

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

October 14, 2022
Date of Report (date of earliest event reported)

Leafly Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	001-39119 (Commission File Number)	84-2266022 (I.R.S. Employer Identification Number)
	113 Cherry Street, PMB 88154 Seattle, WA 98104-2205	
	(Address of principal executive offices and zip code)	
	(206) 455-9504	
	(Registrant's telephone number, including area code)	

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$.0001	LFLY	Nasdaq Stock Market, LLC
Warrants, each exercisable for one share of common stock at an exercise price of \$11.50 per share	LFLYW	Nasdaq Stock Market, LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 12b-2 of the Exchange Act.
Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition

On October 18, 2022, Leafly Holdings, Inc. (“Leafly”) issued a press release announcing its preliminary financial results and guidance for the third quarter ended September 30, 2022. The full text of the press release issued in connection with the announcement is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 2.02 and in the accompanying Exhibit 99.1 is being furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in such filing, except as expressly set forth by specific reference in such a filing.

Item 2.05. Costs Associated with Exit or Disposal Activities

On October 18, 2022, the Company committed to a restructuring plan (the “Restructuring Plan”), which is intended to support its strategic plan in an effort to improve operating performance and ensure that the Company is appropriately structured and resourced to deliver sustainable value to its customers and shareholders. Key activities under the Restructuring Plan include a focus on efficiency and cost-saving efforts, which includes decreasing, through attrition and layoffs, total headcount by approximately 56 employees upon the completion of the Restructuring Plan. These activities are expected to be substantially completed by the end of 2022.

The Company currently estimates it will incur cash pre-tax restructuring charges of approximately \$0.5 million, primarily in the fourth quarter of 2022, as a result of the Restructuring Plan, comprised primarily of one-time severance and other employee-related termination benefits. Estimated amounts are subject to change until finalized.

Cautionary Statement Regarding Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the federal securities laws, including statements regarding activities expected to be undertaken and costs expected to be incurred in connection with the Restructuring Plan. These forward-looking statements generally are identified by the words “believe,” “project,” “expect,” “anticipate,” “estimate,” “intend,” “strategy,” “future,” “forecast,” “opportunity,” “outlook,” “plan,” “may,” “should,” “will,” “would,” “will be,” “will continue,” “will likely result,” and similar expressions (including the negative versions of such words or expressions).

Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions as of the date of this report and, as a result, are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in such forward-looking statements.

Many factors could cause actual future events to differ materially from the forward-looking statements in this report, including but not limited to the size, demands and growth potential of the markets for Leafly’s products and services and Leafly’s ability to serve those markets; 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; and the other risks and uncertainties described in the “Risk Factors” section of the Annual Report on Form 10-K filed by Leafly with the SEC on March 31, 2022 and in the other documents filed by Leafly from time to time with the SEC.

These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Leafly assumes no obligation and, except as required by law, does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Leafly does not give any assurance that it will achieve its expectations.

Item 5.02 - Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers

On October 14, 2022, Samuel Martin informed Leafly and its Board of Directors of his resignation from his position as Chief Operating Officer of Leafly. Mr. Martin has agreed to continue in his position during a transition period, and his resignation will be effective on December 31, 2022.

Item 9.01 - Financial Statements and Exhibits

(d): Exhibits:

<u>Exhibit No.</u>	<u>Description</u>
<u>99.1</u>	<u>Press Release dated October 18, 2022</u>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized on this 18th day of October, 2022.

Leafly Holdings, Inc.

By: /s/ Suresh Krishnaswamy

Name: Suresh Krishnaswamy

Title: Chief Financial Officer

Leafly Announces Cost Reductions to Strengthen Financial Profile

2023 annual cash operating costs to be reduced by estimated \$16 million to improve Adjusted EBITDA and cash position

Announces preliminary Q3 2022 financial results and guidance

SEATTLE--(BUSINESS WIRE)-- Today, Leafly (NASDAQ: LFLY), a leading online cannabis information resource and marketplace, announced a headcount reduction of 56 positions – or 21 percent of the company’s workforce through a combination of layoffs and attrition – to ensure its long-term health. The company expects a one-time cash restructuring charge for the layoffs of approximately \$500,000 in Q4 of 2022.

In addition, the company has otherwise realigned its cost structure in response to changing market conditions, resulting in additional expected cost savings, for total expected annual cash savings of approximately \$16 million beginning in 2023, primarily in headcount-related costs. These cost-cutting measures allow the company to prioritize growth opportunities, realign its expense structure, and preserve capital while strengthening its financial position.

“These reductions will help preserve our ability to respond to opportunities as this industry continues to mature and expand, and allow us to more effectively manage our capital,” said Yoko Miyashita, CEO of Leafly. “In addition to cutting costs, we have taken a close look at our structure to ensure we are prioritizing the most meaningful parts of the business. I have a great amount of gratitude for each and every one of our team members who have helped build Leafly into the world-class brand and platform it is today.”

The Company also announced that Sam Martin, Chief Operating Officer, is leaving effective December 31, 2022, after seven years with the company, to pursue the next chapter in his life and to spend more time with his family.

Preliminary Third Quarter 2022 Financial Results and Guidance

The company also issued the following preliminary Q3 2022 revenue results and Adjusted EBITDA guidance:

- Revenue is expected to be approximately \$11.8 million, or approximately 8% year over year growth.
- Adjusted EBITDA loss is expected to be in the range of approximately \$(6.0) million to \$(5.0) million.

Leafly has not provided a quantitative reconciliation of forecasted GAAP net income (loss) to forecasted total Adjusted EBITDA within this communication because it is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence at this time. These items include, but are not limited to: depreciation and amortization expense from new assets; impairments of assets; changes in the valuation of any derivatives; the valuation of, and changes in, grants of equity-based compensation; gains or losses on modification or

extinguishment of debt. These items, which could materially affect the computation of forward-looking GAAP net income (loss), are inherently uncertain and depend on various factors, many of which are outside of Leafly's control. For more information regarding the non-GAAP financial measures discussed in this communication, please see "***Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization (Adjusted EBITDA)***" below.

Company to Announce Third Quarter 2022 Financial Results on November 10, 2022

Full third quarter 2022 financial results will be released after market close on November 10, 2022. The Company will also host a webcast at 1:30 p.m. Pacific Time (4:30 p.m. Eastern Time) to discuss the Company's financial results. The live and archived webcast will be available on the Investor Relations website, <https://investor.leafly.com/>

The live call may also be accessed via telephone at (844) 200-6205 toll-free domestically and at (929) 526-1599 internationally. Please reference conference ID: #029159.

About Leafly

Leafly helps millions of people discover cannabis each year. Our powerful tools help shoppers make informed purchasing decisions and empower cannabis businesses to attract and retain loyal customers through advertising and technology services. Learn more at Leafly.com or download the Leafly mobile app through Apple's App Store or Google Play.

Cautionary Statement Regarding Forward Looking Statements

This document contains certain forward-looking statements within the meaning of the federal securities laws, including statements regarding the services offered by Leafly and the markets in which Leafly operates, business strategies, performance metrics, industry environment, potential growth opportunities, and Leafly's projected future results, financial outlook and expected charges and savings from cost-cutting measures. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "forecast," "opportunity," "outlook," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions (including the negative versions of such words or expressions).

Forward-looking statements are predictions, projections and other statements about future events that are based on current expectations and assumptions as of the date of this release and, as a result, are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in such forward-looking statements.

Many factors could cause actual future events to differ materially from the forward-looking statements in this press release, including but not limited to Leafly's inability to raise sufficient capital to execute its business plan; the size, demands and growth potential of the markets for Leafly's products and services and Leafly's ability to serve those markets; 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 degree of market acceptance and adoption of Leafly's products and services; and the other risks and uncertainties described in the "Risk Factors" section of the Annual Report on Form 10-K filed by Leafly with the SEC on March 31, 2022 and in the other documents filed by Leafly from time to time with the SEC.

These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Leafly assumes no obligation and, except as required by law, does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Leafly does not give any assurance that it will achieve its expectations.

Adjusted Earnings Before Interest, Taxes and Depreciation and Amortization (Adjusted EBITDA)

To provide investors with additional information regarding our financial results, we have provided guidance for Adjusted EBITDA, which is a non-GAAP financial measure that we calculate as net loss before interest, taxes, depreciation and amortization expense, and non-cash, unusual and/or infrequent costs. We provide guidance for Adjusted EBITDA because this metric is a key measure used by our management to evaluate our operating performance, generate future operating plans, and make strategic decisions regarding the allocation of investment capacity. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management.

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

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

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

Media

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Source: Leafly Holdings, Inc.