets acquired:</b>		
Cash	\$	118
Accounts receivable		835
Other current assets		37
Fixed assets		2,826
Software technology		825
Trade name		103
Customer relationships		3,631
Order Backlog		210
Goodwill		23,073
<b>Total assets acquired</b>		<b>31,658</b>
<b>Liabilities assumed:</b>		
Accounts payable	\$	(460)
Other current liabilities		(8)
Deferred revenue		(96)
Other liabilities		(22)
Long-term liabilities		(1,650)
<b>Total liabilities assumed</b>		<b>(2,236)</b>
<b>Total net assets acquired</b>	<b>\$</b>	<b>29,422</b>

For acquisitions, the excess of the purchase price over the estimated fair values of the net assets acquired, including identifiable intangible assets, is recorded as goodwill. Goodwill is primarily attributable to the expected synergies from combining operations. Goodwill recognized was allocated to the Company’s one operating segment and is generally deductible for tax purposes.

The fair values of the trade name and software technology intangible assets are determined using an “income approach”, specifically, the relief-from royalty approach, which is a commonly accepted valuation approach. This approach is based on the assumption that in lieu of ownership, a firm would be willing to pay a royalty in order to exploit the related benefits of these assets. Owning these intangible assets means that the underlying entity wouldn’t have to pay for the privilege of deploying those assets. Therefore, a portion of the acquired entity’s earnings, equal to the after-tax royalty that would have been paid for

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

the use of the assets, can be attributed to the firm's ownership. The fair values of the customer relationships and customer backlog assets were also determined using an "income approach", specifically a multi-period excess earnings approach, which is a commonly accepted valuation approach. Under this approach, the net earnings attributable to the asset or liability being measured are isolated using the discounted projected net cash flows. These projected cash flows are isolated from the projected cash flows of the combined asset group over the remaining economic life of the intangible asset or liability being measured. Both the amount and the duration of the cash flows are considered from a market participant perspective. Where appropriate, the net cash flows were adjusted to reflect the potential attrition of existing customers in the future, as existing customers are a "wasting" asset and are expected to decline over time.

## 6. Intangible Assets

Intangible assets consisted of the following as of March 31, 2023 and December 31, 2022 (in thousands):

	<b>March 31, 2023</b>			
	<b>Weighted Average Amortization Period (Years)</b>	<b>Gross Intangible Assets</b>	<b>Accumulated Amortization</b>	<b>Net Intangible Assets</b>
Trade and domain names	14.4	\$ 7,635	\$ (4,851)	\$ 2,784
Software technology	6.9	7,516	(4,619)	2,897
Customer relationships	11.5	5,211	(1,108)	4,103
Order backlog	1.0	210	(210)	—
<b>Total intangible assets</b>	<b>10.8</b>	<b>\$ 20,572</b>	<b>\$ (10,788)</b>	<b>\$ 9,784</b>

  

	<b>December 31, 2022</b>			
	<b>Weighted Average Amortization Period (Years)</b>	<b>Gross Intangible Assets</b>	<b>Accumulated Amortization</b>	<b>Net Intangible Assets</b>
Trade and domain names	14.4	\$ 7,635	\$ (4,699)	\$ 2,936
Software technology	6.9	7,516	(4,413)	3,103
Customer relationships	11.5	5,211	(921)	4,290
Order backlog	1.0	210	(200)	10
<b>Total intangible assets</b>	<b>10.8</b>	<b>\$ 20,572</b>	<b>\$ (10,233)</b>	<b>\$ 10,339</b>

Amortization expense for intangible assets was \$0.6 million for the three months ended March 31, 2023 and 2022.

The estimated future amortization expense of intangible assets as of March 31, 2023 is as follows (in thousands):

Remaining period in 2023 (nine months)	\$	1,614
Year ended December 31, 2024		1,927
Year ended December 31, 2025		1,593
Year ended December 31, 2026		1,346
Year ended December 31, 2027		754
Thereafter		2,550
	<b>\$</b>	<b>9,784</b>



**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

## 7. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets as of March 31, 2023 and December 31, 2022 consisted of the following (in thousands):

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Prepaid insurance	\$ 1,553	\$ 2,869
Prepaid marketing	1,818	2,321
Prepaid software	2,145	2,762
Other prepaid expenses and other current assets	1,350	1,010
	<u>\$ 6,866</u>	<u>\$ 8,962</u>

The Company capitalizes implementation costs incurred in cloud computing arrangements that are service contracts if they meet certain requirements. Those requirements are similar to the requirements for capitalizing implementation costs incurred to develop internal-use software. Amortization is computed using the straight-line method over the term of the associated hosting arrangement. These implementation costs are classified on the balance sheet in prepaid and other current assets, and the related cash flows are presented as cash outflows from operations. Impairment is recognized and measured when it is no longer probable that the computer software project will be completed and placed in service.

## 8. Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses as of March 31, 2023 and December 31, 2022 consisted of the following (in thousands):

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
Accounts payable	\$ 2,731	\$ 4,341
Accrued employee expenses	19,047	24,074
Other accrued liabilities	4,392	5,220
	<u>\$ 26,170</u>	<u>\$ 33,635</u>

As of March 31, 2023 and December 31, 2022, accrued employee expenses included unpaid employee termination cost of \$1.5 million and \$3.6 million, respectively. See Note 3 for additional information. Accrued employee expenses also included accrued bonuses of \$11.0 million and \$9.9 million as of March 31, 2023 and December 31, 2022, respectively, related to certain employment agreements entered into in connection with prior acquisitions.

## 9. Warrant Liability

At March 31, 2023, there were 12,499,973 Public Warrants outstanding and 7,000,000 Private Placement Warrants outstanding.

As part of Silver Spike's initial public offering, 12,500,000 Public Warrants were sold. The Public Warrants entitle the holder thereof to purchase one share of Class A Common Stock at a price of \$11.50 per share, subject to adjustments. The Public Warrants may be exercised only for a whole number of shares of Class A Common Stock. No fractional shares will be issued upon exercise of the warrants. The Public Warrants will expire at 5:00 p.m. New York City time on June 16, 2026, or earlier upon redemption or liquidation. The Public Warrants are listed on the NYSE under the symbol "MAPSW."

The Company may redeem the Public Warrants starting July 16, 2021, in whole and not in part, at a price of \$0.01 per Public Warrant, upon not less than 30 days' prior written notice of redemption to each holder of Public Warrants, and if, and only if, the reported last sales price of the Company's Class A Common Stock equals or exceeds \$18.00 per share (as adjusted for share splits, share dividends, rights issuances, subdivisions, reorganizations, recapitalization and the like) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date the Company sends the notice of redemption to the holders of Public Warrants.

Simultaneously with Silver Spike's initial public offering, Silver Spike consummated a private placement of 7,000,000 Private Placement Warrants with Silver Spike's sponsor ("Silver Spike Sponsor"). Each Private Placement Warrant is

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

exercisable for one share of Class A Common Stock at a price of \$11.50 per share, subject to adjustment. The Private Placement Warrants (including the shares of Class A Common Stock issuable upon exercise of the Private Placement Warrants) are not transferable, assignable or salable until 30 days after the completion of the Business Combination, subject to certain exceptions, and they are nonredeemable as long as they are held by Silver Spike Sponsor or its permitted transferees. Silver Spike Sponsor, as well as its permitted transferees, has the option to exercise the Private Placement Warrants on a cashless basis and will have certain registration rights related to such Private Placement Warrants. Otherwise, the Private Placement Warrants have terms and provisions that are identical to those of the Public Warrants. If the Private Placement Warrants are held by holders other than Silver Spike Sponsor or its permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by the holders on the same basis as the Public Warrants.

The Company may exercise its redemption right even if it is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

If the Company calls the Public Warrants for redemption, management will have the option to require all holders that wish to exercise the Public Warrants to do so on a “cashless basis,” as described in the warrant agreement. The exercise price and number of Class A Common Stock issuable upon exercise of the Public Warrants may be adjusted in certain circumstances including in the event of a share dividend, extraordinary dividend or recapitalization, reorganization, merger or consolidation. However, the Public Warrants will not be adjusted for issuances of shares of Class A Common Stock at a price below its exercise price. Additionally, in no event will the Company be required to net cash settle the Public Warrants.

The Private Placement Warrants are identical to the Public Warrants underlying the units sold in the initial public offering, except that the Private Placement Warrants and the Class A Common Stock issuable upon the exercise of the Private Placement Warrants were not transferable, assignable or salable until 30 days after the completion of the Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be exercisable on a cashless basis and be non-redeemable so long as they are held by the initial purchasers or their permitted transferees. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company concluded the Public Warrants and Private Placement Warrants, or the Warrants, meet the definition of a derivative under ASC 815-Derivatives and Hedging (as described in Note 2) and are recorded as liabilities. Upon the Closing, the fair value of the Warrants was recorded on the balance sheet. The fair value of the Warrants are remeasured as of each balance sheet date, which resulted in a non-cash gain of \$0.7 million and non-cash loss of \$18.2 million on the condensed consolidated statements of operations for the three months ended March 31, 2023 and 2022, respectively.

## **10. Equity**

### ***Class A Common Stock***

#### *Voting Rights*

Each holder of the shares of Class A Common Stock is entitled to one vote for each share of Class A Common Stock held of record by such holder on all matters on which stockholders generally are entitled to vote. The holders of the shares of Class A Common Stock do not have cumulative voting rights in the election of directors. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all stockholders present in person or represented by proxy, voting together as a single class. Notwithstanding the foregoing, the holders of the outstanding shares of Class A Common Stock are entitled to vote separately upon any amendment to the Company’s certificate of incorporation (including by merger, consolidation, reorganization or similar event) that would alter or change the powers, preferences or special rights of such class of common stock in a manner that is disproportionately adverse as compared to the Class V Common Stock.

#### *Dividend Rights*

Subject to preferences that may be applicable to any outstanding preferred stock, the holders of shares of Class A Common Stock are entitled to receive ratably such dividends, if any, as may be declared from time to time by the Company’s board of directors out of funds legally available therefor.

#### *Rights upon Liquidation, Dissolution and Winding-Up*

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of the shares of Class A Common Stock are entitled to share ratably in all assets remaining after payment of the Company’s debts and other

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

liabilities, subject to prior distribution rights of preferred stock or any class or series of stock having a preference over the shares of Class A Common Stock, then outstanding, if any.

*Preemptive or Other Rights*

The holders of shares of Class A Common Stock have no preemptive or conversion rights or other subscription rights. There are no redemption or sinking fund provisions applicable to the shares of Class A Common Stock. The rights, preferences and privileges of holders of shares of Class A Common Stock will be subject to those of the holders of any shares of the preferred stock that the Company may issue in the future.

***Class V Common Stock***

*Voting Rights*

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. The holders of shares of Class V Common Stock do not have cumulative voting rights in the election of directors. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all stockholders present in person or represented by proxy, voting together as a single class. Notwithstanding the foregoing, the holders of the outstanding shares of Class V Common Stock are entitled to vote separately upon any amendment to the Company's certificate of incorporation (including by merger, consolidation, reorganization or similar event) that would alter or change the powers, preferences or special rights of such class of common stock in a manner that is disproportionately adverse as compared to the Class A Common Stock.

*Dividend Rights*

The holders of the Class V Common Stock will not participate in any dividends declared by the Company's board of directors.

*Rights upon Liquidation, Dissolution and Winding-Up*

In the event of any voluntary or involuntary liquidation, dissolution or winding up of our affairs, the holders of Class V Common Stock are not entitled to receive any of the Company's assets.

*Preemptive or Other Rights*

The holders of shares of Class V Common Stock do not have preemptive, subscription, redemption or conversion rights. There will be no redemption or sinking fund provisions applicable to the Class V Common Stock.

*Issuance and Retirement of Class V Common Stock*

In the event that any outstanding share of Class V Common Stock ceases to be held directly or indirectly by a holder of Class A Units, such share will automatically be transferred to us for no consideration and thereupon will be retired. The Company will not issue additional shares of Class V Common Stock other than in connection with the valid issuance or transfer of Units in accordance with the governing documents of WMH LLC.

***Preferred Stock***

Pursuant to the amended and restated certificate of incorporation in effect as of June 15, 2021, the Company was authorized to issue 75,000,000 shares of preferred stock with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of March 31, 2023, there were no shares of preferred stock issued or outstanding.

***Noncontrolling Interests***

The noncontrolling interest represents the Units held by holders other than the Company. As of March 31, 2023, the noncontrolling interests owned 38.1% of the Units outstanding. The noncontrolling interests' ownership percentage can fluctuate over time, including as the WMH LLC equity holders elect to exchange Units for Class A Common Stock. The Company has consolidated the financial position and results of operations of WMH LLC and reflected the proportionate interest held by the WMH LLC Unit equity holders as noncontrolling interests.

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

## 11. Stock-based Compensation

### *WM Holding Company, LLC Equity Incentive Plan*

The Company has accounted for the issuance of Class A-3 and Class B Units issued under WM Holding Company, LLC's Equity Incentive Plan in accordance with ASC 718 - *Stock Based Compensation*. The Company considers the limitation on the exercisability of the Class A-3 and Class B Units to be a performance condition and records compensation cost when it becomes probable that the performance condition will be met.

In connection with the Business Combination, each of the Class A-3 Units outstanding prior to the Business Combination were cancelled, and the holder thereof received a number of Class A units representing limited liability company interests of WMH LLC (the "Class A Units") and an equivalent number of shares of Class V Common Stock, par value \$0.0001 per share (together with the Class A Units, the "Paired Interests"), and each of the Class B Units outstanding prior to the Business Combination were cancelled and holders thereof received a number of Class P units representing limited liability company interests of WMH LLC (the "Class P Units" and together with the Class A Units, the "Units"), each in accordance with the Merger Agreement.

Concurrently with the closing of the Business Combination, the Unit holders entered into an exchange agreement (the "Exchange Agreement"). The terms of the Exchange Agreement, among other things, provide the Unit holders (or certain permitted transferees thereof) with the right from time to time at and after 180 days following the Business Combination to exchange their vested Paired Interests for shares of Class A Common Stock on a one-for-one basis, subject to customary conversion rate adjustments for stock splits, stock dividends and reclassifications, or Class P Units for shares of Class A Common Stock with a value equal to the value of such Class P Units less their participation threshold, or in each case, at the Company's election, the cash equivalent of such shares of Class A Common Stock.

A summary of the Class P Unit activity for the three months ended March 31, 2023 is as follows:

	<b>Number of Units</b>
Outstanding Class P Units, December 31, 2022	15,125,429
Cancellations	(25,567)
Exchanged for Class A Common Stock	(75,000)
Outstanding, Class P Units, March 31, 2023	15,024,862
Vested, March 31, 2023	14,791,675

As of March 31, 2023, unrecognized stock-based compensation expense for non-vested Class P Units was \$0.6 million, which is expected to be recognized over a weighted-average period of 1.5 years. For the three months ended March 31, 2023 and 2022, the Company recorded stock-based compensation expense for the Class P Units of \$0.3 million and \$0.7 million, respectively.

### *WM Technology, Inc. Equity Incentive Plan*

In connection with the Business Combination, the Company adopted the WM Technology, Inc. 2021 Equity Incentive Plan (the "2021 Plan"). The 2021 Plan permits the granting of incentive stock options to employees and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of stock awards to employees, directors and consultants. As of March 31, 2023, 33,146,412 shares of Class A Common Stock are authorized for issuance pursuant to awards under the 2021 Plan. The number of shares of Class A Common stock reserved for issuance under the 2021 Plan will automatically increase on January 1 of each year for a period of ten years commencing on January 1, 2022 and ending on (and including) January 1, 2031, in an amount equal to five percent (5%) of the total number of shares of the Company's capital stock outstanding on December 31 of the preceding year; provided, however that the Board may act prior to January 1st of a given year to provide that the increase for such year will be a lesser number of shares of Common Stock. As of March 31, 2023, 22,446,927 shares of Class A Common Stock are available for future issuance.

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

A summary of the restricted stock unit (“RSU”) activity for the three months ended March 31, 2023 is as follows:

	Number of RSUs	Weighted-average Grant Date Fair Value
Non-vested at December 31, 2022	6,269,868	\$ 7.07
Granted	573,553	\$ 1.04
Vested	(478,097)	\$ 8.14
Forfeited	(455,860)	\$ 8.36
Non-vested at March 31, 2023	<u>5,909,464</u>	<u>\$ 6.30</u>

As of March 31, 2023, unrecognized stock-based compensation expense for non-vested RSUs was \$34.2 million, which is expected to be recognized over a weighted-average period of 2.4 years. For the three months ended March 31, 2023 and 2022, the Company recorded stock-based compensation expense for the RSUs of \$4.0 million and \$5.0 million, respectively.

On January 5, 2023, the compensation committee of the Company’s board of directors granted the Company’s Executive Chair, Douglas Francis, an award of 481,927 RSU with an approximate value of \$800,000, based on the average closing price of the Company’s Class A common stock for the 90-day period prior to the grant date (the “RSU Grant”), in recognition of his leadership of the Company’s executive team since August 2022. The shares subject to the RSU Grant will vest in two equal quarterly increments on May 15, 2023 and August 15, 2023, subject to Mr. Francis’ continuous service (as defined in the 2021 Plan (as defined above) or award agreement) on each such vesting date. On May 8, 2023, Mr. Francis declined the RSU Grant and the RSUs were forfeited.

The Company grants performance-based restricted stock units (“PRsUs”) with performance and service-based vesting conditions. The level of achievement of such goals may cause the actual number of units that ultimately vest to range from 0% to 200% of the original units granted. The Company recognizes expense ratably over the vesting period for the PRsUs when it is probable that the performance criteria specified will be achieved. The fair value is equal to the market price of the Company’s common stock on the date of grant.

No activities occurred during the three months ended March 31, 2023 related to the PRsUs. The number of non-vested PRsUs as of March 31, 2023 was 859,375 and weighted average grant date fair value was \$6.40.

Based on the probability of attainment as of March 31, 2023, the unrecognized stock-based compensation expense for non-vested PRsUs was \$0.3 million, which is expected to be recognized over a period of 0.8 years. For the three months ended March 31, 2023 and 2022, the Company recorded stock-based compensation expense for the PRsUs of \$0.1 million and \$1.9 million, respectively.

The Company recorded stock-based compensation cost related to the Class P Units, RSUs and PRsUs in the following expense categories on the accompanying condensed consolidated statements of operations (in thousands):

	Three Months Ended March 31,	
	2023	2022
Sales and marketing	\$ 897	\$ 1,811
Product development	1,168	1,412
General and administrative	2,318	4,294
Total stock-based compensation expense	4,383	7,517
Amount capitalized to software development	298	410
Total stock-based compensation cost	<u>\$ 4,681</u>	<u>\$ 7,927</u>

## 12. Earnings Per Share

Basic income (loss) per share of Class A Common Stock is computed by dividing net earnings (loss) attributable to WM Technology, Inc. by the weighted-average number of shares of Class A Common Stock outstanding during the period. Diluted income (loss) per share of Class A Common Stock adjusts basic net income (loss) per share of Class A Common Stock for the potentially dilutive impact of securities. For warrants that are liability-classified, during periods when the impact is dilutive, the

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

Company assumes share settlement of the instruments as of the beginning of the reporting period and adjusts the numerator to remove the change in fair value of the warrant liability, net of the portion attributable to non-controlling interests, and adjusts the denominator to include the dilutive shares calculated using the treasury stock method.

The computation of loss per share attributable to WM Technology, Inc. and weighted-average shares of the Company's Class A Common Stock outstanding are as follows for the three months ended March 31, 2023 and 2022 (amounts in thousands, except for share and per share amounts):

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Numerator:</b>		
Net loss	\$ (3,969)	\$ (31,233)
Less: net loss attributable to noncontrolling interests	(1,494)	(17,340)
Net loss attributable to WM Technology, Inc. Class A Common Stock - basic and diluted	<u>\$ (2,475)</u>	<u>\$ (13,893)</u>
<b>Denominator:</b>		
Weighted average of shares of Class A Common Stock outstanding - basic and diluted	92,323,757	72,450,204
Net loss per share of Class A Common Stock - basic and diluted	<u>\$ (0.03)</u>	<u>\$ (0.19)</u>

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.

The Company excluded the following securities from its computation of diluted shares outstanding for the periods presented, as their effect would have been anti-dilutive:

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Class A Units	55,486,361	61,206,773
Class P Units	15,024,862	16,249,030
RSUs	5,909,464	10,229,846
PRSUs	859,375	2,437,500
Public Warrants	12,499,973	12,499,973
Private Placement Warrants	7,000,000	7,000,000
Acquisition holdback shares	677,847	677,847

### 13. Related Party Transactions

During the second quarter of 2022, the Company entered into a sublease agreement with an affiliate to a member of the board of directors. The sublease commenced on June 1, 2022, and the term is for the remainder of the original lease and will expire on February 28, 2025, or sooner in the event that the original lease is cancelled prior to the expiration date. The monthly base rent, after the rent abatement period for the first four months, is \$69,000. As of March 31, 2023, the security deposit for the sublease of approximately \$0.1 million is included in other long-term liabilities on the accompanying condensed balance sheets. As of March 31, 2023 and December 31, 2022, rent receivable was \$0.3 million and \$0.1 million, respectively, and these amounts are included in accounts receivable, net on the accompanying condensed balance sheets. For the three months ended March 31, 2023, income on the sublease with related party were \$0.2 million and this amount is netted with rent expense and included in general and administrative expenses on the accompanying condensed statements of operations.

In connection with the Business Combination, the Company paid certain transaction costs reimbursable by Silver Spike's sponsor ("Silver Spike Sponsor"), an affiliate to a member of the board of directors. On March 16, 2023, Silver Spike Holdings, an affiliate of Silver Spike Sponsor, entered into a promissory note with the Company and agreed to pay the principal amount in

**WM TECHNOLOGY, INC. AND SUBSIDIARIES**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

12 equal quarterly installments commencing on March 31, 2023. The promissory note will bear interest at a rate of 5% per annum commencing on March 31, 2023. In an event of default, the outstanding principal amount shall bear interest for the entire period during which the principal balance is unpaid at a rate which is equal to 10% per annum. As of March 31, 2023 and December 31, 2022, the outstanding balance of the note receivable was \$1.0 million and \$1.1 million, respectively. As of March 31, 2023, \$0.4 million of the note receivable was included in prepaid expenses and other current assets and the other \$0.6 million was included in other assets on the accompanying condensed balance sheets. As of December 31, 2022, \$1.1 million of related party note receivable was included in other assets on the accompanying condensed balance sheets.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of our financial condition and results of operations should be read together with our condensed consolidated financial statements and the related notes to those statements included in Item 1 "Financial Statements" in this Quarterly Report on Form 10-Q. In addition to historical financial information, the following discussion and analysis contains forward-looking statements that involve risks, uncertainties, and assumptions. Our actual results and timing of selected events may differ materially from those anticipated in these forward-looking statements as a result of many factors, including those discussed under "Risk Factors" and included elsewhere herein and in our Annual Report on Form 10-K for the year ended December 31, 2022.*

### Overview

On June 16, 2021, WM Holding Company, LLC (when referred to in its pre-Business Combination capacity, "Legacy WMH" and following the Business Combination, "WMH LLC") completed its previously announced business combination (the "Business Combination") with Silver Spike Acquisition Corp ("Silver Spike"). In connection with the closing, Silver Spike changed its name to WM Technology, Inc. As used in this Quarterly Report on Form 10-Q, unless the context requires otherwise, references to the "Company," "we," "us," and "our," and similar references refer to WM Technology, Inc, and its subsidiaries following the Business Combination and to Legacy WMH prior to the Business Combination.

Founded in 2008, and headquartered in Irvine, California, WM Technology, Inc. operates a leading online cannabis marketplace for consumers together with a comprehensive set of eCommerce and compliance software solutions for cannabis businesses, which are sold to both storefront locations and delivery operators ("retailers") and brands in the U.S. states, U.S. territories and Canadian legalized cannabis markets. Our comprehensive business-to-consumer ("B2C") and business-to-business ("B2B") suite of products afford cannabis retailers and brands of all sizes integrated tools to compliantly run their businesses and to reach, convert, and retain consumers.

Our business primarily consists of our commerce-driven marketplace ("Weedmaps"), and our fully integrated suite of end-to-end Software-as-a-Service ("SaaS") solutions software offering ("Weedmaps for Business"). The Weedmaps marketplace provides cannabis consumers with information regarding cannabis retailers and brands. In addition, the Weedmaps marketplace aggregates data from a variety of sources including retailer point-of-sale solutions to provide consumers with the ability to browse by strain, price, cannabinoids and other information regarding locally available cannabis products, through our website and mobile apps. The marketplace provides consumers with product discovery, access to deals and discounts, and reservation of products for pickup by consumers or delivery to consumers by participating retailers (retailers complete orders and process payments outside of the Weedmaps marketplace as Weedmaps serves only as a portal, passing a consumer's inquiry to the dispensary). The marketplace also provides education and learning information to help newer consumers learn about the types of products to purchase. We believe the size, loyalty and engagement of our user base and the frequency of consumption of cannabis of our user base is highly valuable to our clients and results in clients, mainly cannabis retailers, brands, paying for access to our marketplace and other tools that streamline front and back-end operations and help manage compliance needs. These tools support cannabis businesses at every stage in the consumer funnel, enabling them to:

- Strategically reach prospective cannabis consumers;
- Manage pickup, delivery and inventory in compliance with local regulations;
- Help improve the customer experience by creating online browsing and ordering functionality on a brand or retailer (including delivery) operator's website and by extending that functionality in-store with kiosks;
- Foster customer loyalty and re-engage with segments of consumers;
- Leverage the Weedmaps for Business products in conjunction with any other preferred software solutions via integrations and application programming interfaces ("APIs"); and
- Make informed marketing and merchandising decisions using performance analytics and consumer and brand insights to promote products to specific consumer groups.





Our solutions are designed to address these challenges facing cannabis consumers and businesses. The Weedmaps marketplace allows cannabis users to search for and browse cannabis products from retailers and brands, and ultimately reserve products from certain local retailers, in a manner similar to other technology platforms with breadth and depth of product, brand and retailer selection. With the development of Weedmaps for Business, we offer an end-to-end platform for licensed cannabis retailers to comply with state law. We sell a monthly subscription offering to retailer and brand clients as well as upsell and add-on offerings to licensed clients. Our current subscription package includes:

- WM Listings: A listing page with product menu for a retailer or brand on the Weedmaps marketplace, enabling our clients to be discovered by the marketplace's users. This also allows clients to disclose their license information, hours of operation, contact information, discount policies and other information that may be required under applicable state law;
- WM Orders: Software for retailers to receive pickup and delivery orders directly from a Weedmaps listing and connect orders directly with a client's POS system (for certain POS systems). The marketplace also enables brands to route customer purchase interest to a retailer that carries the brand's product. After a dispensary receives the order request from the consumer, the dispensary and the consumer can continue to communicate, adjust items in the request, and handle any stock issues, prior to and while the dispensary processes and fulfills the order;
- WM Store: Customizable online store which allows retailers and brands to import their Weedmaps listing menu or product reservation functionality to their own white-labeled WM Store website or separately owned website. WM Store facilitates customer pickup or delivery orders and enables retailers to reach more customers by bringing the breadth of the Weedmaps marketplace to a client's own website;
- WM Connectors: A centralized integration platform, including API tools, for easier menu management, automatic inventory updates and streamlined order fulfillment to enable clients to save time and more easily integrate into the WM Technology ecosystem and integrate with disparate software systems. This creates business efficiencies and improves the accuracy and timeliness of information across Weedmaps, creating a more positive experience for consumers and businesses; and
- WM Insights: An insights and analytics platform for clients leveraging data across the Weedmaps marketplace and software solutions. WM Insights provides data and analytics on user engagement and traffic trends to a client's listing page. For Brand clients, WM Insights allows them to monitor their brand and product rankings, identify retailers not carrying products and keep track of top brands and products by category and state.

We also offer other add-on products for additional fees, including:

- WM Ads: Ad solutions on the Weedmaps marketplace designed for clients to amplify their businesses and reach more highly engaged cannabis consumers throughout their buying journey including:
  - Featured Listings: Premium placement ad solutions on high visibility locations on the Weedmaps marketplace (desktop and mobile) to amplify our clients' businesses and maximize clients' listings and deal presence.
  - WM Deals: Discount and promotion pricing tools that let clients strategically reach prospective price-conscious cannabis customers with deals or discounts to drive conversion. In some jurisdictions, it is required by applicable law to showcase discounts.
  - Other WM Ads solutions: Includes banner ads and promotion tiles on the Company's marketplace as well as banner ads that can be tied to keyword searches. These products provide clients with targeted ad solutions in highly visible slots across the Company's digital surfaces.
- WM AdSuite: Omni-channel (on and off platform) marketing solution with access to the Weedmaps marketplace and cannabis-friendly off marketplace outlets including certain publishers, out-of-home units in addition to other media solutions. These campaigns leverage proprietary first-party Weedmaps data to target verified cannabis consumers.

- WM CRM: Customer relationship management software allowing clients to reach new consumers, build loyalty, and grow revenue with our compliant app, text and marketing tools. The tools also allow for retargeting and re-engagement of cannabis consumers.
- WM Dispatch: Compliant, automated and optimized logistics and fulfillment last-mile delivery software (including driver apps) that helps clients manage their delivery fleets. This product streamlines the delivery experience from in-store to front-door.
- WM Screens: In-store digital menu signage and kiosk solution and media management tool enabling clients to enhance the in-store experience, impact omnichannel retail and centralize operations with revenue-driving and customizable digital signage.

We charge a monthly fee to retailer, delivery and brand clients for access to our subscription package, which includes WM Listings, WM Orders, WM Store, WM Connectors and WM Insights. Depending on the market, the other add-on products are available for additional fees.

We sell our Weedmaps for Business suite in the United States, currently offer some of our Weedmaps for Business solutions in Canada and have a limited number of non-monetized listings in several other countries including Austria, Germany, the Netherlands, Spain and Switzerland. We operate in the United States, Canada and other foreign jurisdictions where medical and/or adult cannabis use is legal under state or national law. As of March 31, 2023, we actively operated in over 30 U.S. states and territories that have adult-use and/or medical-use regulations in place. We define actively operated markets as those U.S. states or territories with greater than \$1,000 monthly revenue.

Our mission is to power a transparent and inclusive global cannabis economy. Our technology addresses the challenges facing both consumers seeking to understand cannabis products and businesses who serve cannabis users in a legally compliant fashion. Over the past 14 years, Weedmaps has become a premier destination for cannabis consumers to discover and browse information regarding cannabis and cannabis products, permitting product discovery and order-ahead for pickup or delivery by participating retailers. Weedmaps for Business is a set of eCommerce-enablement tools designed to help retailers and brands get the best out of the Weedmaps' consumer experience, create labor efficiencies and manage compliance needs.

We hold a strong belief in the importance of enabling safe, legal access to cannabis for consumers worldwide. We believe we offer the only comprehensive software platform that allows cannabis retailers to reach their target audience, quickly and cost effectively, addressing a wide range of needs. We are committed to building the software solutions that power cannabis businesses compliantly in the industry, to advocating for legalization, licensing and social equity of cannabis and to facilitating further learning through partnership with subject matter experts to provide detailed, accurate information about cannabis.

We have grown the Weedmaps marketplace to become the premier destination for cannabis consumers to discover and browse information regarding cannabis and cannabis products with 5,641 average monthly paying business clients during the three months ended March 31, 2023 on the supply-side of our marketplace. These paying clients include retailers, brands and other client types (such as doctors). Further, these clients, who can choose to purchase multiple listings solutions for each business, had purchased over 9,300 listing pages as of March 31, 2023. The Weedmaps marketplace provides consumers with information regarding cannabis retailers and brands, as well as the strain, pricing and other information regarding locally available cannabis products, through our website and mobile apps, permitting product discovery and order-ahead for pickup or delivery by participating retailers. Our weedmaps.com website, our iOS Weedmaps mobile application and our Android Weedmaps mobile application also have educational content including news articles, information about cannabis strains, a number of "how-to" guides, policy white-papers and research to allow consumers to educate themselves on cannabis and its history, uses and legal status. While consumers can discover cannabis products, brands and retailers on our website, we neither sell (or fulfill purchases of) cannabis products, nor do we process payments for cannabis transactions across our marketplace or SaaS solutions.

As we continue to expand the presence and increase the number of consumers on the Weedmaps marketplace and broaden our offerings, we generate more value for our business clients. As we continue to expand the presence and increase the number of cannabis businesses listed on weedmaps.com, we become a more compelling marketplace for consumers. To capitalize on the growth opportunities of our two-sided marketplace and solutions, we plan to continue making investments in raising brand awareness, increasing penetration within existing markets and expanding to new markets, as well as continuing to develop and monetize new solutions to extend the functionality of our platform. These investments serve to deepen the consumer experience with our platform and continue to provide a high level of support to our business clients.

## **Key Operating and Financial Metrics**

We monitor the following key financial and operational metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(dollars in thousands, except for revenue per paying client)</b>	
Revenues	\$ 48,007	\$ 57,452
Net loss	\$ (3,969)	\$ (31,233)
EBITDA <sup>(1)</sup>	\$ (802)	\$ (29,036)
Adjusted EBITDA <sup>(1)</sup>	\$ 7,130	\$ (953)
Average monthly revenue per paying client <sup>(2)</sup>	\$ 2,837	\$ 3,810
Average monthly paying clients <sup>(3)</sup>	5,641	5,026

- (1) For further information about how we calculate EBITDA and Adjusted EBITDA as well as limitations of its use and a reconciliation of EBITDA and Adjusted EBITDA to net loss, see “Net Loss to EBITDA and Adjusted EBITDA” below.
- (2) Average monthly revenue per paying client is defined as the average monthly revenue for any particular period divided by the average monthly paying clients in the same respective period.
- (3) Average monthly paying clients are defined as the average of the number of paying clients billed in a month across a particular period (and for which services were provided).

### **Revenue**

We offer our Weedmaps for Business solution as a monthly subscription package that includes (based on availability within any given market and state-level regulations): (i) a listing page with product menu on weedmaps.com, our iOS Weedmaps mobile application and our Android Weedmaps mobile application, which allows clients to disclose their license information, hours of operation, contact information, discount policies and other information that may be required under applicable state law, (ii) the ability to receive reservations of products for pickup by consumers or delivery to consumers (either on weedmaps.com, on a white labeled WM Store website or third-party websites through our orders and menu embed product), (iii) customizable menus for brands, retailers and delivery operators to embed on their website, (iv) access to our APIs, including real-time connectivity between Weedmaps for Business to a point-of-sale system (“POS”) to streamline workflows and promote compliance through accuracy and (v) analytics dashboards. We also offer add-on and a la carte products and services for additional fees, including advertising and customer relationship management (“CRM”) software, among other things (for a description of these services, see Item 1. Business). Finally, we offer a growing set of offerings for brands to reach consumers and retailers as well as manage their brand catalog information.

### **Net Loss to EBITDA and Adjusted EBITDA**

Our financial statements, including net income (loss), are prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”). For more information regarding the components within our net loss, see “Components of Our Results of Operations” below.

Net loss for the three months ended March 31, 2023 and 2022 was \$4.0 million and \$31.2 million, respectively. The decrease in net loss was primarily due to a decrease in operating expenses of \$19.6 million and a comparatively favorable change in fair value of warrant liability of \$18.9 million, which was partially offset by a decrease in revenue of \$9.4 million and a comparatively unfavorable decrease in benefit from income taxes of \$1.7 million. For more information regarding the components of our net loss, see “Components of Our Results of Operations” below.

To provide investors with additional information regarding our financial results, we have disclosed EBITDA and Adjusted EBITDA, all of which are non-GAAP financial measures that we calculate as net income (loss) before interest, taxes and depreciation and amortization expense in the case of EBITDA and further adjusted to exclude stock-based compensation, change in fair value of warrant liability, change in tax receivable agreement liability, transaction related bonuses, transaction costs, legal settlements and other legal costs and reduction in force and other non-cash, unusual and/or infrequent costs in the case of Adjusted EBITDA. Below we have provided a reconciliation of net loss (the most directly comparable GAAP financial measure) to EBITDA; and from EBITDA to Adjusted EBITDA.

We present EBITDA and Adjusted EBITDA because these metrics are 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 EBITDA and Adjusted EBITDA provide useful information to investors and others in understanding and evaluating our operating results in the same manner as our management.

Each of EBITDA and Adjusted EBITDA has limitations as an analytical tool, and you should not consider any of these non-GAAP financial measures 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 EBITDA and Adjusted EBITDA do not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- EBITDA and Adjusted EBITDA do not reflect changes in, or cash requirements for, our working capital needs; and
- EBITDA and Adjusted EBITDA do not reflect tax payments that may represent a reduction in cash available to us.

Because of these limitations, you should consider EBITDA and Adjusted EBITDA alongside other financial performance measures, including net (loss) income and our other GAAP results.

A reconciliation of net loss to non-GAAP EBITDA and Adjusted EBITDA is as follows:

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
Net loss	\$ (3,969)	\$ (31,233)
Benefit from income taxes	—	(1,748)
Depreciation and amortization expenses	3,167	3,945
EBITDA	(802)	(29,036)
Stock-based compensation	4,383	7,517
Change in fair value of warrant liability	(725)	18,219
Transaction related bonuses	2,842	1,957
Legal settlements and other legal costs	867	139
Reduction in force	465	—
Transaction costs	—	251
Change in tax receivable agreement liability	100	—
Adjusted EBITDA	\$ 7,130	\$ (953)

#### *Average Monthly Revenue Per Paying Client*

Average monthly revenue per paying client measures how much clients, for the period of measurement, are willing to pay us for our subscription and additional offerings and the efficiency of the bid-auction process for our featured listings placements. We calculate this metric by dividing the average monthly revenue for any particular period by the average monthly number of paying clients in the same respective period.

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Average monthly revenue per paying client	\$ 2,837	\$ 3,810

#### *Average Monthly Paying Clients*

We define average monthly paying clients as the monthly average of clients billed each month over a particular period (and for which services were provided). Our paying clients include both individual cannabis businesses as well as retail websites or businesses within a larger organization that have independent relationships with us, many of whom are owned by holding companies where decision-making is decentralized such that purchasing decisions are made, and relationships with us are located, at a lower organizational level. In addition, any client may choose to purchase multiple listing solutions for each of their retail websites or businesses.

Average monthly paying clients for the three months ended March 31, 2023 increased 12% to 5,641 average monthly paying clients from 5,026 average monthly paying clients in the same period in 2022. The increase in average monthly paying clients in the three months ended March 31, 2023 as compared to the same periods in 2022 was primarily due to new client acquisitions across existing and new states. This growth was offset by a decline in our average monthly revenue per paying client due to spend declines in established markets. We expected these pressures given the continued liquidity challenges that clients are facing.

	Three Months Ended March 31,	
	2023	2022
Average monthly paying clients	5,641	5,026

## Factors Affecting Our Performance

### *Growth of Our Two-Sided Weedmaps Marketplace*

We have historically grown through and intend to focus on continuing to grow through the expansion of our two-sided marketplace, which occurs through growth of the number and type of businesses and consumers that we attract to our platform. We believe that expansion of the number and types of cannabis businesses that choose to list on our platform will continue to make our platform more compelling for consumers and drive traffic and consumer engagement, which in turn will make our platform more valuable to cannabis businesses.

### *Growth and Retention of Our Paying Clients*

Our revenue grows primarily through acquiring and retaining paying clients and increasing the revenue per paying client over time. We have a history of attracting new paying clients and increasing their annual spend with us over time, primarily due to the value they receive once they are onboarded and able to take advantage of the benefits of participating in our two-sided marketplace and leveraging our software solutions.

Prices of certain commodity products, including gas prices, are historically volatile and subject to fluctuations arising from changes in domestic and international supply and demand, labor costs, competition, market speculation, government regulations, trade restrictions and tariffs, inflation and the military conflict between Russia and Ukraine. Increasing prices in the component materials for the goods or services of our clients may impact their ability to maintain or increase their spend with us and their ability to pay their invoices on time. Rapid and significant changes in commodity prices may negatively affect our revenue if our clients are unable to mitigate inflationary increases through various customer pricing actions and cost reduction initiatives. This could also negatively impact our net dollar retention and our collections on accounts receivable.

### *Regulation and Maturation of Cannabis Markets*

We believe that we will have significant opportunities for greater growth as more jurisdictions legalize cannabis for medical and/or adult-use and the regulatory environment continues to develop. Thirty-eight states, the District of Columbia, Puerto Rico, the Virgin Islands and Guam have legalized some form of cannabis use for certain medical purposes. Twenty-two of those states, the District of Columbia, Guam and Northern Mariana have legalized cannabis for adults for non-medical purposes as well (sometimes referred to as adult or recreational use). Nine additional states have legalized forms of low-potency cannabis, for select medical conditions. Only three states continue to prohibit cannabis entirely. We intend to explore new expansion opportunities as additional jurisdictions legalize cannabis for medical or adult use and leverage our business model informed by our 14-year operating history to enter new markets.

We also have a significant opportunity to monetize transactions originating from users engaging with a retailer on the Weedmaps marketplace or tracked via one of our Weedmaps for Business solutions. Given U.S. federal prohibitions on plant-touching businesses and our current policy not to participate in the chain of commerce associated with the sale of cannabis products, we do not charge take-rates or payment fees for transactions originating from users who engage with a retailer on the Weedmaps platform or tracked via one of our Weedmaps for Business solutions. A change in U.S. federal regulations could result in our ability to engage in such monetization efforts without adverse consequences to our business. A change in U.S. federal regulations could also increase access to capital and remove limitations of Section 280E of the Internal Revenue Code of 1986, as amended (the "Code"), thus allowing deduction or credit for certain expenses of cannabis business to increase our cash flow and liquidity, as well as those of many industry participants.

Our long-term growth depends on our ability to successfully capitalize on new and existing cannabis markets. Each market must reach a critical mass of both cannabis businesses and consumers for listing subscriptions, advertising placements and other solutions to have meaningful appeal to potential clients. As regulated markets mature and as we incur expenses to attract paying clients and convert non-paying clients to paying clients, we may generate losses in new markets for an extended period.

Furthermore, we compete with cannabis-focused and general two-sided marketplaces, internet search engines and various other newspaper, television and media companies and other software providers. We expect competition to intensify in the future as the regulatory regime for cannabis becomes more settled and the legal market for cannabis becomes more accepted, which may encourage new participants to enter the market, including established companies with substantially greater financial, technical and other resources than existing market participants. Our current and future competitors may also enjoy other competitive advantages, such as greater name recognition, more offerings and larger marketing budgets.

### ***Brand Recognition and Reputation***

We believe that maintaining and enhancing our brand identity and our reputation is critical to maintaining and growing our relationships with clients and consumers and to our ability to attract new clients and consumers. Historically, a substantial majority of our marketing spending was on out-of-home advertising on billboards, buses and other non-digital outlets. Starting in 2019, consistent with the overall shift in perceptions regarding cannabis, a number of demand-side digital advertising platforms allowed us to advertise online. We also invested in growing our internal digital performance advertising team. We believe there is an opportunity to improve market efficiency through digital channels and expect to shift our marketing spending accordingly. Over the longer term, we expect to shift and accelerate our marketing spend to additional online and traditional channels, such as broadcast television or radio, as they become available to us. Further, we have begun reinvesting in our on-the-ground and field marketing presence and are increasing the types and cadence of client events. These events support and provide value to our retail client base through in-store activation and customer engagement at point of purchase and also afford Weedmaps with the opportunity to engage directly with our client partners, understand their needs / challenges, and foster good will.

Negative publicity, whether or not justified, relating to events or activities attributed to us, our employees, clients or others associated with any of these parties, may tarnish our reputation and reduce the value of our brand. Given our high visibility and relatively long operating history compared to many of our competitors, we may be more susceptible to the risk of negative publicity. Damage to our reputation and loss of brand equity may reduce demand for our platform and have an adverse effect on our business, operating results and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brand may be costly and time consuming, and such efforts may not ultimately be successful.

We also believe that the importance of our brand recognition and reputation will continue to increase as competition in our market continues to develop. If our brand promotion activities are not successful, our operating results and growth may be adversely impacted.

### ***Investments in Growth***

We intend to continue to make focused organic and inorganic investments to grow our revenue and scale operations to support that growth.

Given our long operating history in the United States and the strength of our network, often businesses will initially list on our platform without targeted sales or marketing efforts by us. However, we plan to accelerate our investments in marketing to maintain and increase our brand awareness through both online and offline channels. We also plan to invest in expanding our business listings thereby enhancing our client and consumer experience, and improving the depth and quality of information provided on our platform. We also intend to continue to invest in several areas to continue enhancing the functionality of our Weedmaps for Business offering. We expect significant near-term investments to enhance our data assets and evolve our current listings and software offerings to our brand clients, among other areas. We anticipate undertaking such investments in order to be positioned to capitalize on the rapidly expanding cannabis market.

On January 14, 2022, we acquired Eyechronic LLC (“Eyechronic”) d/b/a Enlighten, a Delaware limited liability company and a provider of software, digital signage services and multi-media offerings to dispensaries and brands.

As operating expenses and capital expenditures fluctuate over time, we may accordingly experience short-term, negative impacts to our operating results and cash flows.

### **Components of Our Results of Operations**

#### ***Revenues***

We offer our Weedmaps for Business solution as a monthly subscription package that includes (based on availability within any given market and state-level regulations): (i) a listing page with product menu on weedmaps.com, our iOS Weedmaps mobile application and our Android Weedmaps mobile application, which allows clients to disclose their license information, hours of operation, contact information, discount policies and other information that may be required under applicable state law, (ii) the ability to receive reservations of products for pickup by consumers or delivery to consumers (either on weedmaps.com, on a white labeled WM Store website or third-party websites through our orders and menu embed product), (iii) customizable menus for brands, retailers and delivery operators to embed on their website, (iv) access to our APIs, including real-time connectivity between Weedmaps for Business to a point-of-sale system (“POS”) to streamline workflows and promote compliance through accuracy and (v) analytics dashboards. We also offer add-on and a la carte products and services for additional fees, including advertising and customer relationship management (“CRM”) software, among other things. Finally, we offer a growing set of offerings for brands to reach consumers and retailers as well as manage their brand catalog information. Our subscriptions generally have one-month terms that automatically renew unless notice of cancellation is

provided in advance. For clients that pay us in advance for listing and other services, we record deferred revenue and recognized revenue over the applicable subscription term.

***Cost of Revenues (Exclusive of Depreciation and Amortization)***

Cost of revenues primarily consists of web hosting, internet service and credit card processing costs. Cost of sales is primarily driven by increases in revenue leading to increases in credit card processing and web hosting costs. We expect our cost of revenue to continue to increase on an absolute basis and remain relatively flat as a percentage of revenue as we scale our business and inventory costs related to multi-media offerings.

***Selling and Marketing Expenses***

Selling and marketing expenses consist of salaries and benefits, stock-based compensation expense, travel expense and incentive compensation for our sales and marketing employees. In addition, sales and marketing expenses include business acquisition marketing, events cost and branding and advertising costs. We expect our sales and marketing expenses to increase on an absolute basis as we enter new markets. Over the longer term, we expect sales and marketing expense to increase in a manner consistent with revenue growth, however, we may experience fluctuations in some periods as we enter and develop new markets or have large one-time marketing projects.

***Product Development Expenses***

Product development costs consist of salaries and benefits and stock-based compensation expense for employees, including engineering and technical teams who are responsible for building new products, as well as maintaining and improving existing products. Product development costs that do not meet the criteria for capitalization are expensed as incurred. We believe that continued investment in our platform is important for our growth and expect our product development expenses will increase in a manner consistent with revenue growth as our operations grow.

***General and Administrative Expenses***

General and administrative expenses consist primarily of payroll, benefit costs and stock-based compensation expense for our employees involved in general corporate functions including our senior leadership team as well as costs associated with the use by these functions of software and facilities and equipment, such as rent, insurance and other occupancy expenses. General and administrative expenses also include provision for doubtful accounts and professional and outside services related to legal and other consulting services. General and administrative expenses are primarily driven by increases in headcount required to support business growth and meeting our obligations as a public company. We expect general and administrative expenses to decline as percentage of revenue as we scale our business and leverage investments in these areas.

***Depreciation and Amortization Expenses***

Depreciation and amortization expenses primarily consist of depreciation on computer equipment, furniture and fixtures, leasehold improvements, capitalized software development costs and amortization of intangibles.

***Other Income (Expense)***

Other income (expense) consists primarily of change in fair value of warrant liability and tax receivable agreement liability remeasurement. Other expense, net consists primarily of political contributions, interest expense, financing fees and other tax related expenses.

***Provision for (Benefit from) Income Taxes***

We account for income taxes pursuant to the asset and liability method which requires the recognition of deferred income tax assets and liabilities related to the expected future tax consequences arising from temporary differences between the carrying amounts and tax bases of assets and liabilities based on enacted statutory tax rates applicable to the periods in which the temporary differences are expected to reverse. Any effects of changes in income tax rates or laws are included in income tax expense in the period of enactment. A valuation allowance is recognized if we determine it is more-likely-than-not that all or a portion of a deferred tax asset will not be recognized. In making such determination, we consider all available evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies and recent and expected future results of operation. During the fourth quarter of 2022, we recorded a full valuation allowance against our net deferred tax assets. See Note 2 to our condensed consolidated financial statements included herein.

**Results of Operations**

The following tables set forth our results of operations for the periods presented and express the relationship of certain line items as a percentage of net sales for those periods. The period-to-period comparison of financial results is not necessarily indicative of future results.

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
Revenues	\$ 48,007	\$ 57,452
<b>Operating expenses:</b>		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	3,494	3,740
Sales and marketing	12,060	21,882
Product development	10,934	13,090
General and administrative	22,500	29,055
Depreciation and amortization	3,167	3,945
<b>Total operating expenses</b>	<b>52,155</b>	<b>71,712</b>
Operating loss	(4,148)	(14,260)
<b>Other income (expense)</b>		
Change in fair value of warrant liability	725	(18,219)
Change in tax receivable agreement liability	(100)	—
Other expense, net	(446)	(502)
<b>Loss before income taxes</b>	<b>(3,969)</b>	<b>(32,981)</b>
Benefit from income taxes	—	(1,748)
<b>Net loss</b>	<b>(3,969)</b>	<b>(31,233)</b>
Net loss attributable to noncontrolling interests	(1,494)	(17,340)
<b>Net loss attributable to WM Technology, Inc.</b>	<b>\$ (2,475)</b>	<b>\$ (13,893)</b>

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
Revenues	100 %	100 %
<b>Operating expenses:</b>		
Cost of revenues (exclusive of depreciation and amortization shown separately below)	7 %	7 %
Sales and marketing	25 %	38 %
Product development	23 %	23 %
General and administrative	47 %	51 %
Depreciation and amortization	7 %	7 %
<b>Total operating expenses</b>	<b>109 %</b>	<b>125 %</b>
Operating loss	(9)%	(25)%
<b>Other income (expense)</b>		
Change in fair value of warrant liability	2 %	(32)%
Change in tax receivable agreement liability	— %	— %
Other expense, net	(1)%	(1)%
<b>Loss before income taxes</b>	<b>(8)%</b>	<b>(57)%</b>
Benefit from income taxes	0 %	(3)%
<b>Net loss</b>	<b>(8)%</b>	<b>(54)%</b>
Net loss attributable to noncontrolling interests	(3)%	(30)%
<b>Net loss attributable to WM Technology, Inc.</b>	<b>(5)%</b>	<b>(24)%</b>



## Comparison of Three Months Ended March 31, 2023 and 2022

### Revenues

	Three Months Ended March 31,		Change	
	2023	2022	(\$)	(%)
	(dollars in thousands)			
Revenues	\$ 48,007	\$ 57,452	\$ (9,445)	(16)%

Total revenues decreased by \$9.4 million or 16% for the three months ended March 31, 2023 compared to the same period in 2022. The decrease was driven by a decrease in average monthly revenue per paying client primarily as a result of a decrease in revenue from featured and deal listing products. Compared to the prior year period, revenue decreased \$8.0 million in our featured and deal listings, \$1.1 million in our Weedmaps for Business and other SaaS subscriptions and \$0.4 million in our other ad solutions. For the three months ended March 31, 2023, featured and deal listings, Weedmaps for Business and other SaaS subscriptions and other ad solutions represented approximately 70%, 24% and 6% of our total revenues, respectively.

### Cost of Revenues

	Three Months Ended March 31,		Change	
	2023	2022	(\$)	(%)
	(dollars in thousands)			
Cost of revenues	\$ 3,494	\$ 3,740	\$ (246)	(7)%
Gross margin	93 %	93 %		

Cost of revenues was \$3.5 million for the three months ended March 31, 2023 compared to \$3.7 million for the same period in 2022. The decrease of \$0.2 million was primarily related to a decrease of \$0.8 million for cost of revenues associated with multi channel marketing and cloud communication platforms, partially offset by an increase of \$0.5 million for server costs.

### Sales and Marketing Expenses

	Three Months Ended March 31,		Change	
	2023	2022	(\$)	(%)
	(dollars in thousands)			
Sales and marketing expenses	\$ 12,060	\$ 21,882	\$ (9,822)	(45)%
Percentage of revenue	25 %	38 %		

Sales and marketing expenses decreased by \$9.8 million, or 45%, for the three months ended March 31, 2023 compared to the same period in 2022. The decrease was primarily due to decreases in personnel-related costs of \$4.3 million, website advertising expense of \$2.3 million, outside services expense of \$1.7 million, branding and advertising expenses of \$0.9 million and events expense of \$0.5 million. The decrease in personnel-related costs was primarily due to decreased headcount which includes decreases in salaries and wages of \$1.8 million, bonus expense of \$1.1 million, vacation expense of \$0.4 million and stock-based compensation expense of \$0.9 million. Bonus expense for the three months ended March 31, 2023 includes \$1.8 million of expense related to future bonus payouts in connection with prior acquisitions.

### Product Development Expenses

	Three Months Ended March 31,		Change	
	2023	2022	(\$)	(%)
	(dollars in thousands)			
Product development expenses	\$ 10,934	\$ 13,090	\$ (2,156)	(16)%
Percentage of revenue	23 %	23 %		

Product development expenses decreased by \$2.2 million, or 16%, for the three months ended March 31, 2023 compared to the same period in 2022. This decrease was primarily due to decreases in personnel-related costs of \$1.4 million and outside services expense of \$0.8 million. The decrease in personnel-related costs was primarily due to decreased headcount which includes decreases in salaries and wages of \$0.7 million, bonus expense of \$0.3 million and stock-based compensation expense of \$0.2 million.

#### General and Administrative Expenses

	Three Months Ended March 31,		Change	
	2023	2022	(\$)	(%)
	(dollars in thousands)			
General and administrative expenses	\$ 22,500	\$ 29,055	\$ (6,555)	(23)%
Percentage of revenue	47 %	51 %		

General and administrative expenses decreased by \$6.6 million, or 23%, for the three months ended March 31, 2023 compared to the same period in 2022. This decrease was primarily due to decreases in personnel-related costs of \$3.0 million, insurance expense of \$2.0 million, bad debt expense of \$0.8 million, outside services expense of \$0.5 million, software expense of \$0.5 million and rent expense of \$0.3 million, partially offset by an increase in professional services expense of \$0.6 million. The decrease in personnel-related costs was primarily due to decreased headcount which includes decreases in salaries and wages of \$0.9 million, bonus expense of \$0.7 million and stock-based compensation expense of \$2.0 million, partially offset by an increase in severance costs of \$0.6 million, resulting from the reduction in force that occurred in 2022.

#### Depreciation and Amortization Expenses

	Three Months Ended March 31,		Change	
	2023	2022	(\$)	(%)
	(dollars in thousands)			
Depreciation and amortization expenses	\$ 3,167	\$ 3,945	\$ (778)	(20)%
Percentage of revenue	7 %	7 %		

Depreciation and amortization expenses decreased \$0.8 million, or 20%, for the three months ended March 31, 2023 compared to the same period in 2022. The decrease was primarily due to decreases in fixed asset depreciation of \$0.5 million and capitalized software amortization of \$0.2 million. Capitalized software amortization in the three months ended March 31, 2022 included accelerated depreciation of \$1.1 million related to discontinued product features of WM Retail.

#### Other Income (Expense), net

	Three Months Ended March 31,		Change	
	2023	2022	(\$)	(%)
	(dollars in thousands)			
Change in fair value of warrant liability	\$ 725	\$ (18,219)	\$ 18,944	104 %
Change in tax receivable agreement liability	(100)	—	(100)	N/M
Other expense, net	(446)	(502)	56	11 %
Other income (expense), net	\$ 179	\$ (18,721)	\$ 18,900	101 %
Percentage of revenue	1 %	(33)%		

N/M - Not meaningful

Other income, net was \$0.2 million during the three months ended March 31, 2023 compared to other expense, net of \$18.7 million in the same period in 2022. Other income (expense), net was primarily impacted by comparatively favorable changes in fair value of warrant liability of \$18.9 million.

### Benefit from Income Taxes

	Three Months Ended March 31,		Change	
	2023	2022	(\$)	(%)
	(dollars in thousands)			
Benefit from income taxes	\$ —	\$ (1,748)	\$ 1,748	N/M
Percentage of revenue	— %	(3)%		

N/M - Not meaningful

Benefit from income taxes decreased by \$1.7 million for the three months ended March 31, 2023 compared to the same period in 2022. For the three months ended March 31, 2023, the Company recorded zero income tax provision due to the impact of the full valuation allowance on its net deferred assets. For the three months ended March 31, 2022, the Company recorded an income tax benefit of \$1.7 million and the income tax benefit was the result of the tax benefit of the Company's pro rata share of losses and tax credits flowing through from WM Holding LLC. See Note 2 to our condensed consolidated financial statements included herein.

### Seasonality

The cannabis industry has certain industry holidays that typically result in consumption by cannabis users. The most important day is April 20th (“420”) but other, smaller holidays include, but are not limited to, July 10th and the Wednesday before Thanksgiving (Green Wednesday). Given the increased consumption, our clients will typically increase spend heading into these events. However, historically, our financial results have been more driven by our ability to achieve rapid growth throughout the year and or the impact of broader industry headwinds impacting our clients. Therefore, while seasonality has not had a significant impact on our results in the past, our clients may experience seasonality in their businesses which in turn can impact the revenue generated from them. Our business may become more seasonal in the future and historical patterns in our business may not be a reliable indicator of future performance.

### Liquidity and Capital Resources

The following tables show our cash, accounts receivable and working capital as of the dates indicated:

	March 31, 2023		December 31, 2022	
	(in thousands)			
Cash	\$	25,902	\$	28,583
Accounts receivable, net		15,401		17,438
Working capital		8,461		8,660

As of March 31, 2023 and December 31, 2022, we had cash of \$25.9 million and \$28.6 million, respectively. Our funds are being used for funding our current operations and potential strategic acquisitions in the future. We also intend to increase our capital expenditures to support the organic growth in our business and operations. We expect to fund our liquidity requirements from cash and working capital on hand at March 31, 2023, as well as from cash provided by operating activities. We believe that our existing cash and cash generated from operations will be sufficient to meet our anticipated cash needs for at least the next 12 months. However, our liquidity assumptions may prove to be incorrect, and we could exhaust our available financial resources sooner than we currently expect. We may seek to raise additional funds at any time through equity, equity-linked or debt financing arrangements. Our future capital requirements and the adequacy of available funds will depend on many factors. We may not be able to secure additional financing to meet our operating requirements on acceptable terms, or at all.

### Sources of Liquidity

We primarily finance our operations and capital expenditures through cash flows generated by operations.

To the extent existing cash and investments and cash from operations are not sufficient to fund future activities, we may need to raise additional funds. We may seek to raise additional funds through equity, equity-linked or debt financings. If we raise additional funds through the incurrence of indebtedness, such indebtedness may have rights that are senior to holders of our equity securities and could contain covenants that restrict operations. Any additional equity financing may be dilutive to

stockholders. We may enter into investment or acquisition transactions in the future, which could require us to seek additional equity financing, incur indebtedness, or use cash resources.

### Cash Flows

	<b>Three Months Ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(in thousands)</b>	
Net cash provided by (used in) operating activities	\$ 2,157	\$ (3,850)
Net cash used in investing activities	\$ (3,226)	\$ (4,914)
Net cash used in financing activities	\$ (1,612)	\$ (3,156)

#### *Net Cash Provided by (Used In) Operating Activities*

Cash from operating activities consists primarily of net loss adjusted for certain non-cash items, including depreciation and amortization, change in fair value of warrant liability, change in tax receivable agreement liability, stock-based compensation, deferred taxes, provision for doubtful accounts and the effect of changes in working capital.

Net cash provided by operating activities for the three months ended March 31, 2023 was \$2.2 million, which resulted from a net loss of \$4.0 million, together with net cash outflows of \$2.8 million from changes in operating assets and liabilities, and non-cash items of \$8.9 million, consisting of depreciation and amortization of \$3.2 million, fair value of warrant liability of \$0.7 million, stock-based compensation of \$4.4 million, provision for doubtful accounts of \$2.0 million and change in tax receivable agreement of \$0.1 million. Net cash outflows from changes in operating assets and liabilities was primarily due to a decrease in accounts payable and accrued expenses of \$5.4 million, partially offset by a decrease in prepaid expenses and other current assets of \$2.4 million, a decrease in accounts receivable of \$0.1 million and an increase in deferred revenue of \$0.1 million. The changes in operating assets and liabilities are mostly due to fluctuations in timing of cash receipts and payments.

Net cash used by operating activities for the three months ended March 31, 2022 was \$3.9 million, which resulted from net loss of approximately \$31.2 million, together with net cash outflows of approximately \$3.3 million from changes in operating assets and liabilities, and non-cash items of \$30.7 million, consisting of depreciation and amortization of \$3.9 million, fair value of warrant liability of \$18.2 million, stock-based compensation of \$7.5 million, deferred income taxes of \$1.7 million and provision for doubtful accounts of \$2.8 million. Net cash outflows from changes in operating assets and liabilities were primarily due to an increase in accounts receivables of \$7.8 million and a decrease in deferred revenue of \$0.3 million, offset by a decrease in prepaid expenses and other current assets of \$1.6 million. The changes in operating assets and liabilities are mostly due to fluctuations in timing of cash receipts and payments.

#### *Net Cash Used in Investing Activities*

Cash used in investing activities for the three months ended March 31, 2023 was \$3.2 million, which resulted from \$3.2 million cash paid for purchases of property and equipment, which includes capitalized software development costs.

Cash used in investing activities for the three months ended March 31, 2022 was \$4.9 million, which resulted from \$4.2 million cash paid for purchases of property and equipment, which includes capitalized software development cost and \$0.7 million net cash paid for acquisition.

#### *Net Cash Used in Financing Activities*

Cash outflows from financing activities for the three months ended March 31, 2023 was \$1.6 million, which primarily consists of repayments of insurance premium financing of \$1.5 million and distributions of \$0.3 million to the holders of the Company's Class A and Class P Units other than the Company.

Cash outflows from financing activities for three months ended March 31, 2022 was \$3.2 million, which primarily consists of repayments of insurance premium financing of \$3.1 million.

### Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from these estimates.

We believe that the assumptions and estimates associated with revenue recognition, income taxes, stock-based compensation, capitalized software development costs, provision for doubtful accounts, goodwill and intangible assets and fair value measurements to have the greatest potential impact on our condensed consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates. For further information on all of our significant accounting policies, see Note 2 to our condensed consolidated financial statements included herein.

### ***Revenue Recognition***

Our revenues are derived primarily from monthly subscriptions and additional offerings for access to the Weedmaps marketplace and SaaS solutions. We recognize revenue when the fundamental criteria for revenue recognition are met. We recognize revenue by applying the following steps: the contract with the customer is identified; the performance obligations in the contract are identified; the transaction price is determined; the transaction price is allocated to the performance obligations in the contract; and revenue is recognized when (or as) we satisfy these performance obligations in an amount that reflects the consideration we expect to be entitled to in exchange for those services. We exclude sales taxes and other similar taxes from the measurement of the transaction price. The determination of the performance obligations and the timing of satisfaction of such obligations either over time or at a point-in-time requires us to make significant judgment and estimates.

Substantially all of our revenue is generated by providing standard listing subscription services and other paid listing subscriptions services, including featured listings, placements, promoted deals, nearby listings, other display advertising as well as customer relationship management and delivery and logistic services. These arrangements are recognized over-time, generally during a month-to-month subscription period as the products are provided.

### ***Income Taxes***

As a result of the Business Combination, WM Technology, Inc. became the sole managing member of WMH LLC, which is treated as a partnership for U.S. federal and most applicable state and local income tax purposes. As a partnership, WMH LLC is not subject to U.S. federal and certain state and local income taxes. Any taxable income or loss generated by WMH LLC is passed through to and included in the taxable income or loss of its members, including WM Technology, Inc. following the Business Combination, on a pro rata basis. WM Technology, Inc. is subject to U.S. federal income taxes, in addition to state and local income taxes with respect to its allocable share of any taxable income of WMH LLC following the Business Combination. We are also subject to taxes in foreign jurisdictions. Tax laws and regulations are complex and periodically changing and the determination of our provision for income taxes, including our taxable income, deferred tax assets and tax receivable agreement liability, requires us to make significant judgment, assumptions and estimates.

In connection with the Business Combination, we entered into a tax receivable agreement (“TRA”) with continuing members that provides for a payment to the continuing members of 85% of the amount of tax benefits, if any, that WM Technology, Inc. realizes, or is deemed to realize, as a result of redemptions or exchanges of WMH Units. In connection with such potential future tax benefits resulting from the Business Combination, we have established a deferred tax asset for the additional tax basis and a corresponding TRA liability of 85% of the expected benefit. The remaining 15% is recorded within paid-in capital. Our calculation of the TRA asset and liability requires estimates of its future qualified taxable income over the term of the TRA as a basis to determine if the related tax benefits are expected to be realized. As of March 31, 2023, TRA liability was \$0.6 million, of which \$0.5 million is expected to be paid in 2023.

Based on the weight of all available evidence, both positive and negative, we determined during the fourth quarter of 2022 that a full valuation allowance was required against our net deferred tax assets. See Note 2 to our condensed consolidated financial statements included herein.

### ***Stock-based Compensation***

We measure fair value of employee stock-based compensation awards on the date of grant and allocate the related expense over the requisite service period. The fair value of restricted stock units (“RSUs”) and performance-based restricted stock units (“PRSUs”) is equal to the market price of our Class A common stock on the date of grant. The fair value of the Class P Units is measured using the Black-Scholes-Merton valuation model. When awards include a performance condition that impacts the vesting of the award, we record compensation cost when it becomes probable that the performance condition will be met. The level of achievement of such goals in the performance-based restricted stock awards may cause the actual number of units that ultimately vest to range from 0% to 200% of the original units granted. Forfeitures of stock-based awards are recognized as they occur. For the three months ended March 31, 2023 and 2022, we recognized stock-based compensation expense of \$4.4 million and \$7.5 million, respectively. See Note 11 to our condensed consolidated financial statements included herein.

### ***Capitalized Software Development Costs***

We capitalize certain costs related to the development and enhancement of the Weedmaps platform and SaaS solutions. In accordance with authoritative guidance, we began to capitalize these costs when preliminary development efforts were successfully completed, management had authorized and committed project funding, and it was probable that the project would be completed and the software would be used as intended. Such costs are amortized when placed in service, on a straight-line basis over the estimated useful life of the related asset, generally estimated to be three years. Costs incurred prior to meeting these criteria together with costs incurred for training and maintenance are expensed as incurred and recorded in product development expenses on our consolidated statements of operations. Costs incurred for enhancements that were expected to result in additional features or functionality are capitalized and expensed over the estimated useful life of the enhancements, generally three years. The accounting for website and internal-use software costs requires us to make significant judgment, assumptions and estimates related to the timing and amount of recognized capitalized software development costs. For the three months ended March 31, 2023 and 2022, we capitalized software development costs of \$3.0 million and \$4.1 million, respectively.

#### ***Accounts Receivable***

We measure credit losses on our trade accounts receivable using the current expected credit loss model under ASC 326 *Financial Instruments – Credit Losses*, which is based on the expected losses rather than incurred losses. Under the credit loss model, lifetime expected credit losses are measured and recognized at each reporting date based on historical, current and forecast information.

We calculate the expected credit losses on a pool basis for those trade receivables that have similar risk characteristics. For those trade receivables that do not share similar risk characteristics, the allowance for doubtful accounts is calculated on an individual basis. Risk characteristics relevant to our accounts receivable include balance of customer account and aging status. The balance for allowance for doubtful accounts were \$13.4 million and \$12.2 million as of March 31, 2023 and December 31, 2022, respectively. See Note 2 to our condensed consolidated financial statements included herein.

#### ***Goodwill and Intangible Assets***

Assets and liabilities acquired from acquisitions are recorded at their estimated fair values. The excess of the purchase price over the estimated fair values of the net assets acquired, including identifiable intangible assets, is recorded as goodwill. The accounting for goodwill and intangible assets requires us to make significant judgment, estimates and assumptions. Significant estimates and assumptions in valuing acquired intangible assets and liabilities include projected cash flows attributable to the assets or liabilities, asset useful lives and discount rates.

Goodwill is not amortized and is subject to annual impairment testing, or between annual tests if an event or change in circumstance occurs that would more likely than not reduce the fair value of a reporting unit below its carrying value. Intangible assets deemed to have finite lives are amortized on a straight-line basis over their estimated useful lives, where the useful life is the period over which the asset is expected to contribute directly, or indirectly, to our future cash flows. Intangible assets are reviewed for impairment on an interim basis when certain events or circumstances exist. For amortizable intangible assets, impairment exists when the carrying amount of the intangible asset exceeds its fair value. At least annually, the remaining useful life is evaluated. See Note 2 to our condensed consolidated financial statements included herein.

#### ***Fair Value Measurements***

In connection with the Business Combination, we assumed 12,499,993 Public Warrants and 7,000,000 Private Placement Warrants. As of March 31, 2023, 12,499,973 of the Public Warrants and all of the Private Placement Warrants remained outstanding. The warrants are measured at fair value under ASC 820 - *Fair Value Measurements*. The fair value of the Public Warrants is classified as Level 1 financial instruments and is based on the publicly listed trading price of our Public Warrants. The fair value of the Private Warrants is determined with Level 3 inputs using the Black-Scholes model. The fair value of the Private Placement Warrants may change significantly as additional data is obtained. In evaluating this information, considerable judgment is required to interpret the data used to develop the assumptions and estimates. The estimates of fair value may not be indicative of the amounts that could be realized in a current market exchange. Accordingly, the use of different market assumptions and/or different valuation techniques may have a material effect on the estimated fair value, and such changes could materially impact our results of operations in future periods. As of March 31, 2023 and December 31, 2022, warrant liability was \$1.4 million and \$2.1 million, respectively. See Note 4 to our condensed consolidated financial statements included herein.

### **Item 3. Quantitative and Qualitative Disclosures about Market Risk**

We have operations both within the United States and in foreign jurisdictions, and we are exposed to market risks in the ordinary course of our business, including the effects of foreign currency fluctuations, interest rate changes and inflation. Information relating to quantitative and qualitative disclosures about these market risks is set forth below.

#### ***Foreign Currency***

Assets and liabilities denominated in a foreign currency are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Revenue and expense accounts are translated at the average exchange rates during the periods. The impact of exchange rate fluctuations from translation of assets and liabilities is insignificant for the three months ended March 31, 2023 and 2022. For all periods presented, we believe the exposure to foreign currency fluctuation from operating expenses is immaterial as the related costs do not constitute a significant portion of our total expenses.

#### ***Interest Rate Fluctuation Risk***

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. As of March 31, 2023, we did not have any cash equivalents.

The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. Because we only hold cash and, our portfolio's fair value is insensitive to interest rate changes. In future periods, we will continue to evaluate our investment policy in order to ensure that we continue to meet our overall objectives. A hypothetical 100 basis point increase or decrease in interest rates would not have a material effect on our financial results.

#### ***Inflation***

Other than as set forth in the note above titled "Growth and Retention of Our Paying Clients", we do not believe that inflation has had a material effect on our business, financial condition or results of operations. We continue to monitor the impact of inflation in order to minimize its effects through pricing strategies, productivity improvements and cost reductions. If our costs were to become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition and results of operations. We do not believe that inflation has had a material effect on our business, financial condition or results of operations during three months ended March 31, 2023.

### **Item 4. Controls and Procedures**

#### **Evaluation of Disclosure Controls and Procedures**

Disclosure controls are procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act, is recorded, processed, summarized and reported within the time period specified in the SEC's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to our management, including our Executive Chair and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. Our Executive Chair and Chief Financial Officer ("Certifying Officers") evaluated the effectiveness of our disclosure controls and procedures as of December 31, 2022, pursuant to Rule 13a-15(b) under the Exchange Act. Based on the evaluation, and in light of the material weakness in internal controls described below, our Executive Chair and Chief Financial Officer have concluded that as of March 31, 2023, our disclosure controls and procedures were not effective due to the material weakness in internal control over financial reporting.

#### **Material Weaknesses**

As previously disclosed in our management's report on internal control over financial reporting within our Annual Report on Form 10-K for the year ended December 31, 2022, we identified a material weakness in internal control related to ineffective information technology general controls (ITGCs) in the areas of user access and program change-management over certain information technology systems that support our financial reporting processes. As a result, our business process automated and manual controls that were dependent on the affected ITGCs were ineffective because they could have been adversely impacted. These control deficiencies were a result of: IT controls lacked sufficient segregation of duties as developers were granted administrative rights; certain users including developers had accessed other users' accounts; and our controls over logging and monitoring of system configuration and data changes made by these users were not effectively designed to detect erroneous or unauthorized changes. The material weakness did not result in any identified misstatements in our financial statements.

## **Remediation**

Management has been implementing and continues to implement measures designed to ensure that control deficiencies contributing to the material weakness are remediated, such that these controls are designed, implemented and operating effectively. The remediation actions include: (i) removing the access from certain users to make changes directly in production systems; (ii) removing privileged access to other user accounts; and (iii) enhancing logging and monitoring of privileged user activities such as data updates in production systems. We believe that these actions will remediate the material weakness. The weakness will not be considered remediated, however, until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that these controls are operating effectively. We expect that the remediation of this material weakness will be completed during the end of the year ending December 31, 2023.

## **Changes in Internal Control Over Financial Reporting**

Other than the significant changes associated with the material weaknesses and corresponding remediation procedures as described above, there were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the three months ended March 31, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **Limitations on Effectiveness of Controls and Procedures**

We do not expect that our disclosure controls and procedures will prevent all errors and all instances of fraud. Disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Further, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and the benefits must be considered relative to their costs. Because of the inherent limitations in all disclosure controls and procedures, no evaluation of disclosure controls and procedures can provide absolute assurance that we have detected all our control deficiencies and instances of fraud, if any. The design of disclosure controls and procedures also is based partly on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.



## **Part II - Other Information**

### **Item 1. Legal Proceedings**

The information set forth under "Commitments and Contingencies—Litigation" in Note 3 of the notes to the condensed consolidated financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated by reference into this Item 1.

As previously disclosed, in the second quarter of 2022, our board of directors received an internal complaint regarding the calculation, definition and reporting of our monthly active users ("MAUs") metric. In response, the board of directors formed a special committee (the "Special Committee") of independent directors to conduct an internal investigation with the assistance of outside counsel. As a result of the findings of that internal investigation, we provided certain additional information regarding the growth and nature of our previously-reported MAUs in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 filed with the SEC on August 9, 2022. This investigation found no impact on our financial results under GAAP or the reporting or disclosure of any currently disclosed non-GAAP financial metric. As also previously reported, in the third quarter of 2022, we determined not to report MAUs going forward. In August 2022, our board of directors determined to voluntarily report the internal complaint and subsequent internal investigation to the SEC. Since that date, we have received two subpoenas from the SEC's Division of Enforcement requesting additional information and documents. In addition, the SEC has issued subpoenas to several of our current and former employees seeking their testimony. We have been fully cooperating with the SEC's investigation. Such investigations are inherently uncertain and their results cannot be predicted with certainty, but could result in penalties or other sanctions against the company, as well as negative publicity and reputational harm. Regardless of the outcome, such proceedings can have an adverse impact on us because of legal costs, diversion of management resources and other factors.

Additionally, from time to time, we are involved in legal proceedings and subject to claims that arise in the ordinary course of business. Although the results of legal proceedings and claims cannot be predicted with certainty, to our knowledge we are not currently party to any legal proceedings which, if determined adversely to us, would individually or taken together have a material adverse effect on our business, operating results, cash flows or financial condition. We also pursue litigation to protect our legal rights and additional litigation may be necessary in the future to enforce our intellectual property and our contractual rights, to protect our confidential information or to determine the validity and scope of the proprietary rights of others.

### **Item 1A. Risk Factors**

Investment in our securities involves risk. An investor or potential investor should consider the risks summarized under the caption "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2022 (our "2022 Form 10-K") when making investment decisions regarding our securities. The risk factors that were disclosed in our 2022 Form 10-K have not materially changed since the date of our 2022 Form 10-K was filed.

### **ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS**

#### **Unregistered Sales of Equity Securities**

None.

### **ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

None.

### **ITEM 4. MINE SAFETY DISCLOSURES**

Not applicable.

### **ITEM 5. OTHER INFORMATION**

None.

**ITEM 6. EXHIBITS**

The following exhibits are filed as part of, or incorporated by reference into, this Quarterly Report on Form 10-Q.

<b>Exhibit No.</b>	<b>Description</b>
<a href="#">3.1</a>	<a href="#">Certificate of Incorporation of the Company, dated June 15, 2021 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed on June 21, 2021).</a>
<a href="#">3.2</a>	<a href="#">Amended and Restated Bylaws of the Company, dated June 16, 2021 (incorporated by reference to Exhibit 3.2 to the Current report on Form 8-K filed on June 21, 2021).</a>
<a href="#">31.1</a>	<a href="#">Certification of the Principal Executive Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
<a href="#">31.2</a>	<a href="#">Certification of the Principal Financial Officer pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
<a href="#">32.1*</a>	<a href="#">Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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\* The certifications attached as Exhibit 32.1 that accompany this Quarterly Report on Form 10-Q are deemed furnished and not filed with the SEC and are not to be incorporated by reference into any filing of the Company under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report on Form 10-Q, irrespective of any general incorporation language contained in such filing.

**SIGNATURES**

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

**WM TECHNOLOGY, INC.**

Date: May 9, 2023

By: /s/ Douglas Francis  
Name: Douglas Francis  
Title: Executive Chair  
*(Principal Executive Officer)*

Date: May 9, 2023

By: /s/ Arden Lee  
Name: Arden Lee  
Title: Chief Financial Officer  
*(Principal Financial Officer and Principal Accounting Officer)*

**CERTIFICATION**  
**PURSUANT TO RULES 13a-14(a) AND 15d-14(a)**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Douglas Francis, certify that:

I have reviewed this Quarterly Report on Form 10-Q of WM Technology Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) (Paragraph intentionally omitted in accordance with SEC Release Nos. 34-47986 and 34-54942);
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2023

By: /s/ Douglas Francis

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Douglas Francis

Executive Chair

*(Principal Executive Officer)*



**CERTIFICATION**  
**PURSUANT TO RULES 13a-14(a) AND 15d-14(a)**  
**UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED**

I, Arden Lee, certify that:

I have reviewed this Quarterly Report on Form 10-Q of WM Technology Inc.;

Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

- (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) (Paragraph intentionally omitted in accordance with SEC Release Nos. 34-47986 and 34-54942);
- (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2023

By: /s/ Arden Lee

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Arden Lee

Chief Financial Officer

*(Principal Financial Officer and Principal Accounting Officer)*



**CERTIFICATIONS OF EXECUTIVE CHAIR AND CHIEF FINANCIAL OFFICER  
PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Douglas Francis, the Executive Chair of WM Technology, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of WM Technology, Inc. for the quarterly period ended March 31, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of WM Technology, Inc.

Date: May 9, 2023

By: /s/ Douglas Francis

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Douglas Francis  
Executive Chair  
*(Principal Executive Officer)*

I, Arden Lee, the Chief Financial Officer of WM Technology, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report on Form 10-Q of WM Technology, Inc. for the quarterly period ended March 31, 2023, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that information contained in such Quarterly Report on Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of WM Technology, Inc.

Date: May 9, 2023

By: /s/ Arden Lee

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Arden Lee  
Chief Financial Officer  
*(Principal Financial Officer and Principal Accounting Officer)*