

## Risk Factors Comparison 2025-03-31 to 2024-04-01 Form: 10-K

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You should carefully consider the following risk factors, as well as all of the other information contained in this report, including our consolidated financial statements and the notes thereto, and other filings we make with the SEC before deciding to invest in our common stock. The occurrence of any of the following risks could materially and adversely affect our business, prospects, financial condition, operating results and cash flow. In such case, the trading price of our common stock could decline and you could lose some or all of your investment. RISK FACTOR SUMMARY The following is a summary of the principal risks that could materially adversely affect our business operations, industry, and financial results. You should read this summary together with the more detailed risk factors that immediately follow this summary. Risks Relating to Our Business and Industry • We have a relatively short operating history in a rapidly evolving industry and a number of factors cause our operating results to fluctuate regularly, which makes it difficult to evaluate our future prospects and to predict our future performance and may increase the risk that we will not be successful. • The legal cannabis industry and market are relatively new and may not continue to exist or develop as anticipated, and we face intense competition and may not be able to effectively compete. • If we fail to retain our existing suppliers and consumers or acquire new suppliers and consumers, our revenue and revenue growth will decrease and our business, financial condition, and results of operations could be materially adversely affected. Operational Risks • We have a history of operating losses, and we may not achieve or maintain profitability in the future. • There is substantial doubt about our ability to continue as a going concern, with no assurance that we will be able to generate the necessary liquidity in the future to alleviate this condition. • If we experience further material decline in our retailer client base and brand revenue, or are unable to expand our brand and retailer client base or into new markets to carry out our business plans, our business, financial condition, and results of operations will be materially adversely affected • If we fail to deploy new software, platform features or services to address the trends of our customers and consumers or to timely and effectively scale and adapt our existing technology and network infrastructure, our business, financial condition, and results of operations will be adversely affected. • We rely on third- party service providers to provide products and services for certain aspects of our business. • If our current marketing model is not effective in attracting new brand and retailer clients, we may need to employ higher- cost methods to attract and retain clients, which could adversely affect our profitability. • We face potential liability and expense for legal claims based on the content on our platform. • We may need to raise additional capital, which may not be available on favorable terms, if at all, causing dilution to our stockholders, restricting our operations or adversely affecting our ability to operate our business. Regulatory Risks • Our business is highly regulated and could suffer if applicable laws and regulations change. • An adverse change in U. S. federal policy or strict enforcement of federal cannabis law would undermine our business model and results from operations. • We are subject to governmental laws, regulations and other legal obligations, particularly related to privacy, data protection and information security, and any actual or perceived failure to comply with such obligations could harm our business. Additional Risks Related to the Cannabis Industry • Cannabis remains illegal under U. S. federal law and, therefore, strict enforcement of U. S. federal laws regarding cannabis would likely result in our inability to execute our business plan. • Our business and our suppliers are subject to a variety of U. S. and foreign laws regarding financial transactions related to cannabis, which could subject our suppliers to legal claims or otherwise adversely affect our business. • We may have difficulty accessing or consistently maintaining banking or other financial services relationships and using bankruptcy courts due to our involvement in the regulated cannabis industry. • We may continue to be subject to constraints on marketing our products. • Cannabis businesses are subject to unfavorable U. S. tax treatment, which reduces our clients' profitability and could result in decreased demand for our services. • Cannabis businesses may be subject to civil asset forfeiture. • **The value of the Company' s securities may suffer as a matter of wider trends with respect to the valuation of cannabis industry securities • We may not be able to evolve quickly enough to keep up with marketing trends in the cannabis space.** Risks Related to Our Intellectual Property • We are, and may in the future be, subject to disputes regarding third party intellectual property rights. These disputes may be costly to defend and could harm our business and operating results. • Failure to protect or enforce our intellectual property rights could harm our brand and results of operations. Public Company and Financial Reporting Risks • **Our Failure-failure to meet-regain compliance with the Nasdaq' s continued listing requirements could-of the Nasdaq Capital Market has result-resulted** in a delisting of our Common Stock **and Warrants. • Trading of our common stock and warrants on the OTC Pink Open Market will be much more limited than the market available on Nasdaq. • The delisting of our common stock and warrants from Nasdaq may result in defaults under our contractual obligations and further decreases in the publicly traded value of our common stock .** • The requirements of being a public company may strain our resources, divert management' s attention and affect our ability to attract and retain qualified board members . • **Effective December 31, 2024, the Company is no longer an “ Emerging Growth Company ” and as such may face additional reporting requirements increasing its reporting burdens. • If we were to deregister our Common Stock and Warrants under the Exchange Act and suspend our on- going reporting obligations, it will become more difficult for you to monitor your investment and may further decrease the available market for the Company' s securities.** • Failure to establish and maintain proper and effective internal control over financial reporting or an effective system of controls could impair our ability to produce accurate and timely financial statements and result in lost investor confidence, lower trading price of our common stock and heightened regulatory scrutiny. • Our projections are subject to significant risks, assumptions, estimates and uncertainties. As a result, our actual revenues, market share, expenses and profitability may differ materially from our expectations. Risks Relating to Ownership of our Common Stock • Our stock price

may be volatile and may decline regardless of our operating performance. • An active trading market for our common stock may not be sustained. • Future sales of shares by existing stockholders could cause our stock price to decline. • Delaware law and provisions in our certificate of incorporation and Bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the trading price of our common stock. • We may issue additional shares of common stock or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of our common stock. • **The Board has the authority to issue preferred stock without stockholder approval, which may impact your voting or economic rights with respect to the Common Stock.** • There is no guarantee that the Warrants will ever be in the money, and they may expire worthless. Risks Relating to our Indebtedness • We may not be able to ~~repay~~ **pay our convertible notes at their maturity or our 2022 to repurchase such notes** ~~Notes upon as they become due, which would significantly impact the on-going operation of the Company.~~ • **The holders of the 2022 Notes hold a fundamental change security interest in substantially all of our assets, which means they could foreclose on our assets if we are not able to meet our payment obligations when due.** We have a relatively short operating history in a rapidly evolving industry, which makes it difficult to evaluate our future prospects and may increase the risk that we will not be successful. We have a relatively short operating history in an evolving industry that may not develop as we anticipate, if at all. Both our short operating history and the pace of dramatic change in the cannabis industry makes it difficult to assess our future prospects, and you should evaluate our business in light of the risks and difficulties we may encounter as the industry continues to evolve. These risks and difficulties include our ability to, among other things: • increase the number of users of our website and mobile applications (which we refer to as our “platform”), the number of reviews and other content on our platform and our revenue; • successfully implement and scale our online order reservation system, by attracting new retailers and brands (which we refer to from time to time, collectively, as “suppliers”) while simultaneously converting visitors to our platform into sales for our suppliers, which is a crucial component of delivering the value of the Leafly platform to our suppliers; • effectively monetize our mobile applications as usage continues to migrate toward mobile devices; • retain our existing suppliers and consumers and add new suppliers and consumers to our platform, including in new markets; • successfully drive sustained engagement on our platform, which can be negatively affected by a number of factors, including if our current and future products result in reduced activity on our platform by facilitating direct interaction between our consumers and suppliers; • manage, measure and demonstrate the effectiveness of our advertising solutions and attract and retain new advertising partners, many of which may only have limited or no online advertising experience; • successfully compete with existing and future providers of other forms of offline and online advertising; • successfully compete with other companies that are currently in, or may in the future enter, the business of providing order reservation, e-commerce, online ordering, and / or delivery services related to cannabis products and services; • successfully expand our business in new and existing markets, both domestic and international; • successfully develop and deploy new features and services; • avoid interruptions or disruptions in our platform or services; • adapt to rapidly evolving trends in the cannabis industry and the way consumers and cannabis industry businesses interact with technology; • develop a scalable, high-performance technology infrastructure that can efficiently and reliably handle increased usage globally, as well as the deployment of new features and services; • hire, integrate and retain talented sales and other personnel; • effectively manage our sales and other personnel and operations, as appropriate, in response to changing market dynamics in the cannabis industry; • ability to achieve and maintain a healthy accounts receivable balance, and manage delinquencies and cancellations at reasonable levels; • effectively partner with other companies; and • successfully navigate complex, disparate and rapidly evolving regulatory regimes imposed by U. S. and Canadian federal, state and provincial, local and other non- U. S. governments applicable to, or that directly or indirectly impact, cannabis and cannabis- related businesses. If the demand for our services, including our advertising solutions, does not develop as we expect, or if we fail to address the needs of this demand, our business will be harmed. We may not be able to successfully address these risks and difficulties or others, including those described elsewhere in these risk factors. Failure to adequately address these risks and difficulties could harm our business and cause our operating results to suffer. The legal cannabis industry and market are relatively new, and this industry and market may not continue to exist or develop as anticipated, or we may ultimately be unable to succeed in this new industry and market. We are operating our business in a relatively new cannabis industry and market, and our success depends in part on broader consumer adoption of the legal cannabis market. In addition, despite broad public support for cannabis legalization in the United States, the growth of our business is dependent in part upon the continued authorization of cannabis in new jurisdictions, as well as the absence of legislation narrowing, limiting or repealing existing laws legalizing and regulating cannabis, as well as the assumption that federal laws that conflict with certain state- level legalization frameworks will continue to go unenforced. Any one of these factors could slow or halt the legalization or consumer adoption of cannabis, which would negatively impact our ability to grow our business. For additional information, see the risks discussed under the subheadings “— Regulatory Risks,” and “— Additional Risks Related to the Cannabis Industry”, below. In addition to being subject to general business risks applicable to a business involving a technology product in a regulated industry, we need to continue to build brand awareness for the Leafly platform and make significant investments in our business strategy, including by introducing new services and platform features into the markets in which we operate, expanding our presence and continuing our regulatory compliance efforts. These activities may not promote our services and platform features as effectively as intended, or at all, and we expect that our competitors will undertake similar investments to compete with us for market share. Recently, many states have also experienced significant declines in unit pricing for regulated cannabis products, with that decline more pronounced in certain states than in others. As a result, certain regulated cannabis operators have announced that they are consolidating operations or shuttering certain operations to reduce costs. Consolidation of the cannabis markets could reduce the size of our potential supplier base and give remaining suppliers greater bargaining or purchasing power. This may in turn erode the prices we are able to charge for our services and result in decreased margins. Competitive conditions, consumer preferences, supplier requirements and spending patterns in this new industry and market are relatively unknown and may have unique circumstances

that differ from other existing industries and markets. Those conditions may cause our efforts to further our business, including promoting our brand awareness, offering high quality services, and attracting and retaining suppliers and consumers, to be unsuccessful or to have undesired consequences that may materially adversely affect our business, financial condition and results of operations. As a result, we may not be successful in our efforts to attract and retain customers or traffic, or to develop and commercialize new products, or these activities may require significantly more resources than anticipated in order to be successful. Because our business is dependent, in part, upon continued market acceptance of cannabis by consumers, any negative trends could adversely affect our business operations. We are dependent on public support, continued market acceptance and the proliferation of consumers in the state- level and Canadian legal cannabis markets. The legal cannabis markets and opportunities in the space are unpredictable, making it challenging for us to forecast the future size of the market. Any downturns in, or negative outlooks on, the cannabis industry may adversely affect our business and financial condition. Expansion of our business in the United States is dependent on the continued and future legalization of cannabis. Expansion of our business in the United States is, in part, dependent upon continued legislative authorization, including by voter initiatives and referenda, of cannabis at the state level. In 2022 and 2023 and 2024, ballot measures to allow for adult use succeeded in Maryland, Missouri and Ohio, but failed in Arkansas, North Dakota, South Dakota and Oklahoma-Florida. In addition, implementation of state laws is often a multi- year process following a successful ballot initiative or legislative approval. Further, progress for the industry, while encouraging, is not assured. While there may be ample public support for legislative action to legalize cannabis in a particular jurisdiction, numerous factors could impact the legislative process, including lobbying efforts by opposing stakeholders as well as legislators' disagreements about how to legalize cannabis as well as the interpretation, implementation, and enforcement of applicable laws or regulations. For example, many states, including New York, that voted to legalize medical and / or adult- use cannabis have seen significant delays in the drafting and implementation of industry regulations and issuance of licenses. Burdensome regulation at the state level could also slow or stop further development of the cannabis industry, such as limiting the medical conditions for which medical cannabis can be recommended by physicians for treatment, not strictly enforcing regulations for non- licensed cannabis operators, restricting the form in which medical cannabis can be consumed, imposing significant registration requirements on physicians and patients or imposing significant taxes on the growth, processing and / or retail sales of cannabis, which could have the impact of making it difficult for cannabis businesses, including our customers, to operate profitably in those states. Any one of these factors could slow or halt the legalization of cannabis, which would negatively impact our ability to expand our business. Additionally, the expansion of our business also depends on jurisdictions in which cannabis is currently legalized not narrowing, limiting or repealing existing laws legalizing and regulating cannabis, or altering the regulatory landscape in a way that diminishes the viability of cannabis businesses in those jurisdictions. This result may negatively impact the viability and attractiveness of our service offerings going forward. If such challenges are successful in any jurisdictions that have legalized or are in the process of legalizing cannabis, our ability to expand our business would be negatively impacted. For additional information, see the risks discussed under the subheadings " — Regulatory Risks, " and " — Additional Risks Related to the Cannabis Industry ", below. We face intense competition and may not be able to compete effectively. We currently generate all revenues from the sale of digital advertising solutions to our suppliers, i. e., our retailer and brand customers, that are designed to connect our suppliers to users of the Leafly platform, i. e. consumers, and ultimately convert those consumers into a community of shoppers. To continue to build, sustain and grow our three- sided marketplace, we must successfully compete to attract and retain, and increase engagement between, active consumers and active suppliers. The market for information, advertising and online ordering regarding cannabis products and suppliers is intensely competitive, characterized by low barriers to entry and is rapidly changing with the emergence of new technologies, products, services, market entrants, and types of competitors, including our own customers. For example, we have observed that a greater number of our retailer customers are operating their own order-enabled websites, in many cases attempting to move consumers to their own sites, after converting such consumers into shoppers from Leafly' s platform. We face competition from a range of competitors, including but not limited to: (i) other advertising platforms and online marketplaces such as Weedmaps, Dutchie, Eaze, and iHeartJane; (ii) online media companies that provide news, information, advertising and ordering services, such as High Times, Wikileaf and Allbud; (iii) newspaper, television, and other mainstream media companies such as the New York Times, LA Times and Politico, which provide alternative sources of news and information about cannabis, (iv) offline media companies and service providers; (v) general two- sided markets such as Yelp, internet search engines such as Google, and social media sites such as X (formerly Twitter); (vi) e- commerce platforms like Amazon and Shopify; and (vii) traditional customer relationship management service providers such as SAP and Salesforce. We also compete with these companies for the attention of contributors and consumers and may experience decreases in both if our competitors offer more compelling environments. In addition, we compete with local cannabis retailers, and with companies such as Springbig, Meadow, Leaflink, Growflow and Metrc and others, that sell software and services to such local cannabis retailers, who want to sell from their own websites or run their local businesses independently of a platform such as Leafly' s. In addition, we believe DoorDash has entered the business of providing online ordering and / or delivery services related to certain hemp products in the US, and if the laws and regulations governing delivery of legal cannabis change, these companies may in the future enter the business of providing online ordering and / or delivery services related to psychoactive cannabis products. Our competitors may enjoy competitive advantages, such as greater name recognition, longer operating histories, greater market share, large existing user bases, more favorable regulatory regimes due to disparities in the geographic distribution of customer bases, location of operations or other factors, and greater financial, technical and other resources. These companies may use these advantages to offer services like ours at lower prices, develop different services and platform features to compete with our current solutions and respond more quickly and effectively than we do to new or changing opportunities, technologies, standards or supplier requirements. In particular, if restrictions on cannabis advertising ease, additional major internet companies, such as Alphabet and Meta, may follow X and begin to develop and market online advertising offerings directly to cannabis businesses,

and many of our advertising partners and potential advertising partners may choose to purchase online advertising solutions from these competitors and may reduce their purchases of our advertising solutions. In the future, new competitors, business models and solutions are likely to emerge in the cannabis industry. We believe that the success of our business and growth of our revenue are dependent on our ability to cost-effectively grow our platform by retaining our existing suppliers and consumers and adding new suppliers and consumers, including in new markets. We believe the increase in suppliers attracts more consumers to our platform and in turn the increase in consumers attracts more suppliers. This network takes time to build and grows and contracts in ways that are difficult to predict with any accuracy. If we fail to retain our existing suppliers or consumers or to replace such existing suppliers or consumers if they leave our platform, the value of our marketplace would be diminished. In some cases, we compete with our own suppliers to prevent dilution of consumers from our marketplace. For example, we have observed that a greater number of our retailer customers are opting to operate their own order-enabled websites, in many cases attempting to move consumers to their own sites, after converting such consumers into shoppers from Leafly's platform. We expect to continue to pursue new strategic initiatives and develop new and enhanced services in order to remain competitive, with the goal of acquiring additional suppliers and consumers, which may not be successful. We cannot assure you that the revenue from the suppliers and consumers we acquire will ultimately exceed the cost of acquisition. In addition, if suppliers on our platform were to cease operations, temporarily or permanently, or face financial distress or other business disruption, or if our relationships with suppliers on our platform deteriorate, we may not be able to provide consumers with sufficient supplier selection. This risk has been particularly pronounced in markets where we have fewer suppliers. Moreover, as the legalization of cannabis continues, cannabis businesses could experience consolidation as existing cannabis businesses seek to obtain greater market share, greater access to funding and resources and purchasing power and new entrants seek to establish a significant market presence. Consolidation of the cannabis markets could reduce the size of our potential supplier base and give remaining suppliers greater bargaining or purchasing power. This may in turn erode the prices for our advertising solutions and result in decreased margins. Consolidation could particularly affect smaller and mid-size cannabis businesses, with whom we have historically conducted the majority of our business. Further, heightened competition between cannabis businesses could ultimately have a negative impact on the viability of individual market participants, which could reduce or eliminate their ability to purchase our services, including our advertising solutions. In addition, as macroeconomic conditions impact our customers, including the resulting effect on advertising and marketing spending by cannabis and retail and brands businesses, the overall size of the market in which we compete may grow more slowly or contract. For all of these reasons, we may be unable to maintain or grow the number of consumers who use our platform and the number of suppliers that purchase our advertising solutions. Accordingly, we may face pressure to reduce the price of our advertising solutions, which could negatively impact our revenues and cause material adverse impacts to our business, financial condition, and results of operations. If users do not value the quality and reliability of the reviews and other content that we display on our platform, they may stop or reduce the use of our services, which could adversely impact the growth of our business. Our success depends in part on the quality of the reviews and other content that we display on our platform, both original content as well as third-party submissions, including whether they are helpful, up-to-date, unbiased, relevant, unique and reliable. If users do not value the content on our platform, they may stop or reduce the use of our services, and traffic to our website and on our mobile application would decline. If our user traffic declines, our suppliers may stop or reduce their use of services or advertising solutions offered on our platform. As a result, our business could be negatively affected if we fail to obtain high quality content from our contributors, or if the content we display is perceived to be unhelpful, out-of-date, biased, irrelevant, not unique or unreliable. We must therefore ensure that our services and platform features are attractive to users, and invite them to contribute. In addition, users who contribute content to our platform may provide content to our competitors. If they do so, the value of our content may decline relative to other available services and platform features, and our business may be harmed. While we attempt to filter or remove content that may be offensive, biased, unreliable or otherwise unhelpful, we cannot guarantee the effectiveness or adequacy of these efforts. If we fail to filter or remove a significant amount of content that is offensive, biased, unreliable, or otherwise unhelpful, or if we mistakenly filter or remove a significant amount of valuable content, our reputation and brand may be harmed, users may stop using our products, and our business, financial condition, and results of operations could be adversely affected. Because we recognize most of the revenue from our advertising products over the term of an agreement, a significant downturn in our business may not be immediately reflected in our results of operations. We recognize revenue from sales of our advertising products over the terms of the applicable agreements, which are generally auto-renewing month-to-month agreements. As a result, a significant decline in new or renewed agreements in any one quarter or an increase in cancellations and / or delinquencies that is not offset by revenue from new or renewed agreements may significantly impact our revenue, which may not be immediately reflected in our financial results. In addition, any efforts we may undertake to adjust our fixed costs in response to reduced revenues may not be successful. We may continue to incur losses in the future for a number of reasons which are difficult to predict, including as a result of fluctuations in the cannabis markets, unforeseen expenses, difficulties, complications and delays, and the other risks described herein and other unknown events. The amount of future net losses will depend, in part, on our ability to generate revenue and manage our operating costs. If we continue to incur losses in the future, any such future losses, together with the net losses and negative cash flows from operations incurred to date, will have an adverse effect on our shareholders' accumulated deficit and working capital. Because of the numerous risks and uncertainties associated with our business and the cannabis industry, as outlined herein, we are unable to accurately predict when, or if, we will be able to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. If we are unable to achieve and sustain profitability, the market price of our common stock may decrease and our ability to raise capital, expand our business or continue our operations may be impaired. A decline in the value of common stock may also cause you to lose all or part of your investment. We expect a number of factors to cause our operating results to fluctuate on a quarterly and annual basis, which may make it difficult to predict our future performance. Our

operating results could vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside of our control. As a result, comparing our operating results on a period-to-period basis may not be meaningful. In addition to other risk factors discussed in this section, factors that may contribute to the variability of our quarterly and annual results include:

- our ability to attract new advertising partners and retain existing advertising partners;
- our ability to accurately forecast revenue and appropriately plan our expenses;
- the effects of changes in search engine and app store placement and prominence;
- the effects of increased competition in our business;
- our ability to successfully expand in existing markets and enter new markets, including internationally if the opportunity arises;
- the impact of worldwide economic conditions, including the resulting effect on consumer spending at local businesses and the level of advertising spending by local businesses;
- the ability of licensed cannabis markets to successfully grow and outcompete illegal cannabis markets;
- our ability to protect our intellectual property;
- our ability to maintain an adequate rate of growth and effectively manage that growth;
- our ability to maintain and increase traffic to our website and mobile application;
- our ability to scale, adapt and keep pace with changes in technology to continue to develop and deploy new software, platform features or services to address the needs of our suppliers and consumers;
- the success of our sales and marketing efforts;
- costs associated with defending intellectual property infringement and other claims and related judgments or settlements;
- changes in laws or regulations affecting our business;
- our ability to operate as a public company, which requires substantial management attention and additional costs;
- interruptions in service and any related impact on our reputation;
- our ability to respond to cyber-attacks;
- the attraction, retention and performance of qualified employees and key personnel, including our executive management team and sales personnel;
- our ability to choose and effectively manage third party service providers;
- our ability to successfully manage any acquisitions of businesses, solutions or technologies;
- the impact of risks related to health crises, such as the COVID-19 pandemic and potential governmental and other restrictions resulting therefrom;
- the effects of natural or man-made catastrophic events;
- changes in consumer behavior with respect to local businesses;
- the effectiveness of our internal controls; and
- changes in our tax rates or exposure to additional tax liabilities.

Our typical practices as they relate to consumer safety and engagement on our platform may pose a risk to our relationships with advertising partners. We base many of our decisions on the interests of consumers who use our platform. We believe that this approach is essential to our ability to increase our user growth rate and engagement. Our approach of prioritizing consumer safety and engagement may negatively impact our relationships with our existing or prospective advertising partners. For example, we typically refuse to remove legitimate negative reviews and ratings of products or businesses that advertise on our platform. Certain advertisers may therefore perceive us as an impediment to their success as a result of negative reviews and ratings. This practice could result in a loss of advertising partners, which in turn could harm our results of operations. We have a history of operating losses, and we may not achieve or maintain profitability in the future, especially as we continue to invest in the growth of our business. We have incurred significant cumulative operating losses since our inception, including net loss of \$9.5 .7 million compared to a net income loss of \$9.5 -1 million for the calendar years ended December 31, 2024 and 2023 and 2022, respectively. Since October 2022, we have implemented plans to reduce operating expenses, which included headcount reductions. While we took these steps to reduce our expenses, we expect to continue to (i) make strategic investments aligned with our operating plans to support, improve and / or develop our technology infrastructure, platform features, and service offerings; (ii) structure and deploy resources to our marketing and sales operations to align with our near and long-term objectives, while re-evaluating and pivoting as needed to address market and other conditions we face; (iii) pursue strategic opportunities; and (iv) otherwise support our operations and growth. While we expect to continue to meet public company compliance requirements, which these are costly and impose substantial demands on management and our operational infrastructure; and (v) otherwise support our operations securities and growth therefore are considering appropriate measures to further reduce these burdens, including deregistering our operations securities and growth suspending our reporting obligations as soon as we are eligible to do so. If we do not achieve expected savings from our most recent cost-saving measures, or our operating costs increase more than we expect as a result of continued investments in strategic initiatives, our total operating costs would be greater than anticipated. In addition, our inability to manage our costs properly could negatively affect the quality of our products and features and our ability to generate future revenues. Reductions in staff could also adversely affect our ability to attract and retain key employees. If our efforts to grow our business are more costly than we expect, we may not be able to increase our revenue enough to offset our higher operating expenses. We may incur losses in the future for a number of reasons, including as a result of unforeseen expenses, difficulties, complications and delays, and the other risks described herein and other unknown events. The amount of future net losses will depend, in part, on the growth of our future expenses and our ability to generate revenue. If we continue to incur losses in the future, any such future losses, together with the net losses and negative cash flows from operations incurred to date, will have an adverse effect on our shareholders' accumulated deficit and working capital. Because of the numerous risks and uncertainties associated with our business and the cannabis industry, as outlined herein, we are unable to accurately predict when, or if, we will be able to achieve profitability. Even if we achieve profitability in the future, we may not be able to sustain profitability in subsequent periods. If we are unable to achieve and sustain profitability, the market price of our common stock may decrease and our ability to raise capital, expand our business or continue our operations may be materially impaired. A decline in the value of our common stock may also cause you to lose all or part of your investment. There is substantial doubt about our ability to continue as a going concern, with no assurance that we will be able to generate the necessary liquidity in the future to alleviate this condition, which would materially and adversely affect our business, financial condition and results of operations, including, the likely need to significantly modify or terminate our operations and our planned business activities. Under the rules of Accounting Standards Codification ("ASC Subtopic") 205-40 "Presentation of Financial Statements -- Going Concern" ("ASC 205-40"), reporting companies are required to evaluate whether conditions and / or events raise substantial doubt about their ability to meet their future financial obligations as they become due within one year after the date that the financial statements are issued. In conducting this This evaluation, management considers takes into account a company's current available cash and projected cash needs over the

one-year evaluation period but may not consider things beyond their ~~its~~ control. ~~We have~~ **At December 31, 2024, we had** \$ 29.74 million of convertible notes, pursuant to a convertible note purchase agreement entered into on January 11, 2022 (the "2022 Notes") maturing on January 31, 2025 (Note 9) and based ~~which were scheduled to mature on our~~ **January 31, 2025 and were modified on January 15, 2025 (Note 18) and extended to July 1, 2025, contingent upon a 12.5% reduction in principal that was paid on January 21, 2025. Based on its** current liquidity position **the Company** would not be able to repay the 2022 Notes when due. In addition, ~~we have~~ **as noted above, the Company has** experienced revenue declines, incurred recurring operating losses, used cash from operations, and relied on the capital raised in the Business Combination to continue ongoing operations. **The Company has incurred operating losses since its inception and had an accumulated deficit of \$ 79.9 million and \$ 74.2 million at December 31, 2024 and 2023, respectively.** These conditions, when considered in the aggregate, raise substantial doubt about ~~our~~ **the Company's** ability to continue as a going concern within one year of the date ~~our~~ **that its 2023-2024** financial statements are issued. In response to these conditions, ~~we~~ **the Company** took the following actions: • **During** We implemented previous restructuring plans, most recently in the fourth quarter of 2022 and during the first quarter of 2023, which reduced our labor force and substantially decreased costs in fiscal year 2023 as compared to fiscal year 2022. We still expect to recognize the **Company** full-year impact of our 2023 restructuring in 2024. • **During** the fourth quarter of 2023, we began exploring opportunities to address the upcoming maturity of ~~our~~ **its** 2022 Notes. In December 2023, ~~we~~ **and May 2024, the Company** worked with ~~our~~ **its** noteholders and converted \$ 300,000 and \$ 275,000, respectively, of the outstanding principal to equity (Note 9). **In addition, during the year ended December 31, 2024, we sold 470,000 common shares for net proceeds of \$ 908,000 under our ATM program (Note 11).** • In early 2024, ~~we~~ **the Company** began an initiative ~~to that we believe will improve our~~ revenues by hiring 8 additional sales professionals and implementing improved selling strategies. ~~We~~ **In addition, during the year ended December 31, 2024, total employees declined by 20 full-time employees from 131 to 111.** • Management is considering options including but not limited to taking the Company private in order to save significant costs associated with operating as a public company. **In furtherance of this option, the Company has filed amendments to terminate all of our existing** ~~continue~~ **continuous** ~~to offering statements and~~ **deregistered any unsold shares. The Company's management is closely** ~~monitor~~ **monitoring** and ~~control~~ **reducing** operating expenses where appropriate ~~it is able to~~, while **ensuring** ~~aiming to ensure~~ the trajectory and viability of the business remains intact. However, ~~we~~ **the Company** cannot meet ~~our~~ **its** debt maturity obligations without a significant capital infusion or a lender's commitment to refinance ~~our~~ **the** debt. After considering all available evidence, ~~we~~ **Leafly's management** determined that the combined impact of ~~our~~ **the** cost reduction measures ~~to date~~ **outlined above**, ~~our~~ **positive** ~~Leafly's current~~ **negative** working capital **of \$ 17.9 million** as of December 31, ~~2023~~ **2024** and planned operations ~~as of December 31, 2023~~ will not be sufficient to meet ~~our~~ **the Company's** capital requirements for a period of at least twelve months from the date that ~~our~~ **these** December 31, ~~2023~~ **2024** financial statements are issued **and that**. ~~We believe~~ substantial doubt exists about ~~our~~ **Leafly's** ability to continue as a going concern ~~within one year of the date our 2023 financial statements are issued~~. Management will continue to evaluate our liquidity and capital resources. Our ability to continue as a going concern may depend on our ability to raise additional funds, which we may seek to do through equity or debt financings, or seek to refinance the 2022 Notes. As substantial doubt about our ability to continue as a going concern exists, our ability to raise additional funds through the sale and issuance of equity or debt securities or through bank or other financing could be substantially impaired. There can be no assurance that we will be able to raise additional funds or have access to bank or other financings or even if we have access to such financing, that it will be available on terms commercially acceptable to the Company. If we raise funds by issuing debt securities or preferred stock, or by incurring loans, these forms of financing would have rights, preferences, and privileges senior to those of holders of our common stock. If adequate capital is not available to us when needed, or in the amounts required, we may be forced to terminate, significantly curtail or cease our operations or to pursue other strategic alternatives, including bankruptcy, which may not be available to us. Our consolidated results of operations could be materially adversely affected by these decisions and you could lose all of your investment in the Company. If we experience further material decline in our retailer client base and brand revenue or fail to expand our brand and retailer client base, our revenue and our business will be harmed. In the fiscal year ended December 31, ~~2023~~ **2024**, substantially all of our revenue was generated by (a) the sale of advertising solutions, and (b) subscription listing fees. Our ability to grow our business depends on our ability to maintain and expand our brand and retailer client base. To do so, we must convince prospective advertising partners of the benefits of our advertising solutions, including providing additional information and context to those prospective advertisers who may not be familiar with our solutions (such as those in new markets). We must also convince existing and prospective advertising partners alike that our advertising solutions work to their benefit. Additionally, our policy to decline acceptance of advertising or listings from companies that cannot demonstrate proper licensure may cause us to limit our advertising base and forgo certain revenue opportunities. Failure to maintain and expand our advertising partner base could harm our business. Our advertising partners do not typically have long-term obligations to purchase our services. In addition, we rely heavily on the purchase of advertising solutions by small and medium-sized local businesses, which have historically experienced high failure rates and often have limited advertising budgets. As a result, we have experienced, and may in the future experience, attrition in our advertising partners in the ordinary course of business resulting from several factors, including losses to lower priced competitors, perceptions that our advertising solutions are unnecessary or ineffective, decline in advertising budgets, the impact of the COVID-19 pandemic, closures and bankruptcies. We must continually add new advertising partners both to replace advertisers who choose not to renew their advertising, go out of business or otherwise fail to fulfill their advertising contracts with us, and to grow our business. Our advertising partners' decisions to renew depend on a number of factors, including the degree of satisfaction with our services and their ability to continue their operations and spending levels. In 2023 **and the beginning of 2024**, we experienced higher than expected rates of customer churn, bad debt expense and collection efforts, manifesting in a ~~30~~ **15**% decline in ending retail accounts for the year ended December 31, ~~2023~~ **2024** compared to the year ended December

31, 2022-2023. In addition, our brand revenue dropped by 40-25% as of the same year-over-year period, as a result of macro challenges pressuring the cannabis industry which impacted and are expected to continue to impact our brand advertising business. If we cannot replace these accounts or if our customers continue to struggle financially or do not remain viable, our ability to generate new revenue, maintain existing revenue or collect on outstanding receivables could be adversely impacted, which could have a material adverse impact on our financial condition and results of operations. See- “ The impact of macroeconomic conditions in the United States and Canada, including the resulting effect on advertising and marketing spending by cannabis retail and brands businesses, may adversely affect our business, operating results and financial condition, ” below. The ratings and reviews that our suppliers receive from our users may also affect advertising decisions by current and prospective advertising partners. For instance, favorable ratings and reviews, on the one hand, could be perceived as obviating the need to advertise, and unfavorable ratings and reviews, on the other hand, could discourage businesses from advertising to an audience they perceive as hostile or cause them to form a negative opinion of our products and user base, which could discourage them from doing business with us. Furthermore, we may remove a supplier’s information if it breaches our listing restrictions, which may also affect advertising decisions by current and prospective advertising partners. In addition, the rates at which users and paying brand and retailer customers come on and off our platform fluctuates based on the factors described herein and are difficult to predict. If our customers materially increase their rates of non-renewal, if we experience significant advertising customer attrition, non-payment or other material contract breaches, or if we are unable to attract new advertising customers in numbers greater than the number of advertising customers that we lose, our client base and revenues will decrease and our business, financial condition and results of operations could be materially harmed. If we do not successfully develop and deploy new software, platform features or services to address the needs of our suppliers and consumers, our business, financial condition, and results of operations could suffer. We believe our success has been based on our ability to design software, platform features and services that address the needs of our suppliers and consumers. A substantial portion of our research and development activity is focused on new technologies and enhanced versions of existing platform features to meet the current and evolving needs of suppliers and users of our platform, including online order and reservation solutions. Additionally, as consumers and suppliers demand richer data integrations with other cannabis industry participants such as point-of-sale providers and loyalty service providers, third party technology integrations may become increasingly important. If we are unable to arrange or complete new integrations, or improve our existing integrations, we may lose market share to competitors. There is no assurance that our enhancements to our software, platform features or our new services or capabilities will be compelling to our consumers or gain market acceptance. If our research and development investments do not accurately anticipate supplier or consumer demand or if we fail to develop our software, platform features or services in a manner that satisfies supplier or consumer preferences in a timely and cost-effective manner, we may fail to retain our existing suppliers or consumers or increase demand for our services. The introduction of new products and services by competitors or the development of entirely new technologies to replace existing service offerings could make our platforms obsolete or adversely affect our business, financial condition, and results of operations. We may experience difficulties with software development, design, or marketing that delay or prevent our development, introduction or implementation of new platforms, platform features or capabilities, or cause errors to arise with our existing software. We have in the past experienced delays in our internally planned release dates of new features and capabilities, and there can be no assurance that new platforms, platform features, or capabilities will be released according to schedule. Any delays could result in adverse publicity, loss of revenue or market acceptance, or claims by consumers or suppliers brought against us, any of which could harm our business. Moreover, the design and development of new platforms or new platform features and capabilities to our existing platform may require substantial investment, and we may currently not have the resources to make such investments, and even if we were to make such investments, there is no assurance that such investments would be successful. If consumers or suppliers do not widely adopt our new platforms, platform features, and capabilities, we may not be able to realize a return on our investment and our business, financial condition, and results of operations may be materially, adversely affected. If we fail to expand effectively into new markets, both domestically and abroad, our revenue and business will be adversely affected. We intend to expand our operations into new markets, both domestically and internationally. In doing so, we may incur losses or otherwise fail to enter new markets successfully. Our expansion into new markets places us in competitive environments with which we may be unfamiliar and involves various risks, including, among others, the need to invest significant resources and the possibility that returns on such investments will not be achieved for several years, or at all. In attempting to establish a presence in new markets, we expect, as we have in the past, to incur significant expenses and face various other challenges, such as compliance with market-specific laws or regulations, gaining consumer and customer acceptance, and expanding our sales force and community management personnel to cover those new markets. Our current and any future expansion plans will require significant resources and management attention. Furthermore, we have already entered many of the largest existing markets in the United States and further expansion may not yield similar results or sustain our growth. We may fail to offer the optimal pricing of our services. We have limited experience in determining the optimal pricing of our services, and we may need to change our pricing model from time to time. ~~For example, at the end of the second quarter, we implemented select pricing increases, pass-throughs of certain costs and annual subscription agreements in select markets. As expected, we experienced some slowing of our revenue growth in the third and fourth quarters.~~ We charge different rates for the same services in different markets, based on a variety of factors such as the number of local retailers and consumer traffic and engagement. If our suppliers believe the cost of our services do not generate proper return on investment, such suppliers may decline to continue using our services (which we experienced following the pricing changes we implemented in 2023), and if material, our revenue and other financial results may be materially adversely impacted. We may not timely and effectively scale and adapt our existing technology and network infrastructure to ensure that our platform is accessible. It is important to our success that users in all geographies be able to access our platform at all times. We have previously experienced, and may experience in the future, service disruptions, outages

and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of users accessing our platform simultaneously, denial of service attacks, or fraud, ransomware or security attacks. We may not be able to implement adequate preventative measures or halt such attacks, and we cannot guarantee that applicable recovery systems, security protocols, network protection mechanisms and other procedures are or will be adequate to prevent network and service interruption, system failure or data loss. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve the availability of our platform, especially during peak usage times and with more complex solutions and increases in our user traffic, if any. If our platform is unavailable when users attempt to access it or it does not load as quickly as they expect, users may seek other services to obtain the information for which they are looking, and may not return to our platform as often in the future, or at all. This would negatively impact our ability to attract users, suppliers and advertising partners and increase engagement on our website and mobile application. We expect to continue to make strategic investments to maintain and improve the availability of our platform and to enable rapid releases of new features and products. To the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results may be materially harmed. Furthermore, any actual or perceived distributed denial of service (“DDoS”) attack, ransomware attack, security breach or other unauthorized access could damage our reputation and brand, result in decreased utilization of our platform, expose us to fines and penalties, government investigations, litigation, require us to expend significant capital and other resources to remediate the incident, and cause increased cybersecurity protection costs. For more information, see “— General Risks- If our security measures are compromised, or if our platform is subject to attacks that degrade or deny the ability of users to access our content, users may curtail or stop use of our platform” and “We rely upon cloud- based data centers, infrastructure and technologies provided by third parties, and technology systems and electronic networks supplied and managed by third parties, to operate our business, and interruptions or performance problems with these systems, technologies and networks may adversely affect our business and operating results” below. We are in the process of implementing a disaster recovery program, which will allow us to move our platform to a back- up data center in the event of a catastrophe. Although this program is partially functional, it does not provide a real time back- up data center, so if our primary data center shuts down, there will be a period of time that our platform will remain unavailable while the transition to the back- up data center takes place. We have risks associated with our reliance on third- party service providers who provide certain products and services for certain aspects of our business. To some extent, we rely on data about certain products or businesses from third parties, including their respective websites and third parties that license such information to us. We also rely on third parties for other aspects of our business, such as mapping functionality and administrative software and back office solutions. From time- to- time, certain third- party service providers (including in the ERP, payroll, HRIS, tax compliance, back office finance and SMS services fields) have terminated their relationship with us based on our involvement in the cannabis industry. Others with whom we may have desired to form a relationship have declined our requests on the same basis. If these third parties decline to work with us, provide inaccurate or incorrect information, experience difficulty meeting our requirements or standards, or our licenses are revoked or not renewed, it could make it difficult for us to operate some aspects of our business, which could damage our reputation. In addition, if such third party service providers were to cease operations, temporarily or permanently, face financial distress or other business disruption, increase their fees or if our relationships with these providers deteriorate, we could suffer increased costs and delays in our ability to provide consumers and advertising partners with content or provide similar services until an equivalent provider could be found or we could develop replacement technology or operations. Furthermore, if a sufficient number of third parties decline to work with us, we may have a limited number of third party service providers available to meet our business needs, which may limit our ability to negotiate favorable prices and terms. In addition, if we are unsuccessful in choosing or finding high- quality partners, if we fail to negotiate cost- effective relationships with them, or if we ineffectively manage these relationships, it could have a material adverse impact on our business and financial performance. Our payment system and the payment systems of our suppliers depend on third- party providers and are subject to evolving laws and regulations. We have engaged third- party service providers to perform credit and debit card processing services for suppliers’ payments to us. If these service providers do not perform adequately or if our relationships with these service providers were to terminate, our ability to process payments could be adversely affected and our business could be harmed. Additionally, some of our suppliers use similar third- party providers for processing services. If these service providers do not perform adequately or if the relationships of our suppliers with these service providers were to terminate, the ability of our suppliers to process payments could be adversely affected and our business could be harmed. The laws and regulations related to payments are complex and are potentially affected by tensions between federal and state treatment of cannabis and other industries. These laws and regulations also vary across different jurisdictions in the United States, Canada and globally. As a result, we are required to spend significant time and effort to comply with those laws and regulations. Any failure or claim of our failure to comply, or any failure by our third- party service providers to comply, could cost us substantial resources, could result in liabilities, or could force us to stop offering our suppliers the ability to pay with credit cards, debit cards and bank transfers. As we expand the availability of these payment methods or offer new payment methods to our suppliers in the future, we may become subject to additional regulations and compliance requirements. Due to the constantly evolving and complex laws and regulations applicable to our industry, third- party merchant banks and third- party payment processors may consider our business a high risk. This could cause a third party to discontinue its services to us, and we may not be able to find a suitable replacement. If this were to occur, we would need to collect from our suppliers using less efficient methods, which could adversely impact our collections, revenues and financial performance. Additionally, if a third party were to discontinue its services to us or if the applicable laws and regulations were to evolve in a way that impacted us negatively, we may not be able to realize our plans of expanding our business offerings, which could have a material adverse

effect on our operations and our plans for expansion. For more information, see “ — Additional Risks Related to the Cannabis Industry — Leafly’ s operations may be negatively affected by the way other private companies interpret laws and regulations applicable to the cannabis industry, or their policies and practices with respect to the cannabis industry, ” “ Additional Risks Related to the Cannabis Industry — We are dependent on our banking relationships, and due to our connection with the cannabis industry, we may have difficulty accessing or consistently maintaining banking or other financial services ” and “ — Regulatory Risks — We are subject to governmental laws, regulations and other legal obligations, particularly related to privacy, data protection and information security, and any actual or perceived failure to comply with such obligations could harm our business ” below. Further, through our agreements with our third- party credit card processors, we are subject to payment card association operating rules and certification requirements, including restrictions on product mix and the Payment Card Industry Data Security Standard ( “ PCI- DSS ” ). We are also subject to rules governing electronic funds transfers. Any change in these rules and requirements could make it difficult or impossible for us to comply. Additionally, any data breach or failure to hold certain information in accordance with PCI- DSS may have a material adverse effect on our business and results of operations. We track certain performance metrics with internal tools and do not independently verify such metrics. Certain of our performance metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business. We calculate and track performance metrics with internal tools, which are not independently verified by any third- party. While we believe our metrics are reasonable estimates of our user or supplier base for the applicable period of measurement, the methodologies used to measure these metrics require significant judgment and may be susceptible to algorithm or other technical errors. For example, user accounts are based on email addresses, and a user could use multiple email addresses to establish multiple accounts, and suppliers may have multiple accounts. As a result, the data we report may not be accurate. Our internal tools and processes we use to identify multiple accounts or fraudulent accounts have a number of limitations, and our methodologies for tracking key metrics may change over time, which could result in unexpected changes to our metrics, including historical metrics. Furthermore, the key metrics we rely on to track our performance may also change over time, which could make it difficult to compare our results and performance to prior periods. For more information regarding such metrics, see “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Key Metrics. ” Our ability to recalculate our historical metrics may be impacted by data limitations or other factors that require us to apply different methodologies for such adjustments and we generally do not intend to update previously disclosed metrics for any such changes. Though we regularly review our processes for calculating metrics and may adjust our processes for calculating metrics to improve their accuracy, limitations or errors with respect to how we measure data (or the data that we measure) may affect our understanding of certain details of our business, which could affect our longer term strategies. If our performance metrics are not accurate representations of our business, user or supplier base, or traffic levels; if we discover material inaccuracies in our metrics; or if the metrics we rely on to track our performance do not provide an accurate measurement of our business, user or supplier base or traffic levels, we may not be able to effectively implement our business strategy, our reputation may be harmed, and our operating and financial results could be adversely affected. Our suppliers and investors rely on our key metrics as a representation of our performance. If these third parties do not perceive our user metrics to be accurate representations of our user base or user engagement, or if we discover material inaccuracies in our user metrics, our investors could bring lawsuits against us, our reputation may be harmed and retailers may be less willing to list a business on our platform, which could materially negatively affect our business, financial condition, or results of operations. We may be unable to prevent others from aggregating or misappropriating data from our websites, which could materially adversely impact our brand and business. From time to time, third parties have copied information from our platform, through website scraping, artificial intelligence or other means, and publish or aggregate it with other information for their own benefit. While we aggressively enforce our copyrights, we have no assurance that third parties will not copy, publish or aggregate content from our platform. We may not be able to detect such third party conduct in a timely manner and, even if we could, any actions we may have available to us may not prevent such conduct or be insufficient to protect us against the impact of such conduct. In some cases, particularly in the case of websites operating outside of the United States and Canada, our available remedies may be inadequate to protect us against such practices due to a variety of potential issues, including uncertain common law protections, jurisdictional issues, lack of adequate remedies under applicable law and difficulty in identifying potential defendants. In addition, any measures that we would need to take to try to enforce our rights and protect our assets could require us to expend significant financial or other resources, which may still be inadequate and could materially harm our business, operating results or financial condition. When third parties copy, publish, or aggregate content from our platform, we believe such activity may create confusion among our consumers and suppliers, make these third parties more competitive, decrease the likelihood that consumers will visit our platform to find the information they seek, and reduce the distinctiveness of our products in the marketplace, which could negatively affect our brand and business. Real or perceived errors, failures, or bugs in our platform could adversely affect our operating results and growth prospects. We update our platform on a frequent basis. Despite efforts to test our updates, we have discovered and expect we will continue to discover errors, failures and bugs in our platform and anticipate that certain of these errors, failures and bugs will only be discovered and remediated after deployment to suppliers. Real or perceived errors, failures or bugs in our platform could result in negative publicity, security incidents, such as data breaches, government inquiries, loss of or delay in market acceptance of our platform, loss of competitive position, or claims by suppliers for losses sustained by them. In such an event, we may be required, or may choose, for supplier relations or other reasons, to expend additional resources in order to help correct the problem. We implement bug fixes and upgrades as part of our regular system maintenance, which may lead to system downtime. Even if we are able to implement the bug fixes and upgrades in a timely manner, any history of inaccuracies in the data we collect for our suppliers, or unauthorized access or damage to, or the loss, acquisition, or inadvertent release or exposure of confidential or other sensitive data could cause our reputation to be harmed and result in claims against us, and cannabis businesses may elect

not to purchase our products or, in the case of existing suppliers, renew their agreements with us or we may incur increased insurance costs. The costs associated with any material defects or errors in our software or other performance problems may be substantial and could harm our operating results and growth prospects. We rely on traffic to our website from search engines like Google, Yahoo!, Bing and DuckDuckGo, as well as paid digital advertising and social media marketing. If our website fails to rank prominently in unpaid search results, traffic to our website could decline and our business would be adversely affected. Our success depends in part on our ability to attract users through unpaid internet search results on search engines like Google, Yahoo!, Bing and DuckDuckGo. In total, search engines accounted for the majority of the sessions on our website during **2023-2024**. The number of users we attract to our website from search engines is due in large part to how and where our website ranks in unpaid search results. These rankings can be affected by a number of factors, many of which are not in our direct control, and they may change frequently. For example, a search engine may change its ranking algorithms, methodologies or design layouts. As a result, links to our website may not be prominent enough to drive traffic to our website, and we may not be in a position to influence the results. In some instances, search engine companies may change these rankings in order to promote their own competing services or platform features or the services or platform features of one or more of our competitors. Our website has experienced fluctuations in search result rankings in the past, and we anticipate fluctuations in the future. Any reduction in the number of users directed to our website could adversely impact our business and results of operations, particularly if our competitors are permitted to engage in paid promotion. Google in particular is the most significant source of traffic to our website, accounting for nearly all of the search engine-generated sessions on our platform in **2023-2024**. Since Google does not allow us to engage in paid promotion of our website, we rely on organic prominence. Our success depends in part on our ability to maintain a prominent presence in search results for queries regarding local businesses on Google. Given the large volume of traffic to our website and the importance of the placement and display of results of a user's search, the continued inability to engage in paid promotion could have a substantial negative effect on our business and results of operations. Our ability to place digital advertisements for the Leafly platform is constrained because certain large digital ad networks, such as those owned or operated by Alphabet, Amazon, Microsoft and Meta, do not allow us to advertise. As a result, we are limited to digital ad placements on independently owned websites, such as certain local news websites. Visits to Leafly could also decline if our accounts on Facebook, Instagram or X (formerly Twitter) are shut down or restricted. We work across these social networks to increase brand awareness of our company by consumers and suppliers, and to promote the acquisition of brand and retailer clients. Our engagement on these social media platforms is subject to their respective terms of service and community guidelines, which generally restrict the promotion, sale and, often, depiction of cannabis. While we do not promote the sale of cannabis or cannabis-related products by our suppliers on these social media platforms, the perception that we may be engaging in such promotion or our inadvertent violation of other aspects of these platforms' terms of service or community guidelines may result in our accounts being shut down or restricted. Any such suspension or restriction could result in reduced traffic to our website and diminished demand for our services, which could adversely affect our business and operating results. Additionally, any of these companies, or others that we encounter in the future, may make significant changes to their respective business models, policies, systems, plans or ownership that could directly or indirectly impair our ability to attract users, which would adversely affect our business and operating results. If our current marketing model is not effective in attracting new brand and retailer clients, we may need to employ higher-cost sales and marketing methods to attract and retain brand and retailer clients, which could adversely affect our profitability. We use our sales team to build relationships with our supplier base. Our sales team builds and maintains relationships with suppliers primarily through phone and email contact, which is designed to allow us to cost-effectively service a large number of suppliers. We may need to employ more resource-intensive sales methods, such as increasing our enterprise or field sales teams, to continue to attract and retain brand and retailer clients, particularly as we increase the number of our brand and retailer clients and our supplier base employs more sophisticated marketing operations, strategies and processes. This could cause us to incur higher sales and marketing expenses, which could adversely affect our business and operating results. Our mobile applications are important components of our business, and they present unique risks. Our mobile applications, including mobile web-based access, represent a significant portion of our user traffic. If we fail to deliver compelling platform features and services or effective advertising solutions, our business may suffer. We have experienced challenges with Apple's AppStore and Google's Play Store with regard to the implementation of certain features in our iOS and Android applications, respectively. Historically, Apple did not permit us to deploy our "Pickup" online order reservation features to users based in the United States, although Apple now allows consumers to pre-order through iOS applications. Apple has on occasion rejected application updates for various reasons, including the claimed basis that digital advertising for cannabis violates their Terms of Service. When necessary, we have implemented workarounds, including directing users to mobile web applications; however, these solutions are suboptimal, can be frustrating to users, and could hinder awareness or adoption of platform features or services which are important to our future growth. If we experience difficulties in the future in integrating our mobile application into mobile devices or if problems arise with our relationships with providers of mobile operating systems or mobile application download stores, such as those of Apple or Google, or if our applications receive unfavorable treatment compared to the promotion and placement of competing applications, such as the order of our products in the Apple AppStore or the Google Play Store, or if we face increased costs to distribute our mobile application, our future growth and our results of operations could suffer. We rely upon cloud-based data centers, infrastructure and technologies provided by third parties, and technology systems and electronic networks supplied and managed by third parties, to operate our business, and interruptions or performance problems with these systems, technologies and networks may adversely affect our business and operating results. We rely on data centers and other technologies and services provided by third parties in order to host our cloud-based infrastructure on which we operate our business. If any of these services becomes unavailable or otherwise is unable to serve our requirements due to extended outages, interruptions, or facility closure, or because it is no longer available on commercially reasonable terms, our expenses could increase, our ability to manage finances

could be interrupted and our operations could be disrupted or otherwise impacted until appropriate substitute services, if available, are identified, obtained, and implemented. We do not control, or in some cases have limited control over, the operation of the data center facilities and infrastructure we use, and they are vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunications failures, cyberattack, terrorism and similar other events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct, to adverse events caused by operator error, and to interruptions, data loss or corruption, and other performance problems due to various factors, including introductions of new capabilities, technology errors, infrastructure changes, DDoS attacks, or other security-related incidents, and our business interruption or cyber insurance may be insufficient to compensate us for related losses that may occur. Changes in law or regulations applicable to data centers in various jurisdictions could also cause a disruption in service. Despite precautions taken at these facilities, the occurrence of a natural disaster, an act of terrorism or other act of malfeasance, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in our platform operations and the loss, corruption of, unauthorized access to or acquisition of supplier or consumer data. Our platform also depends on our ability to communicate through the public internet and electronic networks that are owned and operated by third parties. In addition, in order to provide our solutions on-demand and promptly, our computer equipment and network servers must be functional 24 hours per day, which requires access to telecommunications facilities managed by third parties and the availability of electricity, which we do not control. A severe disruption of one or more of these networks or facilities, including as a result of utility or third-party system interruptions, could impair our ability to process information and provide our solutions to our suppliers and consumers. Any unavailability of, or failure to meet our requirements by, third-party data centers or other third-party technologies or services, or any disruption of the internet, utilities or the third-party networks or facilities that we rely upon, could impede our ability to make our platform accessible, harm our reputation, result in reduced traffic from consumers, cause us to issue refunds or credits to our suppliers, and subject us to potential liabilities. Any of these circumstances could adversely affect our business, reputation and operating results. We provide educational information regarding the use and potential effects of various types of cannabis products through our platform, including information regarding potential therapeutic uses for cannabis. If our content, or content we obtain from third parties, contains inaccuracies or perceived inaccuracies, it is possible that consumers or others may sue us for various causes of action. Although our website and mobile applications contain terms and conditions, including disclaimers of liability, that are intended to reduce or eliminate our liability, the law governing the validity and enforceability of online agreements and other electronic transactions is evolving. We could be subject to claims by third parties that our online agreements with consumers that provide the terms and conditions for use of our websites and mobile applications are unenforceable. A finding by a court that these agreements are invalid and that we are subject to liability could harm our business and require costly changes to our business. For content that we publish or provide ourselves, we have editorial procedures in place to provide quality control of the information. However, we cannot provide assurance that our editorial and other quality control procedures will be sufficient to ensure that there are no errors or omissions in particular content. Even if potential claims do not result in liability to us, investigating and defending against these claims could be expensive and time-consuming and could divert our management's attention away from our operations. In addition, our business is based on establishing the reputation of our platform as a trustworthy and dependable source of educational information. Allegations of impropriety or inaccuracy, even if unfounded, could harm our reputation and business. We also face potential liability and expense for legal claims relating to the information that we publish on our website and mobile application, including claims for defamation, libel, negligence and copyright or trademark infringement, among others. For example, businesses in the past have claimed, and may in the future claim, that their search result display is arbitrary or improper, that we are responsible for third party infringement, that our editorial content is defamatory, or that we are responsible for defamatory reviews posted by our users. We expect claims like these to continue, and these claims could divert management time and attention away from our business and result in significant costs to investigate and defend, regardless of the merits of the claims. In some instances, we may elect or be compelled to remove or re-order content or may be forced to pay substantial damages if we are unsuccessful in our efforts to defend against these claims. If we elect or are compelled to remove or re-order valuable content from our website or mobile application, our platform may become less useful to consumers and our traffic may decline, which could have a negative impact on our business and financial performance. We intend to continue to make investments to support our operating plan and strategic objectives and may require additional funds to respond to business challenges and opportunities, including the need to develop new platform features and services or enhance our existing services, improve our operating infrastructure or acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds to support the foregoing and to fund our other obligations, including paying the principal on our 8% convertible notes, which ~~mature~~ **matured** on January 30-31, 2025 and **were modified with a 12.5% principal reduction and an extension to July 1, 2025.** See the risks discussed below under the heading "— Risks Relating to our Indebtedness." If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. Debt financing, if available, may involve higher interest rates than our current indebtedness, resulting in increased debt service payments and agreements that include equity conversion rights and financial and other covenants on terms that are more favorable to lenders, limiting or restricting our ability to take specific actions, such as incurring additional debt, expending capital, pursuing certain business opportunities or declaring dividends. Disruption, uncertainty or volatility in the capital markets could increase our cost of capital or limit our ability to raise funds needed to operate our business. Disruptions could be caused by Federal Reserve policies and actions, currency concerns, interest rates, inflation, economic downturn or uncertainty, monetary policies, failures of financial institutions, U. S. debt management concerns, and U. S. debt limit and budget disputes, including government shutdowns, European and worldwide sovereign debt concerns, other global or geopolitical events, or other factors. Macroeconomic

conditions in 2023 negatively impacted the U. S. banking sector, including for example, the closures and Federal Deposit Insurance Corporation (“ FDIC ”) receiverships of Silicon Valley Bank and Signature Bank. Although we did not have any accounts at or business relationships with these banks, we may be negatively impacted by other disruptions to the U. S. banking system caused by these or similar developments in the future. We may not be able to obtain additional financing on terms favorable to us, if at all, including as a result of conditions in the markets in which we operate, macroeconomic conditions (like those discussed in the paragraph above or a severe or prolonged economic downturn), our financial condition and operating plans. Due to the current legal status of cannabis under U. S. federal law, we have experienced, and may in the future experience, difficulty attracting additional debt or equity financing. In addition, the current legal status of cannabis may increase our cost of capital now and in the future. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, our business may be harmed, our stock price may fall, and you may lose your investment. We may acquire other companies or technologies, which could divert our management’ s attention from the business, result in additional dilution to our stockholders and otherwise disrupt our operations and harm our operating results. Our success will depend, in part, on our ability to expand our service offerings and grow our business in response to changing technologies, user, supplier and advertising partner demands and competitive pressures. In some circumstances, we may determine to do so through acquisitions, mergers, partnerships, joint ventures or other strategic transactions with complementary businesses or technologies rather than through internal development. We have limited experience acquiring other businesses and technologies. The pursuit of potential acquisitions may divert the attention of management and cause us to incur expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. Furthermore, even if we successfully acquire additional businesses or technologies, we may not be able to integrate the acquired personnel, operations and technologies successfully, or effectively manage the combined business following the acquisition. We also may not achieve the anticipated benefits from the acquired business or technology. In addition, we may inherit liabilities from future acquisitions that arise after the acquisition and are not adequately covered by indemnities. Acquisitions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our financial condition and results of operations. If an acquired business or technology fails to meet our expectations, our business, financial condition, and results of operations may suffer. Our business is dependent on U. S. state laws and regulations and Canadian federal and provincial laws and regulations pertaining to the cannabis industry. In the United States, despite cannabis being legalized under state law in some form in many states and notwithstanding the federal government’ s tolerance of state legalization schema, cannabis continues to be categorized as a Schedule I controlled substance under the federal Controlled Substances Act (“ CSA ”). The CSA makes it a federal crime to possess, grow, process, distribute, or sell cannabis or cannabis products in the United States, even in states in which medical or recreational cannabis has been legalized under state law. It is also a federal crime to aid and abet another in possessing, growing, distributing, processing or selling cannabis or cannabis products, and it can be illegal to engage in certain transactions with those possessing, growing, distributing, processing, or selling cannabis or cannabis products, if the goal of the transactions is to promote those activities or conceal that the source of the proceeds in the transaction came from those activities. Notwithstanding the CSA, U. S. states which have legalized the sale of cannabis products have enacted their own regulatory regimes. These regimes vary from state to state, and some of the rules and regulations directly or indirectly affect our platform. We do not possess, grow, distribute, process, or sell cannabis in the United States. However, there is a risk that federal prosecutors may seek to apply the CSA and other laws to us, that U. S. courts may change their interpretation of the CSA, and that violations of any U. S. federal laws and regulations, such as the CSA, could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings initiated by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. In Canada, the Cannabis Act legalized the commercial cultivation and processing of cannabis for medical and adult-use purposes in Canada and created a federal legal framework for controlling the production, distribution, promotion, sale and possession of cannabis. The Cannabis Act also provides the provinces and territories of Canada with the authority to regulate other aspects of adult- use cannabis, such as distribution, sale, minimum age requirements (subject to the minimum set forth in the Cannabis Act), places where cannabis can be consumed, and a range of other matters. The governments of every Canadian province and territory have implemented regulatory regimes for the distribution and sale of cannabis for recreational purposes. In addition, the Cannabis Act provides that it is prohibited to publish, broadcast or otherwise disseminate, on behalf of another person, with or without consideration, any promotion that is prohibited by a number of sections of the Cannabis Act. The Cannabis Act therefore includes provisions that could apply to certain aspects of our business, both directly to the solutions we provide and indirectly on account of any noncompliance by those who use our offerings. As required by the Cannabis Act, the Canadian Minister of Health convened an expert panel to conduct a legislative review of the Cannabis Act. The panel delivered **its final** an interim “ What We Heard ” report in October **March 2023-2024**, which emphasized, among other things, the continued need for access to cannabis and the protection of public health and safety. **Although two of the fifty- four A final report is due no later than March 2024, which will focus on providing advice and recommendations address cannabis promotion to some degree, at least on one areas of the recommendations encourages efforts to help consumers legislative framework and its implementation that may benefit from improvement or reform. Although the interim report did not identify any concerns currently relevant to legal retailers and products, one of Leafly’ s business model core functions, and thus we do not anticipate expect any adverse regulatory of the recommended changes to , the final report may recommend changes that may have any negative impacts on the cannabis industry and or our business.** Laws and regulations affecting the cannabis industry in U. S. states and Canada are continually changing. Any change in regulations or even the speed of changes to regulations, more vigorous enforcement thereof or other unanticipated events could require us to incur substantial costs associated with compliance, to alter our business plan or give rise to material liabilities, and could materially and adversely

affect our operations, revenue, and profitability. The commercial cannabis industry is still a young industry, and we cannot predict the impact of the compliance regime to which our business may be subject. Although we have not yet been required to obtain any cannabis license as a result of existing cannabis regulations, it is possible that regulations may be enacted in the future that will require us to obtain such a license in order to provide our services in a particular jurisdiction or that will otherwise seek to substantially regulate our business and there can be no assurances that we will be able to obtain such licenses. These laws change frequently and may be difficult to interpret and apply. For example, **Ohio Department of Commerce Cannabis Management** (“**ODCC NY OCM**”) recently **provided guidance regarding** adopted rules that significantly impede Leafly’s ability to do business in **Ohio New York** under its current business model. We **believe filed a legal challenge against the NY OCM, alleging that, among other things -- this interpretation is inconsistent with the statute and adopted rules were unconstitutional restrictions on commercial speech, but if we are unable** were arbitrary and capricious, and were promulgated in excess of NY OCM’s authority. The New York Supreme Court, the state’s trial level court of general jurisdiction, granted Leafly a preliminary injunction while the case proceeds. If the ultimate ruling is adverse to Leafly **convince or force ODCC to rescind or modify this guidance**, our business in **Ohio New York** is likely to be adversely affected. Given the concentration of our revenue from the sale of subscriptions to retailers to list their products, any increase in the stringency of any applicable laws, including U. S. state, or Canadian federal, provincial or territorial laws and regulations relating to cannabis, or any escalation in the enforcement of such existing laws and regulations against the cannabis industry within any jurisdiction, could negatively impact the profitability or viability of cannabis businesses in such affected jurisdictions, which in turn could materially adversely affect our business and operating results. For more information regarding risks the cannabis industry may present to our business, see the subsection entitled “ — Additional Risks Related to the Cannabis Industry, ” below. Federal law enforcement may deem our suppliers to be in violation of U. S. federal law, in particular the CSA. An adverse change in U. S. federal policy on cannabis enforcement and strict enforcement of federal cannabis laws against our suppliers would undermine our business model and materially affect our business and operations. Except in limited circumstances, U. S. federal law, and more specifically the CSA, proscribes the cultivation, processing, distribution, sale, and possession of cannabis. Although the Agriculture Improvement Act of 2018 removed hemp and hemp-derived cannabinoids that test below 0.3 % delta-9 THC from the definition of “marihuana” in the CSA, and Omnibus Spending bills (described below) have protected state medical cannabis programs, cannabis remains a Schedule 1 controlled substance in the United States and is currently illegal under U. S. federal law. Even in those U. S. states in which the possession, growing, processing, distribution, sale and use of cannabis and cannabis products has been legalized, these activities continue to violate U. S. federal law. Additionally, in 2018, a series of memoranda and guidance from 2009 to 2014 that generally directed U. S. Attorneys not to enforce federal cannabis laws against actors who were in compliance with state guidance were formally rescinded and have never been formally reinstated. Since U. S. federal laws criminalizing the cultivation, processing, distribution, sale and possession of cannabis pre-empt state laws that legalize the same, continuation of U. S. federal law in its current state regarding cannabis could limit our ability to do business in the United States. As a result, U. S. federal law enforcement authorities, in their attempt to regulate the illegal or unauthorized production, distribution, promotion, sale, possession or use of cannabis, may seek to bring criminal actions against our suppliers under the CSA or other federal criminal laws. If our suppliers are found to be violating U. S. federal law relating to cannabis, they may be subject not only to criminal charges and convictions, but also to forfeiture of property, significant fines and penalties, disgorgement of profits, administrative sanctions, cessation of business activities, or civil liabilities arising from proceedings initiated by either the U. S. government or private citizens. Any of these actions or consequences to our suppliers could have a material adverse effect on our business, financial condition, and results of operations, or could force us to cease operations, and as a result, our investors could lose their entire investment. Further, to the extent any law enforcement actions require us to respond to subpoenas, or undergo search warrants, including for supplier records, cannabis businesses could elect to cease using our products. Until the U. S. federal government changes the laws with respect to cannabis, and particularly if the U. S. Congress does not extend the Omnibus Spending Bill’s protection of state medical cannabis programs (described below) to apply to all state cannabis programs, U. S. federal authorities could more strictly enforce current federal prohibitions and restrictions. An increase in federal enforcement against companies licensed under state cannabis laws could negatively impact the state cannabis industries and, in turn, our business, financial condition, results of operations, brand and reputation. For more information regarding risks the cannabis industry may present to our business, see the subsection entitled “ — Additional Risks Related to the Cannabis Industry. ” The laws and regulations regarding hemp-derived cannabinoids are unsettled, and an adverse change in U. S. federal policy towards our suppliers would materially affect our business and operations. Some of our suppliers sell products containing hemp-derived cannabinoids, including CBD and certain forms of THC (including but not limited to delta-8 THC, THCA and THCO). Until 2018, hemp and hemp extracts (except mature stalks, fiber produced from the stalks, oil or cake made from the seeds and any other compound, manufacture, salt derivative, mixture or preparation of such parts) were classified by the federal government as “marihuana” under the CSA. The Agricultural Act of 2014, Pub. L. 113- 79 (the “ 2014 Farm Bill ”) and the Agriculture Improvement Act of 2018, Pub. L. 115- 334 (the “ 2018 Farm Bill ”), altered hemp’s status, such that hemp (which must, by definition, contain no more than 0.3 % delta-9 THC on a dry weight basis) and hemp extracts, including CBD, are no longer defined as “marihuana” nor classified as a controlled substance. The 2018 Farm Bill was set to lapse on September 30, 2023, but has been extended until September 30, 2024 by virtue of a Continuing Resolution passed by Congress and signed into law by President Biden, **and extended again until September 30, 2025, by virtue of the passage of the American Relief Act**. While many observers anticipate that a new farm bill will be passed and that it will contain hemp provisions similar to the 2018 Farm Bill, there can be no guarantees that a new farm bill will be authorized, or that it will contain similar provisions. If the exemption for hemp-derived products is eliminated or significantly narrowed or otherwise altered, it would negatively impact some of our existing customers who sell or advertise hemp-derived products and in turn affect our ability to provide advertising

services to such customers, which could have a material adverse effect on our business, financial condition, and results of operations. The U. S. Food and Drug Administration (“ FDA ”) takes the position that the Food, Drugs & Cosmetics Act significantly limits the legality, marketing and sale of food and beverages containing hemp- derived cannabinoids and compounds (including CBD, THC, CBN, etc.) and that existing regulatory frameworks are not appropriate to regulate such products. The FDA has announced that it intends to work with Congress to determine new regulatory pathways. The Drug Enforcement Administration (“ DEA ”) has issued several non- binding communiques addressing hemp- related issues, including the allegedly synthetic nature of certain hemp derived products and the required means of testing total THC. Some of DEA’ s conclusions seem to be at odds with the plain language of the Farm Bill and / or the Ninth Circuit Court of Appeals decision in *AK Futures v. Boyd Street Distro*, which is only binding in some western states. Without a regulatory framework in place, FDA and / or DEA may take enforcement action, and other courts may reach the same or differing conclusions as the Ninth Circuit. If we or our suppliers are found to be violating U. S. federal law or state law relating to hemp- derived products, we or they may be subject not only to criminal charges and convictions, but also to forfeiture of property, significant fines and penalties, disgorgement of profits, administrative sanctions, cessation of business activities, or civil liabilities arising from proceedings initiated by either the U. S. government or private citizens. Any of these actions or consequences to our suppliers could have a material adverse effect on our business, financial condition, and results of operations. In the absence of federal regulation, a growing number of state governments have passed state- level legislation to regulate the legality, production, and sale of certain hemp- derived products. Some states impose licensing and regulatory requirements for the cultivation, processing, transportation, or distribution of hemp and hemp products. Many states also impose restrictions on the type of products that may be sold, including prohibiting the sale of certain hemp extracts (including delta- 8 THC) or certain formats (such as ingestible products or smokable hemp), or limiting the manner in which they may be sold by, for example, prohibiting health claims in advertising **or, in some circumstances, banning outright the sale of intoxicating hemp products** . States could change their laws and make the requirements to grow, process, transport, advertise and distribute hemp and hemp products more difficult. States could also investigate whether or determine that we or our suppliers were found to be operating in violation of state law. Any of these actions or consequences could have a material adverse effect on our business, financial condition, and results of operations. Allowing unlicensed or noncompliant businesses to access our services or allowing businesses to use our services in a noncompliant manner, including engaging in false or deceptive business practices, may subject us to legal or regulatory enforcement and / or negative publicity, which could adversely impact our business, operating results, financial condition, brand and reputation. Our suppliers are contractually required to represent, warrant and covenant to us that they conduct their business in compliance with applicable state, municipal and provincial laws, and rules, which includes any applicable licensing requirements and the regulatory framework enacted by each state, municipality or province in which they do business. Suppliers further contractually agree to indemnify us for any damages we may suffer as a result of their noncompliance, and there is no guarantee that such suppliers will be able to fulfill such indemnification obligations. We rely on our suppliers’ contractual representations, and generally do not verify them, other than with respect to the licensed status of our suppliers operating cannabis retail and brands (i. e., product) businesses. We require suppliers to provide proof of valid corporate existence at the time we initially onboard them, or, if we understand that state or municipal law requires a separate cannabis license, to submit a valid, unexpired state- issued license number. We do not routinely validate whether that license number remains valid during the term of our suppliers’ use of our services. As a result, some of our suppliers or their listings currently and in the future may not be in compliance with **current** licensing and related requirements under applicable state, municipal or provincial laws and regulations. Any potential legal enforcement actions against any of our suppliers selling cannabis for being unlicensed or insufficiently licensed could negatively impact us. Any legal or regulatory enforcement against us based on the business solutions that we offer, the third- party content available on our platform or noncompliance by our suppliers with licensing and other legal requirements, could subject us to various risks, including monetary penalties and the risk that we elect or are compelled to remove content from our platform and would likely cause us to experience negative publicity. Any of these developments could materially and adversely impact our business, financial condition, results of operations, brand, and reputation. We generally do not, and cannot, ensure that our suppliers will conduct their business activities in a manner compliant with regulations and requirements applicable to the cannabis industry. As a result, federal, state, provincial or local government authorities may seek to bring criminal, administrative or regulatory enforcement actions against our suppliers, which could have a material adverse effect on our business, operating results or financial conditions, or could force us to cease operations. We offer features and services on our platform to support our suppliers’ compliance with certain regulations and other legal requirements applicable to the cannabis industry, such as (a) collecting medical marijuana cardholder information to assist dispensaries with their verification obligations, (b) age- gating in accordance with applicable state regulations, (c) reviewing cannabis license information for operational cannabis suppliers, both on submission and on a periodic ongoing basis, to ensure validity and accuracy and (d) requiring operational cannabis suppliers, including storefronts and delivery services, to provide a valid, unexpired state- issued license number before accepting their listings or advertisements on our platform. However, we generally do not, and cannot, ensure that our suppliers will conduct their business activities in a manner compliant with such regulations and requirements, in whole or in part. Their legal noncompliance could result in regulatory and even criminal actions against them by federal, state or provincial authorities, which could result in a material adverse impact on our business and operating results or financial condition, and as a result, our investors could lose their entire investment. For additional information, see the other risk factors in this subsection entitled “ — Regulatory Risks, ” including “ — Allowing unlicensed or noncompliant businesses to access our products, or allowing businesses to use our solutions in a noncompliant manner, including engaging in false or deceptive business practices, may subject us to legal or regulatory enforcement and / or negative publicity, which could adversely impact our business, operating results, financial condition, brand and reputation. ” Additionally, see the subsection entitled “ — Additional Risks Related to the Cannabis Industry. ” We are subject to regulation

by various federal, state, provincial, local and foreign governmental authorities, including those responsible for monitoring and enforcing employment and labor laws, anti-bribery laws, lobbying and election laws, securities laws and tax laws. These laws and regulations are subject to change over time and thus we must continue to monitor and dedicate resources to ensure continued compliance. In addition, our business is subject to regulation by various federal, state, provincial and foreign governmental agencies responsible for monitoring and enforcing privacy and data protection laws and regulations. Numerous foreign, federal and state laws and regulations govern collection, dissemination, use and confidentiality of personally identifiable health information that may impact our business, potentially including state privacy and confidentiality laws (including state laws requiring disclosure of breaches); federal and state consumer protection and employment laws, and other data protection laws. We receive, store, process, and use personal information and other user content. The regulatory framework for privacy issues worldwide, including in the United States, is rapidly evolving and is likely to remain uncertain for the foreseeable future, as many new laws and regulations regarding the collection, use and disclosure of personally identifiable information (“ PII ”), and other data have been adopted or are under consideration and existing laws and regulations may be subject to new and changing interpretations. In the United States, the Federal Trade Commission and many state attorneys general are applying federal and state consumer protection laws to impose standards for the online collection, use and dissemination of data. In addition, although we do not believe we are subject to the requirements of the Health Insurance Portability and Accountability Act of 1996 (“ HIPAA ”), we are aware that at least one state regulator has taken the position that HIPAA does apply to some of our suppliers. In the event we become subject to HIPAA, our costs related to PII would increase. Many foreign countries and governmental bodies, including Canada and the European Union (“ E. U. ”), and other relevant jurisdictions where we conduct business have laws and regulations concerning the collection and use of PII and other data obtained from their residents or by businesses operating within their jurisdiction. These laws and regulations often are more restrictive than those in the United States. Laws and regulations in these jurisdictions apply broadly to the collection, use, storage, disclosure and security of data that identifies or may be used to identify or locate an individual, such as names, email addresses and, in some jurisdictions, internet protocol addresses and other types of data. The California Consumer Privacy Act of 2018 and its implementing regulations, as amended (the “ CCPA ”), which went into effect on January 1, 2020, establishes data privacy rights for consumers and compliance requirements for businesses doing business in California. Moreover, California voters approved the California Privacy Rights Act, (the “ CPRA ”), in November 2020. **The CPRA significantly modifies the CCPA, which went into effect creating obligations relating to consumer data beginning on January 1, 2023, with implementing regulations expected on . The CPRA amended the CCPA to include additional privacy protections or for California residents before July 1, 2023, and established the California Privacy Protection Agency to enforce the law beginning July 1, 2023.** Other states have adopted similar laws and regulations that **go went** into effect in **2023-2024**, including **Virginia Montana, Colorado Texas, Connecticut and Utah, Oregon and New Jersey**. In Canada, the federal Personal Information Protection and Electronic Documents Act (the “ PIPEDA ”) governs the collection, use and disclosure of PII in many provinces in Canada, and though it is silent with respect to territorial reach, the Federal Court of Canada has found that PIPEDA will apply to businesses established in other jurisdictions if there is a “ real and substantial connection ” between the organization’ s activities and Canada. Provincial privacy commissioners take a similar approach to the interpretation and application of provincial private-sector privacy laws equivalent to PIPEDA. Further, Canada has robust anti-spam legislation. Organizations sending commercial electronic messages to individuals must either have express consent from the individual in the prescribed form or the situation must qualify as an instance of implied consent or other authorization set out in Canada’ s Anti-Spam Legislation (the “ CASL ”). The penalties for non-compliance under CASL are significant and the regulator, the Canadian Radio-Television and Telecommunications Commission, is active with respect to enforcement. In addition, the E. U.’ s General Data Protection Regulation (the “ GDPR ”), which went into effect in May 2018, requires subject companies to implement and maintain comprehensive information privacy and security protections with respect to personal data (data that relates to an identified or identifiable individual) about persons in the E. U. that is collected or processed by such companies. The GDPR provides for substantial penalties for noncompliance. Although we are working to comply with those federal, state, provincial and foreign laws and regulations, industry standards, governmental standards, contractual obligations and other legal obligations that apply to us, those laws, regulations, standards and obligations are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another, other requirements or legal obligations, our practices or the features of our applications or platform. Any failure or perceived failure by us or our contractors to comply with federal, state, provincial or foreign laws or regulations, industry standards, contractual obligations or other legal obligations, or any actual or suspected security incident, whether or not resulting in loss of, unauthorized access to, or acquisition, alteration, destruction, release or transfer of PII or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity and could cause employees, suppliers and consumers to lose trust in us, which could have an adverse effect on our reputation and business. Any inability or perceived inability (even if unfounded) on our part to adequately address privacy, data protection, and information security concerns, or comply with applicable laws, regulations, policies, industry standards, governmental standards, contractual obligations, or other legal obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business. We also expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, Canada, the E. U. and other jurisdictions, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. Future laws, regulations, standards and other obligations, or amendments or changes in the interpretation of existing laws, regulations, standards and other obligations, could impair our or our suppliers’ ability to collect, use, disclose or otherwise process information relating to employees or consumers, which could decrease demand for our applications, increase our costs and impair our ability to maintain and grow our supplier and consumer bases and increase revenue. Such laws and regulations may require us to implement privacy and security policies, permit users

to access, correct and delete personal information stored or maintained by such companies, inform individuals of security breaches that affect their personal information, and, in some cases, obtain individuals' consent to use PII or other data for certain purposes. In addition, a foreign government could require that any data collected in a country not be transferred or disseminated outside of that country, or impose restrictions or conditions upon such dissemination, and we may face difficulty in complying with any such requirements for certain geographic regions. Indeed, many privacy laws, such as those in force in Canada and the E. U., already impose these requirements. If we fail to comply with federal, state, provincial and foreign data privacy laws and regulations, our ability to successfully operate our business and pursue our business goals could be harmed. Furthermore, due to our acceptance of credit cards, we are subject to the PCI- DSS, which is designed to protect the information of credit card users. We have experienced security incidents in the past, which we believe were immaterial and were not reportable under applicable state law or our other obligations; however, there can be no assurance that our determinations were correct. In the event our determinations are challenged and found to have been incorrect, we may be subject to unfavorable publicity or claims by one or more state attorneys general, federal regulators, or private plaintiffs, any of which could damage our reputation, inhibit sales and adversely affect our business. Our business could suffer if the jurisdictions in which we operate change the way in which they regulate the internet, including regulations relating to user- generated content and privacy. Governments may adopt laws and regulations that make it more difficult to operate our business, both domestically and abroad. We are subject to a number of data privacy and internet- related laws and regulations which result in significant compliance burdens. For example, we have settled two claims under the Americans with Disabilities Act (" ADA ") that obligated us to make our websites WCAG 2. 0 Level AA compliant for users with visual or other impairments. We are currently in the process of making updates to our website to fulfill this obligation. In addition, some legislators have called for increased regulation of the use of information concerning consumer behavior on the internet, including certain targeted advertising practices. Others have called for changes affecting the immunities afforded to websites that publish user- generated content. Our business, including our ability to operate and expand internationally, could be adversely affected if legislation or regulations are adopted, interpreted, or implemented in a manner that is inconsistent with our current business practices and that requires changes to these practices or the design of our website, products or features. In particular, the success of our business has depended, and we expect will continue to depend, on our ability to use the content and other information that our users share with us. Therefore, our business could be harmed by any significant change to applicable laws, regulations or industry practices regarding the use or disclosure of the content that our users share through our website and mobile application. Such changes may require us to modify our service offerings and platform features, possibly in a material manner, and may limit our ability to make use of the content and other information that our users generate on our website and mobile application. Our business and operating results may be harmed if we are deemed responsible for the collection and remittance of state sales taxes or other indirect taxes for suppliers using our order functionality. We do not collect sales and value- added tax as part of our supplier agreements in the United States or Canada, based on our determination that such tax is not applicable to our platform. Sales and use, value- added, and similar tax laws and rates vary greatly by jurisdiction. We may be deemed responsible for collecting and remitting sales taxes directly to certain states or jurisdictions. It is possible that one or more states could seek to impose sales, use or other tax obligations on us with regard to the ordering functionality that we offer our suppliers. These taxes may be applicable to past sales. In addition, the U. S. Supreme Court' s ruling in *South Dakota v. Wayfair* that a U. S. state may require an online retailer with no in- state property or personnel to collect and remit sales tax on sales to the state' s residents may permit wider enforcement of sales tax collection requirements, which may increase the jurisdictions in which we may be required to collect and / or remit taxes. A successful assertion that we should be collecting additional sales, use or other taxes or remitting such taxes directly to states or other jurisdictions could result in substantial tax liabilities for past sales and additional administrative expenses and increase the cost of our products and solutions, which could harm our business and operating results. Our international footprint may subject us to potential adverse tax consequences in various jurisdictions. Our corporate structure and intercompany arrangements, including the manner in which we develop and use our intellectual property and the transfer pricing of our intercompany transactions, subjects us to the tax laws of various jurisdictions, which are subject to interpretation. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing, or determine that the manner in which we operate our business does not achieve the intended tax consequences, which could increase our worldwide effective tax rate and harm our financial position and results of operations. Changes in tax laws or regulations and compliance in multiple jurisdictions may have a material adverse effect on our business, cash flow, financial condition or operating results. We are subject to the income and transaction related tax laws primarily in the United States and Canada. New income, sales, use or other tax laws, statutes, rules, regulations, or ordinances could be enacted at any time, which could affect the tax treatment of our U. S. and foreign earnings. Any new taxes could adversely affect our domestic and foreign business operations, and our business and financial performance. In addition, existing tax laws, statutes, rules, regulations, or ordinances, such as Section 280E of the Internal Revenue Code (the " Code "), discussed below, could be interpreted, changed, modified or applied adversely to us. Furthermore, changes to the taxation of undistributed foreign earnings could change our future intentions regarding reinvestment of such earnings. The foregoing items could have a material adverse effect on our business, cash flow, financial condition or operating results. For more information see the subsection entitled " — Additional Risks Related to the Cannabis Industry — Cannabis businesses are subject to unfavorable U. S. tax treatment, which reduces our clients' profitability and could result in decreased demand for our services," and " — Additional Risks Related to the Cannabis Industry — Service providers to cannabis businesses may also be subject to unfavorable U. S. tax treatment. " Requirements as to taxation vary substantially among jurisdictions. Complying with the tax laws of these jurisdictions can be time consuming and expensive and could potentially subject us to penalties and fees in the future if we were to inadvertently fail to comply. If we were to inadvertently fail to comply with applicable tax laws, this could have a material adverse effect on our business, financial condition, and results of operations. Changes in accounting standards or other factors could negatively

impact our future effective tax rate. Our future effective income tax rate may be affected by such factors as changing interpretation of existing laws or regulations, the impact of accounting for equity-based compensation, the impact of accounting for business combinations, changes in our international organization, and changes in overall levels of income before tax. In addition, in the ordinary course of our global business, there are many intercompany transactions and calculations where income and tax determinations due by jurisdiction is uncertain. Cannabis, other than hemp (defined by federal law as Cannabis sativa L. with a delta-9 THC concentration of not more than 0.3% on a dry weight basis), is a Schedule I controlled substance under the CSA. Even in states or territories that have legalized cannabis to some extent, the cultivation, possession, processing 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. The U. S. Supreme Court has ruled that the federal government has the authority to regulate and criminalize the sale, possession and use of cannabis, even for individual medical purposes, regardless of whether it is legal under state law. For over ten years, under a policy first instituted during President Obama's administration, the U. S. government has not prioritized the enforcement of those laws against cannabis companies complying with state law and their vendors. On August 29, 2013 former Deputy Attorney General James Cole issued a Memorandum (the "Cole Memo"), which described the criminal enforcement of federal cannabis prohibitions against those complying with state cannabis regulatory systems as an inefficient use of federal investigative and prosecutorial resources. The Cole Memo gave federal prosecutors discretion not to prosecute state law compliant cannabis companies in states that were regulating cannabis, unless one or more of eight federal priorities were implicated, including use of cannabis by minors, violence, or the use of federal lands for cultivation. On January 4, 2018, then U. S. Attorney General Jeff Sessions issued a memorandum for all U. S. Attorneys (the "Sessions Memo") rescinding the Cole Memo. The Sessions Memo, which remains in effect, states that each U. S. Attorney's Office should follow established principles that govern all federal prosecutions when deciding which cannabis activities to prosecute. As a result, federal prosecutors could and still can use their prosecutorial discretion to decide to prosecute even state-legal cannabis activities. Since the Sessions Memo was issued nearly six over seven years ago, however, U. S. Attorneys have generally not prioritized the targeting of state law compliant entities. We cannot assure that each U. S. Attorney's Office in each judicial district where we operate will not choose to enforce federal laws governing cannabis sales against state-legal companies such as our business suppliers. Since 2014, versions of the U. S. Omnibus Spending bill have included a provision prohibiting the Department of Justice ("DOJ"), which includes the Drug Enforcement Administration and the U. S. Attorney's offices, from using appropriated funds to prevent states from implementing their medical-use cannabis laws. In *USA v. McIntosh*, the U. S. Court of Appeals for the Ninth Circuit held that the provision prohibits the DOJ from spending funds to prosecute individuals who engage in conduct permitted by state medical-use cannabis laws and who strictly comply with such laws. The court noted that, if the spending bill provision were not continued, prosecutors could enforce against conduct occurring during the statute of limitations even while the provision was previously in force. Other courts that have considered the issue have ruled similarly, although courts disagree about which party bears the burden of proof of showing compliance or noncompliance with state law. Our policies do not prohibit our state-licensed cannabis retailers from engaging in the cannabis business for adult use that is permissible under state and local laws. Consequently, certain of our retailers currently (and may in the future) sell adult-use cannabis, if permitted by such state and local laws now or in the future, and therefore may be outside any protections extended to medical-use cannabis under the spending bill provision. This could subject our suppliers to greater and / or different federal legal and other risks as compared to businesses where cannabis is sold exclusively for medical use, which could in turn materially adversely affect our business. Furthermore, any change in the federal government's enforcement posture with respect to state-licensed cannabis sales, including the enforcement postures of individual federal prosecutors in judicial districts where we operate, could result in our inability to execute our business plan, and we would likely suffer significant losses with respect to our supplier base, which would adversely affect our operations, cash flow and financial condition. **The position of the new Trump administration with respect to cannabis is unclear. Although the U- President Trump voiced support for cannabis rescheduling and for a Florida legalization initiative in 2024, his previous administration did not make any material changes to pre- existing cannabis policy . S.-Furthermore, in connection with her confirmation hearing, newly- confirmed Attorney General Pam Bondi responded to a series of written questions regarding cannabis policy guidance to federal prosecutors and rescheduling by saying only that she would " give they- the should not interfere- matter careful consideration after consulting with appropriate cannabis businesses operating in compliance with states' laws, any such guidance would not have the force of law, and could not be enforced by the courts. The President alone cannot legalize medical cannabis, and as states have demonstrated, legalizing medical cannabis can take many different forms. While rescheduling cannabis would ease certain research restrictions and rescheduling below Schedule II would make Code section 280E inapplicable, it would not make the state medical or adult- use programs federally legal. During his confirmation hearing, current Attorney General Merrick Garland stated that he did not see enforcement of federal cannabis law as a high priority use of resources for the DOJ: " This is a question of the prioritization of our resources and prosecutorial discretion. It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise. I don't think that's a useful use. I do think we need to be sure there are no end-runs around the state laws that criminal enterprises are doing. So that kind of enforcement should be continued. But I don't think it's a good use of our resources, where states have already authorized. That only confuses people, obviously, within the state." In March 2023, AG Garland provided congressional testimony, during which he stated, " We are still working on a marijuana policy for the Department officials [of Justice ].... I think it's fair to expect ... that it will be very close to what was done in the Cole memorandum. " While neither statement is a Trump nor Bondi have promise promised to avoid federal interference with state cannabis laws, it does signal there have been no firm indications that the enforcement priorities of the**

DOJ ~~lie elsewhere~~ **regarding cannabis are likely to change. Then-** President Biden initiated a scheduling review of marijuana in late 2022 and announced a pardon of all prior federal offenses for simple marijuana possession. As a result of this scheduling review, the Department of Health and Human Services ~~has~~ recommended that cannabis be moved to Schedule III, which would potentially allow cannabis, in forms approved by the FDA, to be dispensed with a prescription. In addition, re-scheduling would likely obviate the restrictions on tax deductions in Internal Revenue Code section 280E, improving the bottom line of our suppliers and potentially leading to increased marketing spend, including on the Leafly platform. **The In May 2024, the Drug Enforcement Administration must now published a notice of proposed rulemaking to move cannabis to Schedule III. The DEA initially scheduled hearings to receive testimony regarding the rescheduling for January through March 2025, however, in January 2025 the hearings were postponed for act- at least upon the HHS recommendation, and there- three months. There** can be no guarantee that DEA will move cannabis out of Schedule I. Furthermore, re-scheduling cannabis to Schedule III would not legalize existing state medical or adult-use cannabis regulatory schemes under the CSA, meaning many of the existing risks would remain, and could potentially create new competition for some of our suppliers in the form of FDA-approved pharmaceutical producers. The full effects of re-scheduling cannabis are unclear, and any change could affect our business and financial results. While some industry observers are hopeful that various legislative proposals previously introduced in Congress will increase the chances of federal cannabis policy reform, we cannot provide assurances about the content, timing or chances of passage of a bill legalizing cannabis or liberalizing cannabis regulations. Accordingly, we cannot predict the timing of any change in federal law or possible changes in federal enforcement. In the event that the federal government were to reverse its long-standing hands-off approach to the state-legal cannabis markets and start more broadly enforcing federal law regarding cannabis, we would likely be unable to execute our business plan, and our business and financial results would be materially adversely affected. We and our suppliers are subject to a variety of laws and regulations in the United States, Canada, and elsewhere that prohibit money laundering, including the Money Laundering Control Act (United States), as amended, and the Proceeds of Crime and Terrorist Financing Act (Canada), and the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by governmental authorities in the United States, Canada or any other jurisdiction in which we have business operations. Violations of the U. S. anti-money laundering laws require the government to confiscate proceeds from enumerated criminal activity, which includes trafficking in cannabis in violation of the CSA. Although we believe that none of our activities implicate the aforementioned money laundering statutes, largely because we believe there is no underlying CSA offense, in the event that any of our business activities, any dividends or distributions therefrom, or any profits or revenues accruing thereby are found to be in violation of money laundering statutes, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation, and any persons, including such U. S. based investors, found to be aiding and abetting us in such violations could be subject to liability. Any violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction and involve significant costs and expenses, including legal fees. We could also suffer significant penalties, including criminal and civil penalties, disgorgement and other remedial measures. Our operations may be negatively affected by the way other private companies interpret laws and regulations applicable to the cannabis industry, or their policies and practices with respect to the cannabis industry. In most jurisdictions in which cannabis is legalized for adult or medical use, the cannabis industry is subject to a complex and comprehensive set of laws and regulations. Many entities that do business with consumers or suppliers in the cannabis industry institute internal or supplier-facing policies that limit or restrict how they do business with these suppliers, or take steps to verify that their suppliers in the cannabis industry operate in compliance with applicable laws. For example, some financial institutions that service cannabis retailers screen their clients' advertising for compliance with restrictions on cannabis advertising. Some financial institutions have interpreted editorial information that Leafly appends to some product pages within dispensary menus as advertising by those cannabis retailers, and instructed the suppliers to remove such advertising. Some mass media outlets have refused to publish advertisements for Leafly on the basis of perceived risk. The manner in which other companies interpret laws and regulations applicable to the cannabis industry, and the policies they institute as a result may adversely affect our suppliers' operations, which in turn could harm our results of operations. We are dependent on our banking relationships, and due to our connection with the cannabis industry, we may have difficulty accessing or consistently maintaining banking or other financial services. Although we do not grow or sell cannabis products, our general connection with the cannabis industry may hamper our efforts to do business or establish collaborative relationships with others that may fear disruption or increased regulatory scrutiny of their own activities. We are dependent on the banking industry to support the financial functions of our services and advertising solutions. Our business operating functions including payroll for our employees, real estate leases, and other expenses are reliant on traditional banking. Additionally, many of our suppliers pay us via wire transfer to our bank accounts, or via checks that we deposit into our bank accounts. We require access to banking services for both us and our suppliers to receive payments in a timely manner. Lastly, to the extent we rely on any lines of credit, these could be affected by our relationships with financial institutions and could be jeopardized if we lose access to a bank account. Important components of our offerings depend on supplier accounts and relationships, which in turn depend on banking functions. Most federal and federally-insured state banks currently do not serve businesses that grow and sell cannabis products on the stated ground that growing and selling cannabis is illegal under federal law, even though the Treasury Department's Financial Crimes Enforcement Network ("FinCEN") issued guidelines to banks in February 2014 that clarified how financial institutions can provide services to cannabis-related businesses, consistent with financial institutions' obligations under the Bank Secrecy Act. While the federal government has generally not initiated financial crimes prosecutions against state-law compliant cannabis companies or their vendors, the government has the ability to do so, at minimum against companies in the adult-use markets. The continued uncertainty surrounding financial transactions related to cannabis activities and the subsequent risks this uncertainty presents to financial institutions may result in their discontinuing services to the cannabis industry or limit their ability to provide services to the

cannabis industry or ancillary businesses providing services to the cannabis industry. As a result of federal- level illegality and the risk that providing services to state- licensed cannabis businesses poses to banks, cannabis- related businesses face difficulties accessing banks that will provide services to them. When cannabis businesses are able to find a bank that will provide services, they face extensive client due diligence in light of complex state regulatory requirements and guidance from FinCEN, and these reviews may be time- consuming and costly, potentially creating additional barriers to financial services for, and imposing additional compliance requirements on, us and our suppliers. FinCEN requires a party in trade or business to file with the U. S. Internal Revenue Service (the “ IRS ”), a Form 8300 report within 15 days of receiving a cash payment of over \$ 10, 000. While we receive very few cash payments for the products we sell, if we fail to comply with these laws and regulations, the imposition of a substantial penalty could have a material adverse effect on our business, results of operations and financial condition. We cannot ensure that our strategies and techniques for designing our platform features and services, including our advertising solutions, for our suppliers will operate effectively and efficiently and not be adversely impacted by any refusal or reluctance of banks to serve businesses that grow and sell cannabis products. A change in banking regulations or a change in the position of the banking industry that permits banks to serve businesses that grow and sell cannabis products may increase competition for us, facilitate new entrants into the industry offering platform features and services similar to those that we offer, or otherwise adversely affect our results of operations. Also, the inability of potential suppliers in our target market to open accounts and otherwise use the services of banks or other financial institutions may make it difficult for us to conduct business, including receiving payments in a timely manner. We do not sell cannabis, or products that contain cannabis; accordingly, our company is not part of the cannabis industry that would be restricted from using federal and federally insured banks. However, because our revenue is generated largely from companies licensed as operators in the cannabis industry, banks have and may continue to consider us to be part of the cannabis industry that is subject to banking restrictions. If we were to lose any of our banking relationships or fail to secure additional banking relationships in the future, we could experience difficulty and incur increased costs in the administration of our business, paying our employees, and accepting payments from suppliers, each of which may adversely affect our reputation or results of operations. Additionally, the closure of many or one of our bank accounts due to a bank’ s reluctance to provide services to a business working with state- legal cannabis businesses would require significant management attention from us and could materially adversely affect our business and operations. In addition to banks and financial institutions, merchant processors may take a similar view of the risks of working with us since we provide services to cannabis businesses, and loss of any of our merchant processor relationships could have similar results. Moreover, Visa and Mastercard reportedly prohibit processing of transactions involving cannabis on their networks. Although U. S. consumers cannot purchase products on our listings marketplace and we do not currently use, nor have we historically used, any of our merchant processing relationships to process payments for cannabis transactions, to the extent Visa or Mastercard restrict cannabis- related transactions, our merchant processing relationships could be terminated, or we could be prevented from processing any Visa or Mastercard transactions, which could have a material adverse effect on our business and results of operations. The continuing proliferation of unlicensed and illicit cannabis operations may negatively affect our suppliers and our operations. Our customers face competition from market operators who are unlicensed and unregulated, including illegal dispensaries and illicit market suppliers selling cannabis and cannabis- based products in many states which have legalized cannabis for medical or adult use. As these illegal market participants do not comply with the regulations governing the cannabis industry, their operations may have significantly lower costs. The perpetuation of the illegal market for cannabis may have a material adverse effect on our clients and our business, results of operations, as well as the perception of cannabis use. Furthermore, given the restrictions on regulated cannabis retailers, it is possible that legal cannabis consumers revert to the illicit market as a matter of convenience. We may have difficulty using bankruptcy courts due to our involvement in the regulated cannabis industry. As disclosed above in “ — Operational Risks, ” there is substantial doubt about our ability to continue as a going concern and if adequate capital is not available to us when needed, or in the amounts required, we may be forced to terminate, significantly curtail or cease our operations or to pursue other strategic alternatives, including bankruptcy. ~~We currently have no need or plans to seek bankruptcy protection.~~ U. S. courts have historically held that debtors whose income is derived from cannabis or cannabis assets in violation of the CSA cannot seek federal bankruptcy protections. Although we are not in the business of growing or processing cannabis or selling or even possessing cannabis or cannabis products, a U. S. court could determine that our revenue is derived from cannabis or cannabis assets and prevent us from obtaining bankruptcy protections if necessary. The conduct of third parties may jeopardize our business. Our success depends in part on our suppliers’ ability to operate consistently with the regulatory and licensing requirements of each state, local, and regional jurisdiction in which they operate. We cannot guarantee that our systems, protocols, and practices, including our compliance and monitoring processes, will prevent all unauthorized or illegal activities by our suppliers. The conduct of our suppliers, who are third parties, and their actions could expose them to legal sanctions and costs, which could in turn, materially adversely affect our business and operations. The conduct of third parties may jeopardize our regulatory compliance. While we are a technology company, not a cannabis licensee, and as such, are not subject to commercial cannabis regulations that apply to cannabis operators, we cannot guarantee that our systems, protocols, and practices will prevent any and all unauthorized or illegal activities by our suppliers. Our success depends in part on our suppliers’ ability to operate consistently with the regulatory and licensing requirements of each state, local, and regional jurisdiction in which they operate. Despite the procedures and protocols in place for license verification by our catalog and compliance team, any non- compliance by our suppliers could put our business at risk, as discussed herein, and could also subject us to potential actions by state regulators to prohibit cannabis licensees from advertising on our platform, which could materially adversely affect our business, operations, financial condition, brand, and reputation. We believe that Section 230 (c) (1) of the Communications Decency Act (the “ CDA ”) provides immunity from civil and state criminal liability, but it is possible that it does not. We believe that Section 230 (c) (1) of the CDA provides immunity from civil and state criminal liability to providers of interactive computer services in the United States, such as us, for

content provided on their platforms that they did not create or develop. Section 230 does not provide any protections against federal criminal liability, such as prosecutions under the CSA. We do not create or develop the information that appears on our suppliers' listing pages and advertising placements, although our internal teams may take down a supplier's information if it breaches our listing restrictions or admonish consumers who post reviews that violate our community terms of use (which, for example, prohibit profanity and racism). We do author and edit certain original content that appears in other sections of our placements, although our internal teams may take down a supplier's information if it breaches our listing restrictions or admonish consumers who post reviews that violate our community terms of use (which, for example, prohibit profanity and racism). We do author and edit certain original content that appears in other sections of our site, such as Strains, Learn, News, and Cannabis 101. All of these sections are general news and information, and none of these sections are advertisements for, or listing pages of, cannabis businesses. For additional information about Section 230 of the CDA, see the section entitled "— Risks Relating to Our Business and Industry." Our suppliers are subject to licensing and related requirements under applicable laws and regulations, and our own compliance policies, and some of our suppliers currently and in the future may not be in compliance with all such requirements. Despite our belief that we are protected by Section 230 of the CDA, it is possible that we are not, which would subject us to legal, business, and operational risks. In addition, there have been various Congressional efforts to restrict the scope of the protections available to online platforms under Section 230 of the CDA, and our current protections from liability for third-party content in the United States could decrease or change. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages. We could also face fines or orders restricting or blocking our services in particular geographies as a result of content hosted on our services. For example, recently enacted legislation in Germany may impose significant fines for failure to comply with certain content removal and disclosure obligations. Certain states in which we operate have enacted regulations regarding marketing and sales activities of cannabis products, including certain state restrictions that directly or indirectly affect our products, including our online order reservation platform, which could limit availability of some of our products and in turn adversely affect demand for our listing and marketing services. For example, the NY OCM **Ohio Department of Commerce ("ODCC")** recently **provided guidance regarding** adopted rules that significantly impede our Leafly's ability to do business in **Ohio New York** under our ~~its~~ current business model. We **believe** filed a legal challenge against the NY OCM, alleging that, among other things-- **this ; interpretation is inconsistent with the statute and the or modify adopted** rules were unconstitutional restrictions on commercial speech, **but if we are unable** were arbitrary and capricious, and were promulgated in excess of NY OCM's authority. The New York Supreme Court, the state's trial level court of general jurisdiction, granted Leafly a preliminary injunction while the case proceeds. If the ultimate ruling is adverse to Leafly **convince or force ODCC to rescind this guidance**, our business in **Ohio New York** is likely to be adversely affected. Generally speaking, if our suppliers are unable to effectively use our products and compete for market share, or if the costs of compliance with applicable regulations cannot be absorbed by our suppliers, this could hamper demand for our products and services from licensed cannabis retailers, which could result in a loss of revenue. Section 280E of the Code does not allow any deduction or credit for any amount paid or incurred during the taxable year in carrying on business, other than costs of goods sold, if the business (or the activities which comprise the trade or business) consists of trafficking in controlled substances (within the meaning of Schedules I and II of the CSA). The IRS has applied this provision to cannabis operations, prohibiting them from deducting expenses associated with cannabis businesses beyond costs of goods sold and asserting assessments and penalties for additional taxes owed. Section 280E of the Code may have a lesser impact on cannabis cultivation and manufacturing operations than on sales operations, which directly affects our suppliers, who are cannabis retailers and brands. However, Section 280E of the Code and related IRS enforcement activity have had a significant impact on the operations of all cannabis companies. While the Section does not directly affect our Company, we believe there are indirect impacts to our business which could be significant, in that Section 280E lowers our suppliers' profitability, and could result in decreased demand or higher price sensitivity for our listing and marketing services. An otherwise profitable cannabis business may operate at a loss after taking into account its U. S. income tax expenses. We believe this negatively affects us because our sales and operating results could be adversely affected if our suppliers decrease their marketing budgets and are operating on lower profit margins as a result of unfavorable treatment by the Code. As discussed above, under Section 280E of the Code, no deduction or credit is allowed for any amount paid or incurred during the taxable year in carrying on business, other than costs of goods sold, if the business (or the activities which comprise the trade or business) consists of trafficking in controlled substances (within the meaning of Schedules I and II of the CSA). The IRS has applied this provision to cannabis operations, prohibiting them from deducting expenses associated with cannabis businesses and asserting assessments and penalties for additional taxes owed. While we believe that Section 280E of the Code does not apply to our business, or ancillary service providers that work with state- licensed cannabis businesses, if the IRS interprets the Section to apply, it would significantly and materially affect our profitability and financial condition. Any property owned by participants in the cannabis industry used in the course of conducting such business, or that represents proceeds of such business or is traceable to proceeds of such business, could be subject to seizure by federal law enforcement and subsequent civil asset forfeiture because of the illegality of the cannabis industry under federal law. Even if the owner of the property is never charged with a crime, the property in question could still be seized and subject to an administrative proceeding by which, with minimal due process, it could be subject to forfeiture. Forfeiture of assets of our cannabis business clients could adversely affect our revenues if it impedes their profitability or operations and our suppliers' ability to continue to subscribe to our services. Due to our involvement in the cannabis industry, we may have a difficult time obtaining the various insurances that are desired to operate our business, which may expose us to additional risk and financial liability. Insurance that is otherwise readily available, such as general liability and directors' and officers' insurance, is more difficult for us to find and is more expensive or contains significant exclusions because our suppliers are cannabis industry participants. There are no guarantees that we will be able to find such insurance coverage in the future or that the cost will be affordable to us. If we are forced to go without such

insurance coverage, it may prevent us from entering into certain business sectors, may inhibit our growth, may limit our ability to attract directors and officers and may expose us to additional risk and financial liabilities. If we experience an uninsured loss, it may result in loss of anticipated cash flow and could materially adversely affect our results of operations, financial condition, and business. There may be difficulty enforcing certain of our commercial agreements and contracts. Courts will not enforce a contract deemed to involve a violation of law or public policy. Because cannabis remains illegal under U. S. federal law, parties to contracts involving the state- legal cannabis industry have argued that the agreement was void as federally illegal or against public policy. Some courts have accepted this argument in certain cases, usually with adverse results for cannabis companies. While courts have enforced contracts related to activities by state- legal cannabis companies, and the trend is generally to enforce contracts with state- legal cannabis companies and their vendors, there remains doubt and uncertainty that we will be able to enforce our commercial agreements in court for this reason. We cannot be assured that we will have a remedy for breach of contract, which would have a material adverse effect on our business. Certain of our directors, officers, employees and investors who are not U. S. citizens may face constraints on cross- border travel into the United States. Because cannabis remains illegal under U. S. federal law, non- U. S. citizens employed at or investing in companies doing business in the state- legal cannabis industry could face detention, denial of entry or lifetime bans from the United States for their business associations with cannabis businesses. Entry to the United States for non- citizens happens at the sole discretion of the officers on duty of the U. S. Customs and Border Protection (the “ CBP ”), and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U. S. federal laws, could mean denial of entry to the United States. CBP has taken the position that business or financial involvement in the legal cannabis industry in Canada or in the United States is grounds for U. S. border guards to deny entry. On September 21, 2018, CBP released a statement outlining its current position with respect to enforcement of the laws of the United States. It stated that Canada’ s legalization of cannabis will not change CBP enforcement of U. S. laws regarding controlled substances and because cannabis continues to be a controlled substance under U. S. federal law, working in or facilitating the proliferation of the legal marijuana industry in U. S. states where it is deemed legal or in Canada may affect admissibility to the United States. CBP updated its stated policy on October 9, 2018 to clarify that a Canadian citizen coming to the United States for reasons unrelated to the cannabis industry will generally be admissible to the United States. **The value of the Company’ s securities may suffer as a matter of wider trends with respect to the valuation of cannabis industry securities. Cannabis stocks were volatile in 2024 and remain under pressure in early 2025, extending the bear market that began over 4 years ago. The New Cannabis Ventures Global Cannabis Stock Index has dropped over 93 % from the peak 4 years ago. Cannabis stocks, as measured by the Global Cannabis Stock Index, dropped 7.3 % in December. The entire market sentiment has been derailed by the delaying of rescheduling, which may not occur, as well as the challenges of disallowance for tax deductions or credits for expenses and limitations in utilizing national financial institutions. In addition, similar to the Company, many cannabis related businesses have significant debt, as a group, and face significant challenges in paying it off or extending looming deadlines. Marketing in the cannabis industry has always been challenging due to stringent regulations and platform restrictions. Social media giants like Facebook and Instagram continue to enforce strict rules that limit cannabis advertising, pushing brands to seek alternative strategies. Influencer marketing and celebrity endorsements are becoming increasingly important tools for cannabis brands looking to build credibility and reach their target audiences. If our clients prioritize these methods of advertising over the types of advertising opportunities we offer, it may erode our market share and revenues.** We are, and may in the future be, subject to disputes and assertions by third parties that we violate their intellectual property rights. These disputes may be costly to defend and could harm our business and operating results. We ~~currently face, and we~~ expect to face from time to time ~~in the future,~~ allegations that we have violated the rights of third parties, including patent, trademark, copyright and other intellectual property rights. For example, third parties have claimed that we have allegedly violated their trademark rights solely due to our display of third party products bearing an allegedly infringing mark. In the past, we have successfully resolved such claims without litigation. Other claims against us can be expected to be made in the future. Even if the claims are without merit, the costs associated with defending these types of claims may be substantial, both in terms of time, money, and diversion of management attention. In particular, patent and other intellectual property litigation may be protracted and expensive, and the results are difficult to predict and may require us to stop using certain trademarks, discontinue offering certain features, purchase licenses or modify our services and platform features while we develop non- infringing substitutes or may result in significant settlement costs. Though we have two issued U. S. patents, we may be unable to deter competitors or others from pursuing patent or other intellectual property infringement claims against us. The results of litigation and claims to which we may be subject cannot be predicted with certainty. Even if these matters do not result in litigation or are resolved in our favor or without significant cash settlements, these matters, and the time and resources necessary to litigate or resolve them, could harm our business, results or operations and reputation. Some of our solutions contain open source software, which may pose particular risks to our proprietary software and solutions. We use open source software that we have obtained from third parties or is included in software packages in our solutions and will use open source software in the future. Open source software is generally freely accessible, usable and modifiable, and is made available to the general public on an “ as- is ” basis under the terms of a non- negotiable license. From time to time, we may face claims from third parties claiming ownership of, or demanding release of, the open source software and / or derivative works that we developed using such software (which could include our proprietary source code), or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to purchase a costly license or cease offering the implicated solutions unless and until we can re- engineer them to avoid infringement. This re- engineering process could require significant additional research and development resources. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third party commercial software, as open

source licensors generally do not provide warranties or controls on the origin of software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on our business and operating results. Failure to protect or enforce our intellectual property rights could harm our brand, business and results of operations. We seek to protect our trademarks, the source code for our proprietary software, domain names, and other proprietary information under a combination of patent law, trade secrets, copyrights, and trademark law to the extent we determine they are appropriate and cost-effective. We regard the protection of our pending patents, trade secrets, copyrights, trademarks and domain names as critical to our success. In particular, we must maintain, protect and enhance the “Leafly” brand. We pursue the registration of our domain names and core trademarks in the United States and in certain jurisdictions abroad. We strive to protect our intellectual property rights by relying on federal, state and common law rights, as well as contractual restrictions. Federal, state and / or local laws may limit or define the nature of permitted goods and services for which we can seek trademark registration. We typically enter into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with parties with whom we conduct business in order to limit access to, and disclosure and use of, our proprietary information. However, these contractual arrangements and the other steps we have taken to protect our intellectual property may not prevent the misappropriation or disclosure of our proprietary information nor deter independent development of similar technologies by others. Effective patent, trade secret, copyright, trademark and domain name protection is expensive to develop and maintain, both in terms of initial and ongoing registration requirements and expenses and the costs of defending our rights. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our software or to obtain and use information that we regard as proprietary. Policing unauthorized use of our software is difficult, and we are unable to determine the extent to which piracy of our software exists or will occur in the future. Litigation may be necessary in the future to enforce our intellectual property rights, protect our trade secrets, determine the validity and scope of the proprietary rights of others or defend against claims of infringement or invalidity. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect our business and operating results. Furthermore, our efforts to enforce our intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property rights or alleging that we infringe the counterclaimant’s own intellectual property. These steps may be inadequate to protect our intellectual property. Third parties may challenge the validity or ownership of our intellectual property, and these challenges could cause us to lose our rights, in whole or in part, to such intellectual property or narrow its scope such that it no longer provides meaningful protection. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our services and platform features and use information that we regard as proprietary to create services and platform features that compete with ours. Some of our terms of use provisions protecting against unauthorized use, copying, transfer and disclosure of our applications may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States. To the extent we expand our international activities, our exposure to unauthorized copying, transfer and use of our brand, software, and proprietary technology or information may increase. Additionally, with the advent, adoption, and integration of artificial intelligence initiatives in the cannabis industry, protecting and enforcing our intellectual property rights may be more challenging and more costly. Artificial intelligence enables users to engage in category-based scraping of data types such as text, images, and videos and to efficiently categorize, classify, interpret, and analyze data. There can be no assurance that our means of protecting our proprietary rights will be adequate or that our competitors will not independently develop similar technology. If we fail to meaningfully protect our intellectual property, our business, brands, operating results and financial condition may be harmed. We may be unable to continue to use our existing domain names, or prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. We have registered domain names for websites that we use in our business, such as Leafly.com. If we lose the ability to use a domain name, whether due to trademark claims, failure to renew the applicable registration, or any other cause, we may be forced to market our products under a new domain name, which could cause us substantial harm, or to incur significant expense in order to purchase rights to the domain name in question. In addition, our competitors and others could attempt to capitalize on our brand recognition by using domain names similar to ours. Domain names similar to ours have been registered by third parties in the United States and elsewhere. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. Protecting and enforcing our rights in our domain names may require litigation, which could result in substantial costs and diversion of management’s attention.

**Our failure From January 1, 2024 until March 25, 2024, Leafly was out of compliance with the Nasdaq Stock Market LLC (“Nasdaq”) Listing Rule 5605 (c) (2) (A) (the “Audit Committee Rule”), which requires our Board of Directors’ (the “Board”) Audit Committee to be composed of at least three independent members. On January 3, 2024, we received a letter from the Nasdaq’s Listing Qualifications Staff (the “Staff”) confirming Leafly’s noncompliance with the Audit Committee Rule and providing Leafly with a cure period to regain compliance (i) until the earlier of Leafly’s next annual meeting of stockholders or January 2, 2025; or (ii) if the next annual meeting of stockholders is held before July 1, 2024, no later than July 1, 2024. On March 25, 2024, the Board appointed two new independent directors, Jeffrey Monat and Andres Nannetti, to the Board and to the Board’s Audit Committee. As a result, on April 1, 2024, the Company received written notice from the Staff confirming that the Company regained compliance with the continued listing Audit Committee Rule and this matter is now closed. On April 9, 2024, the Company received a letter from the Staff (the “Notice”) notifying the Company that it no longer complies with Nasdaq’s requirements of the contained in Nasdaq Capital Market could result in a delisting Listing Rule 5550 for companies of our Common Stock. Our common stock and public warrants are currently traded on the Nasdaq Capital Market (the “Capital**

Market”) . If we continue to remain out of compliance with the Capital Market’s continued listing standards and Nasdaq’s rules governing composition of a listed company’s audit committee, the Nasdaq may take steps to delist our common stock and warrants. We previously have been out of compliance with other Nasdaq listing standards, discussed below, and our securities would have been subject to delisting by Nasdaq if we had not timely cured the deficiencies we were then experiencing. If our securities are delisted from Nasdaq, such action would likely have a negative effect on the price of our common stock and would impair your ability to sell or purchase our common stock when you wish to do so. Nasdaq Listing Rule 5550 requires a Company **company** listed on the Capital Market to continuously meet at least one of the following requirements set forth in Nasdaq Listing Rule 5550 (b) (the “ Continued Listing Standards ”): Continued Listing Standard Requirement **Leafly’s Position as of December 31, 2023** “ Stockholders’ Equity ” Minimum \$ 2. 5 million Negative \$ 12. 5 million “ Market Value of Listed Securities ” Minimum \$ 35 million \$ 10. 8 million “ Net Income ” Minimum \$ 500 thousand from continuing operations – most recent fiscal year or in two of three of last three fiscal years Loss of \$ 9. 5 million As shown above **confirmed by the Notice**, we do **the Company did** not currently comply with **meet any of** the Continued Listing Standards , and we expect to receive a notification from Nasdaq<sup>2</sup>. **The Notice had no immediate effect on the listing of the Company’s Listing Qualifications Staff (common stock or warrants, and its common stock and warrants continued to trade on the Capital Market under the symbols “ Staff LFLY ” ) confirming our noncompliance and “ LFLYW ,” respectively . As set forth in the Notice, Within within 45 calendar days from the date of receiving the Notice Staff’s notification, we will have the Company had** the right to submit to Nasdaq a plan to regain compliance with Nasdaq<sup>2</sup>’s Stockholders<sup>2</sup>’ Equity and / or Market Value of Listed Securities standards, and the Staff may grant us an extension of up to 180 calendar days from the date **of the Notice** this Annual Report is filed for us to evidence compliance. **As** To comply with the Stockholders’ Equity standard, the value of Leafly’s stockholders’ equity must exceed \$ 2. 5 million on or before the end of any extension we may receive from the Staff. To comply with the Market Value of Listed Securities standard, the total market value of Leafly’s listed securities, calculated as Leafly’s total shares outstanding multiplied by the daily closing bid price, must be \$ 35 million or more for a minimum of 10 consecutive business days at any time before the end of any extension we may receive from the Staff. We can give no assurances that the Staff will grant us an extension or, even if the Staff grants us an extension, that we will be given the full 180 calendar days or that we will be able to comply with the Continued Listing Standards. If we do not comply with the Continued Listing Standards prior to the expiration of any extension that may be granted by the Staff, or if the Staff declines to grant an extension after reviewing our compliance plan submission, or if we do not submit a compliance plan after receiving the Staff’s notification, the Nasdaq Listing Rules require the Staff to provide **provided in** written notification to us that our securities will be delisted, subject to the right to appeal any such delisting determination to a Hearings Panel. In addition, from January 1, 2024 until March 25, 2024, Leafly was out of compliance with Nasdaq Listing Rule 5605 **5810** (c) (2) ( **A-D** ) (the “ Audit Committee Rule ”), **which the Staff will not accept a compliance plan for deficiencies in net income from continuing operations since compliance requires our Board-stated levels of net income during completed fiscal years and therefore it can only be demonstrated through audited financial statements. On May 24, 2024, the Company submitted a proposed plan of compliance to Nasdaq showing how it intends to regain compliance with the Stockholders’ s Audit Committee to be composed of at least Equity standard, and subsequently, upon request by Nasdaq, three-- the independent members Company provided updates on its progress under the proposed plan . On January 3-October 4 , 2024, we-the Company** received a **plan denial** letter (the “ Notice ”) from the Staff confirming Leafly’s noncompliance with the Audit Committee Rule and providing Leafly with a cure period to regain compliance (i) until the earlier of Leafly’s next annual meeting of stockholders or January 2, 2025; or (ii) if the next annual meeting of stockholders is held before July 1, 2024, then Leafly must evidence compliance no later than July 1, 2024 (the “ Cure Period ”). The Notice did not immediately affect the listing **delisting determination** of Leafly’s common stock or warrants, and its common stock and warrants continue to trade on Nasdaq. On March 25, 2024, the Board appointed two new independent directors, Jeffrey Monat and Andres Nannetti, to the Board and to the Board’s Audit Committee. As a result, on April 1, 2024, the Company received written notice from the Staff confirming that the Company regained compliance with the Audit Committee Rule and this matter is now closed. On October 28, 2022, we received a letter from the Staff indicating that we no longer complied with the \$ 50 million in market value of listed securities standard for continued listing on the Nasdaq Global Market under Nasdaq Listing Rule 5450 (b) (2) (A) and that we also did not comply with either of the two alternative standards of Listing Rule 5450 (b), the equity standard and the total assets and total revenue standard. On April 19, 2023, Nasdaq approved our application to transfer the listing of our common stock and warrants from the Nasdaq Global Market to the Capital Market, effective April 21, 2023, on the basis that we complied with the Net Income standard for the Capital Market under Nasdaq Listing Rule 5550 (b) (3). The transfer of the listing resolved the October 28, 2022 noncompliance notification. On November 2, 2022, we received a letter from the Staff indicating that we did not meet the requirement to maintain a minimum bid price of \$ 1 per share, which is imposed by Nasdaq Listing Rule 5450 (a) (1) for continued listing on the Nasdaq Global Market and by Nasdaq Listing Rule 5550 (a) (2) for continued listing on the Capital Market (the “ Bid Price Requirement ”) and that we had until May 1, 2023 to regain compliance. On May 2, 2023, as a result of not regaining compliance with the Bid Price Requirement, we received a letter from Nasdaq notifying us that the Company’s common stock would be subject to delisting from Nasdaq unless we timely requested a hearing before a Nasdaq Hearings- **Hearing** Panel ( the “ Panel ”) and submitted a plan of compliance. **The Panel hearing** We submitted a Plan, which was approved by **held on December 5, 2024. On January 15, 2025, the Company received written notification (the “ Delisting Notice ”) from Nasdaq that the Panel has determined**, giving us until October 30, 2023 to **delist** regain compliance with the Bid Price Requirement. On September 12, 2023, we implemented a one- for- twenty reverse split of the Company’s common stock and warrants and suspend trading of the securities at the open of trading on January 17, 2025. In connection with the Panel’s decision, the Company filed a Form 25 on March 12, 2025 with the Securities and Exchange Commission ( see, Note 11 the “ SEC ”) in accordance with Rule 12d2- 2 promulgated under the Securities Exchange Act of 1934 , as

amended. As a result of the suspension in trading and expected delisting, the Company's common stock and warrants began trading publicly on September 29, 2023 on the OTC Pink Open Market under its existing symbols "LFLY" and "LFLYW" respectively. Trading of our common stock and warrants on the OTC Pink Open Market will be much more limited than the market available on Nasdaq. This may result in further decreases in the publicly traded value of our common stock. The OTC Pink Open Market is a significantly more limited market than the Nasdaq, and we received formal notice and quotation on the OTC Pink Open Market will likely result in a less liquid market for existing and potential holders of the Company's common stock and warrants to trade such securities and could further depress the trading price of the common stock and warrants. Furthermore, trading in shares quoted on an OTC Markets Group trading platform is often thin and characterized by volatility in trading prices. This volatility may be caused by a variety of factors, including the lack of readily available price quotations, the absence of consistent administrative supervision of bid and ask quotations, lower trading volume, and market conditions. As a result, there may be wide fluctuations in the market price of the shares of our common stock for reasons unrelated to operating performance, and this volatility, when it occurs, may have a negative effect on the market price for our securities. Moreover, the OTC Markets Group is not a national stock exchange, and trading of securities on one of its trading platforms is often more sporadic than the trading of securities listed on a national quotation system or stock exchange. The Company can provide no assurance that its common stock and warrants will continue to trade on this market, whether broker-dealers will continue to provide public quotes of the its common stock and warrants on this market, or whether the trading volume of its common stock and warrants will be sufficient to provide for an efficient trading market for existing and potential holders of its common stock and warrants. The delisting of our common stock and warrants from Nasdaq, and any suspension of reporting obligations we may pursue, may result in defaults under our contractual obligations. The Company is party to a number of agreements, including pursuant to the 2022 Notes, pursuant to which it has contractual covenants that it remains in compliance with the Bid Price Requirement, would continue to be listed and traded on the Capital Market and the listing matter was closed. If we are delisted from the Capital Market, it is unlikely we would qualify for listing on another national securities exchange in the United States and trading of our common stock maintain active registration statements with respect to certain of our restricted securities. Upon the termination of our Registration Statement on Form S-3, the Company may become out of compliance with such covenants. Such breach, if not cured or waived by holders of such securities, could result in litigation and, with respect to the 2022 Notes, could result in an acceleration of principal amount of the 2022 Notes. If management determines to take the Company private in order to save significant costs associated with operating as a public company, additional breaches under these agreements may occur, resulting in additional potential litigation. Any of the foregoing would materially likely take place on an over-the-counter market established for unlisted securities, such as the OTCQX, the OTCQB or the Pink Market maintained by OTC Markets Group Inc. We cannot assure you that our common stock and / or warrants, if delisted from Nasdaq, will ever be listed on another securities exchange or quoted on an over-the-counter quotation system. An investor would likely find it less convenient to sell, or to obtain accurate quotations in seeking to buy, our common stock on an over-the-counter market, and many investors would likely not buy or sell our common stock due to difficulty in accessing over-the-counter markets, policies preventing them from trading in securities not listed on a national exchange or other reasons. Accordingly, delisting from the Capital Market could make trading our common stock more difficult for investors, likely leading to declines in our share price, trading volume and liquidity. Delisting from Nasdaq could also result in negative publicity and make it more difficult for us to raise additional capital. The absence of such a listing may adversely affect the Company's business acceptance of our common stock as transaction consideration or the value accorded our common stock by other parties. Further, financial condition if we are delisted, we would also incur additional costs under state blue sky laws in connection with any sales of our securities. These requirements could severely limit the market liquidity of our common stock and results the ability of operations our stockholders to sell our common stock in the secondary market. If our common stock is delisted, it may come within the definition of "penny stock" as defined in the Exchange Act and would be covered by Rule 15c-9 of the Exchange Act. That Rule imposes additional sales practice requirements on broker-dealers who sell securities to persons other than established customers and accredited investors which may further limit the market liquidity of our common stock and the ability of our stockholders to sell our common stock in the secondary market. The regulations relating to penny stocks, coupled with the typically higher cost per trade to the investor of penny stocks due to factors such as broker commissions generally representing a higher percentage of the price of a penny stock than of a higher-priced stock, would further limit the ability of investors to trade in our common stock. We will continue to incur increased costs and obligations as a result of being a public company. As a publicly traded company, we are incurring and will continue to incur significant legal, accounting and other expenses. In addition, new and changing laws, regulations and standards relating to corporate governance and public disclosure, including the Dodd Frank Wall Street Reform and Consumer Protection Act and the rules and regulations promulgated and to be promulgated thereunder, as well as under the Sarbanes-Oxley Act, the Jumpstart Our Business Startups Act ("JOBS Act"), and the rules and regulations of the SEC and the Nasdaq have created uncertainty for public companies and increased the costs and the time that our board of directors and management must devote to complying with these rules and regulations. We expect these rules and regulations to increase our legal and financial compliance costs and lead to a diversion of management time and attention from revenue generating activities. Furthermore, the resources we have deployed to establish and continue to develop the corporate infrastructure required to meet the obligations of a public company have diverted and will continue to divert management's attention from strategic endeavors, which could prevent us from improving our business, results of operations and financial condition. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a publicly traded company. However, the measures we take may not be sufficient to satisfy our obligations as a

publicly traded company. **Given the foregoing burdens, management is considering taking actions in order for the Company to terminate the registration of its securities under the Exchange Act and suspend its public reporting obligations.** As a public company, we are required to comply with certain SEC, Nasdaq and other legal or regulatory requirements. In particular, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act and any rules promulgated thereunder, as well as the rules of Nasdaq. The requirements of these laws, regulations and rules, including new and changing laws, regulations and rules relating to corporate governance and public disclosure, increase our legal and financial compliance costs, make some activities more difficult, time- consuming or costly and increase demand on our systems and resources. Those laws, regulations or rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws, regulations or rules, as interpreted and applied, could have a material adverse effect on our business and results of operations. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls for financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight are required, and, as a result, management' s attention may be diverted from other business concerns. These rules and regulations can also make it more difficult for us to attract and retain qualified independent members of our board of directors. Additionally, these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance. We may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. The increased costs of compliance with public company reporting requirements and our potential failure to satisfy these requirements could have a material adverse effect on our operations, business, financial condition or results of operations. **If we fail to establish and maintain proper and effective Effective internal control over financial December 31, 2024, the Company is no longer an " Emerging Growth Company " and as such may face additional** reporting or otherwise fail to establish and maintain an effective system of controls, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting, the trading price of our common stock could decline, and we could be subject to heightened regulatory scrutiny. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls for financial reporting. In 2022, we began our implementation of Sarbanes- Oxley and continue to assess and further develop our internal controls and procedures. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet the applicable regulatory standards, significant resources and management oversight are required. To comply with the Sarbanes- Oxley Act, the requirements of being a reporting company under the Securities Exchange Act of 1934 and any complex accounting rules in the future, **thereby increasing its** we will continue to make upgrades to our information technology systems, implement additional financial and management controls, reporting burdens systems and procedures, and hire additional accounting and finance staff. **Since inception,** We also continue to engage outside consultants to assist in complying with these **the Company met the** requirements. Our management does not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all potential errors and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. For example, in 2020, prior to becoming **being** a public company, a material weakness..... Once we no longer qualify as an **emerging Emerging growth Growth company Company,** an attestation of the independent..... qualify as an **emerging growth company** as defined in Section 2 (a) (19) of the Securities Act, as modified by the JOBS Act, as of the closing of the Business Combination. **Emerging Growth Companies** As such, we are eligible for and intend to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not emerging growth companies for as long as **we-they** continue to be an emerging growth company, including, but not limited to, (a) not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes- Oxley Act, (b) reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and (c) exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. **The Company was eligible** As a result, our stockholders may not have access to certain information they may deem important. We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which the market value of our common stock that is held by non- affiliates exceeds \$ 700 million as of June 30 of that fiscal year, (ii) the last day of the fiscal year in which we have total annual gross revenue of \$ 1. 23 billion or more during such fiscal year (as indexed for inflation), (iii) the date on which we have issued more than \$ 1 billion in non- convertible debt in the prior three- year period or (iv) **December 31, 2024,** which is the last day of the fiscal year following the fifth anniversary of the date of the first sale of common stock in Merida' s initial public offering. **We cannot predict whether investors will find our securities less attractive because The fifth anniversary of the date of the first sale of common stock in Merida' s initial public offering occurred in 2019,** we rely on these exemptions. If some investors find our securities less attractive as a result of our reliance on these exemptions, the trading prices of our securities may be lower than they otherwise would be, there may be a less active trading market for our securities and the trading prices of our securities may be more volatile. Further, Section 102 (b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non- **no longer** emerging growth companies but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an **emerging growth company** **effective December 31, 2024** can adopt the new or revised standard at the time private companies adopt the

new or revised standard. This means that we may no longer be eligible to use certain reduced reporting requirements, though many may make comparison of our financial statements with another public company. The reduced reporting requirements may continue to apply to us as a "smaller reporting company" which is neither. To the extent we do incur additional disclosure obligations however because we are no longer an "emerging growth company" nor an "emerging growth," we may face increased burdens associated with our status as a public reporting company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used. If As an emerging growth company, we may also take advantage were to terminate the registration of certain exemptions from various our Common Stock and Warrants, and suspend our reporting obligations, under the Exchange Act, we will no longer be subject to any reporting requirements under the Exchange Act or the rules applicable to SEC reporting companies. This would mean, among other things: • We will, therefore, cease to file annual, quarterly, current, and other reports and documents with the SEC, and stockholders will cease to receive annual reports and proxy statements. • We will no longer be subject to the provisions of the Sarbanes-Oxley Act and other requirements applicable to a public company, including those required by the listing standards of a national stock exchange. • Our officers, directors and 10 % stockholders will no longer be subject to the reporting requirements of Section 16 of the Exchange Act or be subject to the prohibitions against retaining short-swing profits in our shares of common stock. Persons acquiring 5 % of our common stock will no longer be required to report their beneficial ownership under the Exchange Act. • We will have no ability to access the public capital markets or to use public securities in attracting and retaining executives and other employees, and we will have a decreased ability to use our stock as a form of consideration to acquire other companies. • We will no longer have access to publicly filed audited financial statements, information about executive compensation and other information about us and our business, operations and financial performance. Under these conditions, you may receive limited information about the Company and there may be little to no market available for your shares. If we fail to establish and maintain proper and effective internal control over financial reporting or otherwise fail to establish and maintain an effective system of controls, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting, the trading price of our common stock could decline, and we could be subject to heightened regulatory scrutiny. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal controls for financial reporting. In 2022, we began our implementation of Sarbanes-Oxley and continue to assess and further develop our internal controls and procedures. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet the applicable regulatory standards, significant resources and management oversight are applicable to required. To comply with other-- the public Sarbanes-Oxley Act, the requirements of being a reporting companies company under the Exchange Act and any complex accounting rules in the future, we will continue to make upgrades to our information technology systems, implement additional financial and management controls, reporting systems and procedures, and hire additional accounting and finance staff. We also continue to engage outside consultants to assist in complying with these requirements. Our management does not expect that our disclosure controls are not emerging growth companies including, but not limited to, not being required to obtain an and procedures and assessment of the effectiveness of our internal controls over financial reporting from system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. For example, in 2020, prior to becoming a public company, a material weakness was identified in our internal controls over financial reporting, which was fully remediated in 2021. The actions we took remediated the material weakness and strengthened our internal control over financial reporting; however, there can be no guarantee that we will not experience flaws in our internal controls and procedures in the future. The effectiveness of our internal control over financial reporting is subject to various inherent limitations, including cost limitations, judgments used in decision making, assumptions about the likelihood of future events, the possibility of human error, and the risk of fraud. We cannot assure you that the measures we have taken to date and may take in the future will be sufficient to prevent or avoid potential future material weaknesses. We are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. Once we no longer qualify as our - or avoid potential future material weaknesses. We are required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. Once we no longer qualify as an "emerging growth company," an attestation of the independent registered public accounting firm pursuant to Section 404 of will also be required. The rules governing the Sarbanes-Oxley Act standards that must be met for management to assess internal control over financial reporting are complex and require significant documentation, reduced disclosure obligations regarding executive compensation in testing and possible remediation. It is possible that control deficiencies could be identified by our management our- or periodic by our independent registered public accounting firm in the future or may occur without being identified. Any failure to maintain an adequate system of internal controls and internal control over financial reporting could severely inhibit our ability to accurately reports- report and proxy statements our financial condition, results and exemptions from the requirements of holding operations or cash flows. Such a failure could result in regulatory scrutiny by Nasdaq, the SEC or other regulatory authorities, cause nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. If some investors find to lose confidence in our shares reported financial results, cause the market price of our common stock less to decline, lead to a default under our current or future indebtedness and otherwise have a material adverse effect on our business, financial condition, cash flows, or results of operations. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets. We operate in a rapidly changing and competitive industry and our projections will be subject to the risks and assumptions made by management with respect to our industry and business. Operating results are difficult to

forecast because they generally depend on a number of factors, including the competition we face, and our ability to attract and retain customers, deliver new products and services and expand market share. Additionally, our business may be affected by reductions in trading activity, loss of customers, lack of new products, competition, regulation and a number of factors which may be difficult to predict. This may result in decreased revenue levels, and we may be unable to adopt measures in a timely manner to compensate for any unexpected shortfall in income. This inability could cause our operating results in a given quarter to be higher or lower than expected. These factors make creating accurate forecasts and budgets challenging and, as a result, **we may fall materially short of our forecasts and expectations, which could cause our stock price to decline and investors to lose confidence in us. We qualify as a “smaller reporting company” within the meaning of the Securities Act, and if we take advantage of certain exemptions from disclosure requirements available to smaller reporting companies, our securities may be a less active attractive to investors market for our shares of common stock and it could our share price may be more volatile difficult to compare our performance to the performance of other public companies.** We Additionally, we are a “smaller reporting company” as defined in Item 10 (f) (1) of Regulation S- K. Smaller reporting companies may take advantage of certain reduced disclosure obligations, including, among other things, providing only two years of audited financial statements. We expect that we will remain a smaller reporting company until the last day of any fiscal year for so long as either (a) the market value of our common stock held by non- affiliates does not equal or exceed \$ 250 million as of the prior June 30th, or (b) our annual revenues did not equal or exceed \$ 100 million during such completed fiscal year and the market value of our common stock held by non- affiliates did not equal or exceed \$ 700 million as of the prior June 30th. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other public companies difficult or impossible . **In addition, we may also take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not smaller reporting companies including, but not limited to, not being required to obtain an assessment of the effectiveness of our internal controls over financial reporting from our independent registered public accounting firm pursuant to Section 404 of the Sarbanes- Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. If some investors find our shares of common stock less attractive as a result, there may be a less active market for our shares of common stock and our share price may be more volatile.** The market price of our common stock fluctuates and may continue to fluctuate significantly in response to numerous factors and may continue to fluctuate for these and other reasons, many of which are beyond our control, including: • actual or anticipated fluctuations in our revenue and results of operations; • the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections; • failure of securities analysts to maintain coverage of us, changes in financial estimates or ratings by any securities analysts who follow us or our failure to meet these estimates or the expectations of investors; • announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, results of operations or capital commitments; • changes in operating performance and stock market valuations of other retail or technology companies generally, or those in the cannabis industry in particular; • price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole; • the overall performance of the cannabis industry, including the decline in investments in the industry; • trading volume of our common stock; • the inclusion, exclusion or removal of our common stock from any indices; • changes in our board of directors or management; • transactions in our common stock by directors, officers, affiliates and other major investors; • lawsuits threatened or filed against us; • changes in laws or regulations applicable to our business; • changes in our capital structure, such as future issuances of debt or equity securities; • short sales, hedging and other derivative transactions involving our common stock; • general economic conditions in the United States; • pandemics or other public health crises, including, but not limited to, the COVID- 19 pandemic (including possible additional variants); • other events or factors, including those resulting from war, incidents of terrorism or responses to these events; and • the other factors described in this “ Risk Factors ” section. The stock market has recently experienced extreme price and volume fluctuations. The market prices of securities of companies have experienced fluctuations that often have been unrelated or disproportionate to their operating results. In the past, stockholders have sometimes instituted securities class action litigation against companies following periods of volatility in the market price of their securities. Any similar litigation against us could result in substantial costs, divert management’ s attention and resources, and harm our business, financial condition, and results of operations. Our stock price may be exposed to additional risks because our business became a public company through a “ de- SPAC ” transaction. There has been increased focus by government agencies on transactions such as the Business Combination, and we expect that increased focus to continue, and we may be subject to increased scrutiny by the SEC and other government agencies and holders of our securities as a result, which could adversely affect the price of our common stock. **While our common stock and warrants were previously listed on Nasdaq, our common stock and warrants were delisted from Nasdaq upon the open of trading on January 17, 2025.** Our common stock is listed now traded on Nasdaq the OTC Pink Open Market under the symbol “ LFLY ” and trades “ LFLYW ”, respectively. **The OTC Pink Open Market is a significantly more limited market than the Nasdaq, and quotation on that the OTC Pink Open Market will likely result in a less liquid market for existing and others potential holders of the Company’ s common stock and warrants to trade such securities and could further depress the trading price of the common stock and warrants. If we were to suspend our reporting obligations under the Exchange Act, trading in our securities could decrease even further.** We cannot assure you that an active trading market for our common stock will be sustained or that our common stock will be listed continued to be traded on the **OTC Pink Open Market** Nasdaq or another national securities exchange or quoted on an over- the- counter quotation system. Accordingly, we cannot assure you of the liquidity of any trading market, your ability to sell your shares of our common stock when desired or the prices that you may obtain for your shares. If our existing stockholders sell or indicate an intention to sell substantial

amounts of our common stock in the public market, the trading price of our common stock could decline. In addition, shares underlying any outstanding options and restricted stock units will become eligible for sale if exercised or settled, as applicable, and to the extent permitted by the provisions of various vesting agreements and Rule 144 of the Securities Act. **All the shares of common stock subject to stock options outstanding** **While effective March 12, 2025, we terminated our registration statements under Form S- 3** **and reserved for issuance** **Form S- 8 under the Securities Act, all the equity awards previously issued** under our equity incentive plans **are were** registered on Form S- 8 under the Securities Act and such shares are eligible for sale in the public markets, subject to Rule 144 limitations applicable to affiliates. If these additional shares are sold, or if it is perceived that they will be sold in the public market, the trading price of our common stock could decline. If securities or industry analysts either do not publish research about us or publish inaccurate or unfavorable research about us, our business, or its market, or if they change their recommendations regarding our common stock adversely, the trading price or trading volume of our common stock could decline. The trading market for our common stock is influenced in part by the research and reports that securities or industry analysts may publish about us, our business, our market, or our competitors. If one or more of the analysts initiate research with an unfavorable rating or downgrade our common stock, provide a more favorable recommendation about our competitors, or publish inaccurate or unfavorable research about our business, the trading price of our common stock would likely decline. In addition, securities research analysts publish their own periodic projections for our business. These projections may vary widely and may not accurately predict the results we actually achieve. Our stock price may decline if our actual results do not match the projections of these securities research analysts. If any analyst who covers us were to cease coverage of us or fail to regularly publish reports on us, we could lose visibility in the financial markets, which in turn could cause the trading price or trading volume of our common stock to decline. Our certificate of incorporation and Bylaws contain provisions that could depress the trading price of our common stock by acting to discourage, delay, or prevent a change of control of us or changes in our management that our stockholders may deem advantageous. These provisions include the following: • a classified board of directors so that not all members of our board of directors are elected at one time; • the right of the board of directors to establish the number of directors and fill any vacancies and newly created directorships; • director removal solely for cause; • “blank check” preferred stock that our board of directors could use to implement a stockholder rights plan; • the right of our board of directors to issue our authorized but unissued common stock and preferred stock without stockholder approval; • no ability of our stockholders to call special meetings of stockholders; • no right of our stockholders to act by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders; • limitations on the liability of, and the provision of indemnification to, our director and officers; • the right of the board of directors to make, alter, or repeal our bylaws; and • advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. In addition, we will continue to be subject to Section 203 of the DGCL. Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder for a period of three years following the date such person becomes an interested stockholder, unless the business combination or the transaction in which such person becomes an interested stockholder is approved in a prescribed manner. Generally, a “business combination” includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. Generally, an “interested stockholder” is a person that, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15 % or more of a corporation’s voting stock. The existence of this provision may have an anti- takeover effect with respect to transactions not approved in advance by our board of directors and the anti- takeover effect includes discouraging attempts that might result in a premium over the market price for the shares of our common stock. Any provision of our certificate of incorporation or Bylaws that has the effect of delaying or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock, and could also affect the price that some investors are willing to pay for our common stock. Our Bylaws provide that the Court of Chancery of the State of Delaware will be the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our Bylaws provide that the Court of Chancery of the State of Delaware is the exclusive forum for any derivative action or proceeding brought on our behalf, any action asserting a breach of fiduciary duty, any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our certificate of incorporation or Bylaws or any action asserting a claim against us that is governed by the internal affairs doctrine. These choice of forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees and may discourage these types of lawsuits. This provision would not apply to claims brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our Bylaws provide further that, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, Section 22 of the Securities Act provides that federal and state courts have concurrent jurisdiction over lawsuits brought under the Securities Act or the rules and regulations thereunder. To the extent the exclusive forum provision restricts the courts in which claims arising under the Securities Act may be brought, there is uncertainty as to whether a court would enforce such a provision. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Furthermore, the enforceability of similar choice of forum provisions in other companies’ certificates of incorporation has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find the exclusive- forum provision contained in our Bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business. We do

not intend to pay dividends for the foreseeable future. We currently intend to retain any future earnings to finance the operation and expansion of our business and we do not expect to declare or pay any dividends in the foreseeable future. Moreover, the terms of our outstanding convertible notes restrict our ability to pay dividends, and any additional debt we or any of our subsidiaries may incur in the future may include similar restrictions. As a result, stockholders must rely on sales of their common stock after price appreciation as the only way to realize any future gains on their investment. As of December 31, 2023, we had options outstanding to purchase up to an aggregate of 121,114, 427,923 shares of our common stock, unvested restricted stock units ("RSUs") totaling 209,111, 946,183 shares, convertible notes outstanding which may convert into 124,121, 808,201 shares of our common stock, 81,260 shares of our common stock held by the holders of Merida Holdings, LLC (the "Sponsor") shares prior to Merida's initial public offering that are subject to earn-out conditions, and Warrants outstanding to purchase 522,549 shares of our common stock. As of January 1, 2023-2025, we also had the ability to issue up to 225,270, 144,436 shares of common stock under the 2021 Plan and 59 to issue up to an aggregate of 300, 304,000 shares of common stock to former Leafly shareholders per the Merger Agreement and to Participants under the Earn-Out Plan. As of January 1, 2024, we also had the ability to issue up to 77,637 shares of common stock under the Employee Stock Purchase Plan ("ESPP"), but and to issue up to an aggregate of 300,000 shares of common stock to former Leafly shareholders per the Board terminated Merger Agreement and to Participants under the Earn-Out Plan. ESPP effective February 1, 2025. We may issue additional shares of common stock or other equity securities of equal or senior rank in the future in connection with, among other things, the termination and suspension of our reporting obligations, future acquisitions or repayment of outstanding indebtedness, without stockholder approval, in a number of circumstances. Our issuance of additional shares of common stock or other equity securities of equal or senior rank would have the following effects: • Our existing stockholders' proportionate ownership interest in us will decrease; • the amount of cash available per share, including for payment of dividends (if any) in the future, may decrease; • the relative voting strength of each previously outstanding share of common stock may be diminished; and • the market price of our shares of common stock may decline. The Board has the authority to issue preferred stock without stockholder approval. Any such preferred stock, if issued, may impact your voting or economic rights with respect to the Common Stock. Under our Articles of Incorporation, as amended, the Leafly Board is authorized, subject to limitations prescribed by the law of the State of Delaware, to issue up to 5,000,000 shares Leafly Preferred Stock from time to time in one or more series. The Leafly Board is authorized to establish the number of shares to be included in each such series and to fix the voting rights, if any, designations, powers, preferences and relative, participating, optional, special and other rights, if any, and any qualifications, limitations and restrictions thereof, applicable to the shares of each series. The Leafly Board is able, without stockholder approval, to issue Leafly Preferred Stock with voting and other rights that could adversely affect the voting power and other rights of the holders of the Leafly Common Stock and could have anti-takeover effects. The ability of the Leafly Board to issue Leafly Preferred Stock without stockholder approval could have the effect of delaying, deferring or preventing a change of control of Leafly or the removal of existing management. In particular, the Company may issue preferred stock with enhanced voting rights in order to help facilitate the Company's ability to suspend its reporting obligations under the Exchange Act. Each Public Warrant entitles the holder to purchase 0.05 shares of common stock at an exercise price of \$ 230.00 per whole share. Public Warrants may only be exercised for a whole number of shares. No fractional shares will be issued upon exercise of the Public Warrants. There is no guarantee that the Warrants will ever be in the money prior to their expiration on February 4, 2027, and as such, the Warrants may expire worthless. We may not have the ability to raise the funds necessary to repurchase the convertible notes upon a fundamental change or repay the convertible notes in cash at their maturity, and our future debt may contain limitations on our ability to pay cash upon redemption or repurchase of the convertible notes. Holders of the convertible notes have the right under the terms of the convertible notes to require us to repurchase all or a portion of their convertible notes upon the occurrence of a fundamental change before the applicable maturity date at a repurchase price equal to 100% of the principal amount of such convertible notes to be repurchased plus accrued and unpaid interest to, but not including, the repurchase date. Moreover, we will be required to repay the convertible notes in cash at their maturity, unless earlier converted, redeemed or repurchased. At December 31, 2024, we had \$ 29.4 million of 2022 Notes (Note 9) which were scheduled to mature on January 31, 2025 and were modified on January 15, 2025 (Note 18) and extended to July 1, 2025, contingent upon a 12.5% reduction in principal that was paid on January 21, 2025. Based on its current liquidity position the Company would not be able to repay the 2022 Notes when due. In addition, as noted above, the Company has experienced revenue declines, incurred recurring operating losses, used cash from operations, and relied on the capital raised in the Business Combination to continue ongoing operations. In order to pay amounts due on July 1, 2025, we will likely need to raise additional funds, through equity or debt financings, or a refinancing of the 2022 Notes. We cannot predict the terms of any such financing. Either our inability to pay the 2022 Notes, or the terms which may accompany any additional fundraising or refinancing, may materially impact the value of our common stock. We may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of such convertible notes surrendered or pay cash with respect to the accrued and unpaid interest on such convertible notes being converted. Our In addition, our ability to repurchase, redeem or to pay the accrued and unpaid interest in cash upon conversion of convertible notes may be limited by law, regulatory authority, or agreements governing our future indebtedness. Our failure to repurchase the convertible notes at a time when the repurchase is required by terms of the convertible notes or to pay the accrued and unpaid interest in cash upon conversion of such convertible notes as required by the terms of the convertible notes would constitute a default under such convertible notes. A default under the convertible notes or the fundamental change itself could also lead to a default under agreements governing our future indebtedness. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the interest on such indebtedness and repurchase the convertible notes or to pay accrued and unpaid interest in cash upon conversion of the

convertible notes. **On January 15, 2025, the Company entered into an amendment (the “ Amendment ”) to the terms of the Note Purchase Agreement (Note 10), relating to the 2022 Notes. Concurrently with the Amendment, the Company entered into an amended and restated note (the “ Amended and Restated Note ”) for the 2022 Notes. The Amendment and the Amended and Restated Note, among other things, (i) extended the maturity date of the 2022 Notes from January 31, 2025 to July 1, 2025 and (ii) added certain financial maintenance covenants. In addition, the Company agreed to pay down 12.5 % of the outstanding principal of the Notes and all accrued and unpaid interest on the Notes since the last interest payment date on July 31, 2024 (Note 18). In connection with the Amendment, the Company granted the holders of the Notes a security interest in the Company’ s assets as collateral to secure the Company’ s obligations underlying the 2022 Notes, subject to certain exceptions and limitations. If we become in default under**

We may still incur substantially more debt or take other actions that would diminish our ability to make payments on the convertible notes when due. As disclosed above in “ — Operational Risks, ” there is substantial doubt about our ability to continue as a going concern and if adequate capital is not available to us when needed, or in the amounts required, we may be forced to terminate, significantly curtail or cease our operations or to pursue other strategic alternatives, including bankruptcy. We and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments. We are subject to certain restrictions under the terms of the convertible notes, including limitations regarding incurring future indebtedness, subject to specific allowances in the convertible notes. However, we will not be restricted from recapitalizing our debt or taking a number of other actions that are not limited by the terms of the convertible notes that could have the effect of diminishing our ability to make payments on the convertible notes when due. Our indebtedness could adversely affect our financial health and prevent us from fulfilling our obligations under our debt instruments and executing on our business plan. As of December 31, 2023-2024, our total ~~long-term~~ debt was approximately \$ 29.14 million, representing the \$ 29.74 million principal of new convertible notes net of associated debt issuance costs. Our indebtedness could have important consequences on our current and potential investors. These risks include: • inability to satisfy our obligations with respect to our debt instruments; • inability to make borrowings to fund future working capital, capital expenditures and strategic opportunities, including acquisitions, further organic development of our business and expansions into adjacent businesses, and other general corporate requirements; • limits on our distributions to stockholders; • limits on future borrowings under our existing or future credit arrangements, which could affect our ability to pay our indebtedness or to fund our other liquidity needs; • inability to generate sufficient funds to cover required interest payments; • restrictions on our ability to refinance our indebtedness on commercially reasonable terms; • limits on our flexibility in planning for, or reacting to, changes in our business and the cannabis industry; and • inability to adjust to adverse economic conditions that could place us at a disadvantage to our competitors with less debt and who, therefore, may be able to take advantage of opportunities that our indebtedness prevents us from pursuing. We are subject to risks associated with debt financing, including the risk that our cash flow could be insufficient to meet required payments on our debt. In particular, if as a result of macroeconomic conditions our revenues, cash flows and / or EBITDA continue to decline or we incur additional indebtedness, we may be unable to make required payments on our debt or to satisfy the financial and other covenants contained in the convertible notes. Restrictive debt covenants may limit our ability to pursue our growth strategy. The convertible notes contain covenants restricting or limiting our ability to, among other things: • incur additional indebtedness; • pay dividends or make other restricted payments; • make certain investments; • create or permit liens; • enter into mergers; and • sell, transfer or exchange assets. These restrictions may adversely affect our ability to pursue our growth strategy. Negative publicity could adversely affect our reputation and brand. Negative publicity about our company, including our technology, sales practices, executive management and other personnel or customer service, or the cannabis industry more generally, could diminish confidence in and the use of our services. Our reputation and brand, the traffic to our website and mobile application, and our business may suffer if consumer sentiment towards our platform and services, or the cannabis industry more generally, turns negative. In addition, our website and mobile application publish opinion pieces and serve as platforms for expression by our users, and third parties or the public at large may attribute the political or other sentiments expressed on our platform to us, which could harm our reputation. Our business depends in part on a strong brand, and any failure to maintain, protect and enhance our brand would hurt our ability to retain or expand our base of users, suppliers and partners, or our ability to increase their level of engagement. We have developed a strong brand that we believe has contributed significantly to the success of our business. Maintaining, protecting and enhancing the “ Leafly ” brand is critical to expanding our base of users, suppliers and partners and increasing their engagement with our solutions, and will depend largely on our ability to maintain consumer trust in our service offerings and in the quality and integrity of the user content and other information found on our website and mobile application. Other factors affecting our brand recognition and reputation that we have the ability to influence include the following: • the efficacy of our marketing efforts; • our ability to maintain a high- quality, innovative, and error- and bug- free platform; • our ability to maintain high satisfaction among suppliers and consumers; • the quality and perceived value of our platform; • successful implementation and development of new features, including alternative revenue streams; • our ability to obtain, maintain and enforce trademarks and other indicia of origin that are valuable to our brand; • our ability to successfully differentiate our platform from competitors’ products; • our compliance with laws and regulations, including those applicable to any political action committees that we may choose to support and to any lobbying activities we may undertake; • our ability to provide support to our customers and suppliers; • our ability to continue championing social justice, equity, and inclusion efforts; and • any actual or perceived data breach or data loss, or misuse or perceived misuse of our platform. In addition, our brand recognition and reputation may be affected by factors that are outside our control, such as: • actions of competitors or other third parties; • the quality and timeliness of our suppliers’ order processing businesses; • consumers’ experiences with suppliers or products identified through our platform; • positive or negative publicity, including with respect to events or activities attributed to us, our employees, partners or others associated with any of these parties; • health, safety, or medical events involving cannabis products or hemp- derived products, whether or not attributed to us; • interruptions, delays or cyber-

attacks on our platform; and • litigation or regulatory developments. Damage to our reputation and loss of brand equity from one or more of the factors listed above may reduce demand for our platform and have a material 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 rely on the performance of highly skilled personnel, and if we are unable to attract, retain and motivate well-qualified employees and contractors, our business could be harmed. We believe our success has depended, and continues to depend, on the efforts and talents of our employees, including our leadership team, software engineers, legal, finance, marketing professionals, sales staff and contractors. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees and contractors. Qualified individuals are in high demand, in particular software engineers, and we may incur significant costs to attract them. Our industry may pose additional challenges to attracting qualified individuals. In addition, the loss of any of our senior management or key employees could adversely affect our ability to execute our business plan, and we may not be able to find adequate replacements. All of our officers and other U. S. employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We cannot ensure that we will be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees and contractors or retaining and motivating existing employees and contractors, our business could be materially harmed. If our security measures are compromised, or if our platform is subject to attacks that degrade or deny the ability of users to access our content, users may curtail or stop use of our platform. Like all online services, our platform is vulnerable to computer viruses, break-ins, phishing attacks, attempts to overload our servers with denial-of-service or other attacks and similar disruptions from unauthorized use of our computer systems, any of which could lead to interruptions, delays, or website shutdowns, causing loss of critical data or the unauthorized disclosure or use of personally identifiable or other confidential information. If we experience compromises to our security that result in performance or availability problems, the complete shutdown of our website, or the loss or unauthorized disclosure of confidential information, our users or advertising partners may lose trust and confidence in us, and decrease the use of our platform or stop using our platform in its entirety. Moreover, we could be required or otherwise find it appropriate to expend significant capital and other resources to respond to, notify third parties of, or otherwise address the incident or breach and its root cause. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently, and often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, we may be unable to proactively address these techniques or to implement adequate preventative measures. Any or all of these issues could negatively impact our ability to attract new users or deter current users from returning and increasing engagement and traffic, cause existing or potential suppliers and advertising partners to cancel their contracts or subject us to third party lawsuits, regulatory fines or other action or liability, thereby harming our results of operations. Our cash holdings could be materially, adversely affected if the financial institutions in which we hold our cash fail. We maintain cash deposits in accounts at financial institutions in the U. S. and Canada. At times, our deposits in U. S. or Canadian financial institutions may exceed the amount of insurance provided on such deposits by the FDIC, the National Credit Union Administration (“ NCUA ”), or the Canada Deposit Insurance Corporation (“ CDIC ”), as applicable. If one or more of the financial institutions in which we hold cash deposits fails, we could lose all or a portion of our uninsured cash balances. If access to our cash accounts in the future is impaired, whether temporarily or otherwise, we may be unable to pay our operational expenses such as payroll or make other payments. For example, in 2023, Silicon Valley Bank and Signature Bank were shut down and went into receivership. We did not have a banking relationship with either of these banks. If other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, including the financial institutions in which we or our customers hold cash, our and our customers’ ability to access existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition. If our customers lose access to their cash accounts in the future, their ability to pay us for our products and services may be materially impacted, which could also have a material adverse impact on our business and financial condition. The impact of macroeconomic conditions in the United States and Canada, including the resulting effect on advertising and marketing spending by cannabis retail and brands businesses, may adversely affect our business, operating results and financial condition. Our performance is subject to macroeconomic conditions and, particularly, their impact on levels of advertising spend by cannabis businesses, which are largely small and medium-sized businesses, and which may be disproportionately affected by economic downturns. In addition, our business may be directly affected by business cycles and other factors affecting the healthcare industry, due to the uses or potential uses of cannabis in the healthcare industry. To the extent that macroeconomic conditions in the United States and Canada (or other factors affecting the healthcare industry) materially deteriorate, our existing and potential customers may no longer consider investment in our advertising and marketing solutions a necessity, or may elect to reduce advertising and marketing budgets. Historically, economic downturns have resulted in overall reductions in advertising and marketing spending, although this was generally not the case during the economic downturn in 2020- 2021 related to the COVID- 19 pandemic. However, we experienced lower payment collection rates during the same period. In 2023, the cannabis industry was negatively impacted by macroeconomic conditions, including a sudden and significant decrease of investment in cannabis businesses and continued price deflation that began in 2022. These and other conditions resulted in financial hardship for certain cannabis businesses including a significant number of our paying brand and retailer customers, triggering higher than expected drops in revenues and immediate reductions in their marketing budgets. In turn, we experienced higher than expected rates of customer churn, bad debt expense and collection efforts in 2023-2024, manifesting in a 30-15% decline in ending retail accounts for the year ended December 31, 2023-2024 compared to the year ended December 31, 2022-2023. If we cannot replace these accounts or if our customers continue to struggle financially or do not remain viable, our ability to generate new revenue, maintain existing revenue or collect on outstanding receivables could be

adversely impacted, which could have a material adverse impact on our financial condition and results of operations. In addition, even if our existing and potential customers have sufficient budgets, our web- based advertising and marketing solutions may be viewed by them as a lower priority and could cause them to reduce the amounts they spend on advertising, terminate their use of our advertising solutions or default on their payment obligations to us. In addition, economic conditions may adversely impact levels of consumer spending, which could adversely impact the numbers of consumers visiting our platform who convert to paying customers of our suppliers. Consumer purchases of discretionary items generally decline during recessionary periods and other periods in which disposable income is adversely affected. During times of economic hardship, if consumers do not convert to paying customers of our supplier at the rates they expect, our suppliers may be even more likely to decline to use our advertising and marketing solutions, which could have a material adverse effect on our financial condition and results of operations. Our business is subject to the risks of earthquakes, fires, floods, droughts, climate change, crop failure due to weather or other factors, water shortages, epidemics, pandemics and other natural catastrophic events and to interruption by man- made problems such as computer viruses or terrorism. Our systems and operations are vulnerable to damage or interruption from earthquakes, fires, floods, droughts, climate change, water shortages, epidemics, pandemics, power losses, telecommunications failures, terrorist attacks, acts of war, human errors, break- ins and similar events. For example, a significant natural disaster, such as an earthquake, fire or flood, could have a material adverse impact on our business, operating results and financial condition, and our insurance coverage may be insufficient to compensate us for losses that may occur. Our U. S. corporate operations are located in the Seattle area, a region known for seismic activity. In addition, acts of terrorism or civil unrest could cause disruptions in our or our suppliers' businesses or the economy as a whole. For more information see “ — Operational Risks — We rely upon cloud- based data centers, infrastructure and technologies provided by third parties, and technology systems and electronic networks supplied and managed by third parties, to operate our business, and interruptions or performance problems with these systems, technologies and networks may adversely affect our business and operating results. ” Additionally, our brand and retailer clients rely on agricultural businesses to grow cannabis. As such, our suppliers' businesses, and accordingly our business, are subject to the risks inherent in the agricultural business, including the risk of crop failure presented by weather, insects, plant diseases and similar agricultural risks. Any interruption in the business of cannabis growers due to such risks may have a material adverse effect on our business. ~~Our business, results of operations and financial condition could in the future be materially adversely affected by the COVID- 19~~ **or another pandemic, epidemic or outbreak of a contagious disease could affect Our business, results of operations and financial condition.** COVID- 19 has had ~~, and continues to have,~~ a significant impact around the world, prompting governments and businesses to take unprecedented measures in response. Such measures have included restrictions on travel and business operations, temporary closures of businesses, and quarantine and shelter- in- place orders. The COVID- 19 pandemic has at times significantly curtailed global economic activity and caused significant volatility and disruption in global financial markets. ~~We continue to monitor the situation and take appropriate actions in accordance with the recommendations and requirements of relevant authorities. If another pandemic governmental restrictions remain in place, additional prevention and mitigation measures are implemented in the future, or there is uncertainty about the effectiveness of these or any other measures~~ **public health crisis were** to contain or treat COVID- 19 ~~affect the markets in which we operate~~, there is likely to be an adverse impact on global economic conditions and consumer confidence and spending, which could materially and adversely affect our operations as well as our relationships with suppliers and consumers. For example, during the course of the **COVID- 19** pandemic, some of our suppliers' operations and supply chains were significantly disrupted and caused a temporary significant decrease in activity on our platform. The **potential impact of a pandemic, epidemic or outbreak of a contagious disease, is difficult to predict and could have a material adverse impact on our operations and, in turn, our revenues, business and results of operations and the value of our stock. The** extent to which ~~such a the COVID- 19~~ pandemic may impact our operational and financial performance remains uncertain and will depend on future developments, including the duration, spread and intensity of the pandemic, the emergence of new variants, the development, availability, distribution and effectiveness of vaccines and treatments, and potential governmental and other restrictions resulting therefrom, all of which ~~are~~ **would be** uncertain and difficult to predict considering the constantly evolving landscape. ~~As a result, it is not currently possible to ascertain the overall impact of COVID- 19 on our business. However, if the pandemic continues to persist as a severe worldwide health crisis, our business, results of operations and financial condition may be materially adversely impacted, and it may also have the effect of heightening many of the other risks described in this “ Risk Factors ” section.~~