

**Groundfloor**

# Why Groundfloor is Good for the World

## THE PROBLEM

### ... BANKING.

**Depositors get next to nothing.**

Banks call the shots on who gets funded, at what level, for what uses, and **they take all the profit** – from your money.



# THE WALL STREET JOURNAL.

What's  
News

Business & Finance

## Inflation Speeds to 40-Year High

Price rise of 7.5% tops December's reading as housing and used cars help fuel the surge

what consumers pay for goods and services—reached in January its highest level since February 1982, when compared with the same month a year ago. That put inflation above December's 7% annual rate and

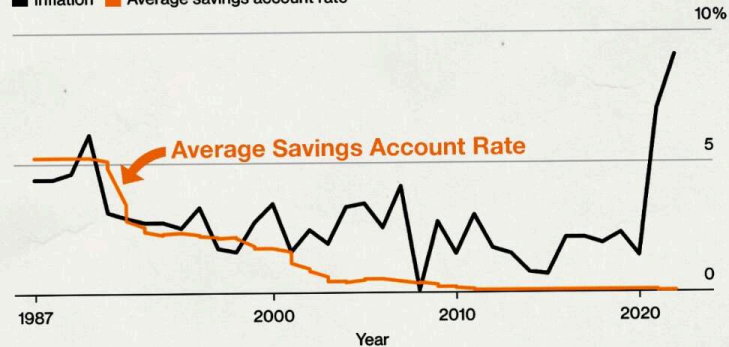
food, vehicles, shelter and electricity. A sharp uptick in housing rental prices—one of the biggest monthly costs for households—contributed to last month's increase. High inflation is the dark

Consumer-price index, change from a year earlier

### No Relief

Savings accounts are doing little to soothe the pain of inflation

■ Inflation ■ Average savings account rate



Sources: Consumer Price Index, Bankrate.com  
2022 data reflects year-to-date values

And inflation is only making matters worse.

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## THE SOLUTION

# Groundfloor

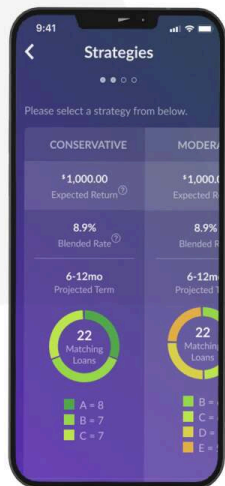
We believe **everyone** should profit from their savings and investments the way banks do.

Our award-winning platform makes earning better returns **safer, easier, and predictable.**



## OUR TWO EXCITING PRODUCTS:

# Groundfloor

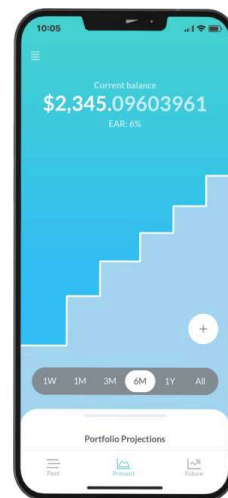


### Low Risk Investing

No maximum balance,  
high-yield, short-term

# Stairs

by GROUND FLOOR



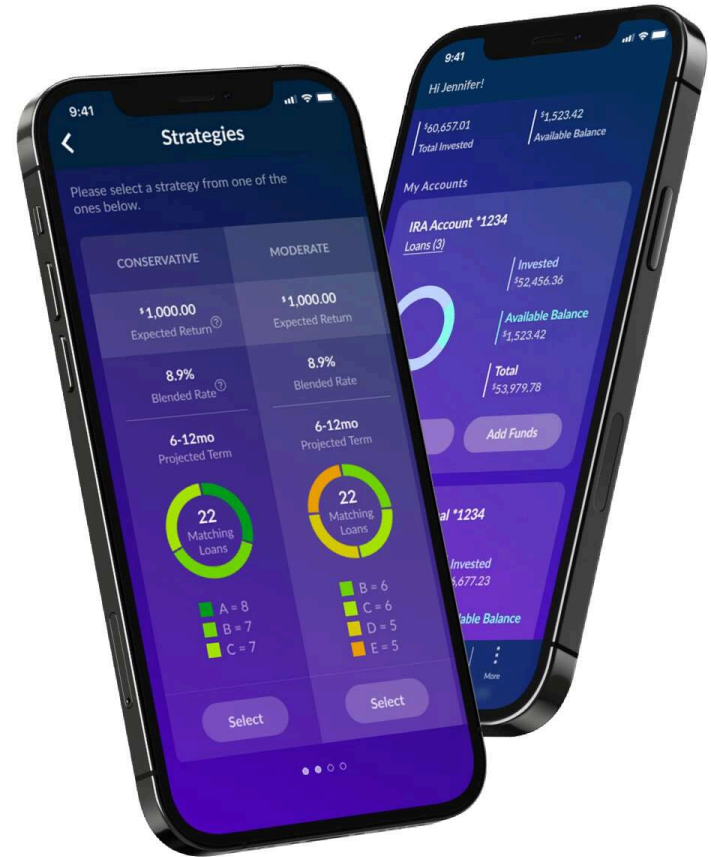
### Savings on Steroids

No minimum balance,  
100% liquidity

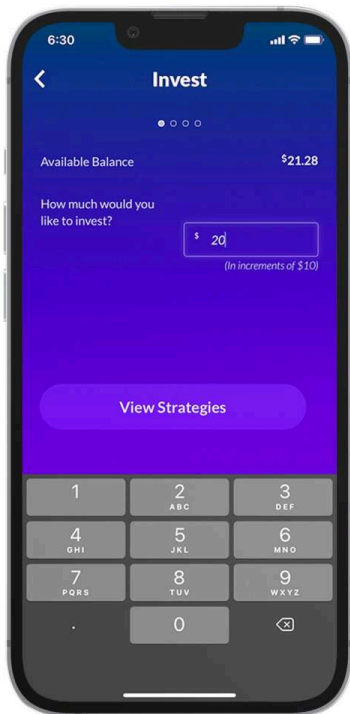
## WHAT GROUND FLOOR OFFERS

# Safe & Stable Investing for Everyone

- ✓ **CONSISTENT 10% RETURNS**
- ✓ **REGULAR CASH FLOW**
- ✓ **NO FEES, EVER**
- ✓ **INVESTMENTS SECURED BY  
REAL ESTATE PROPERTY**



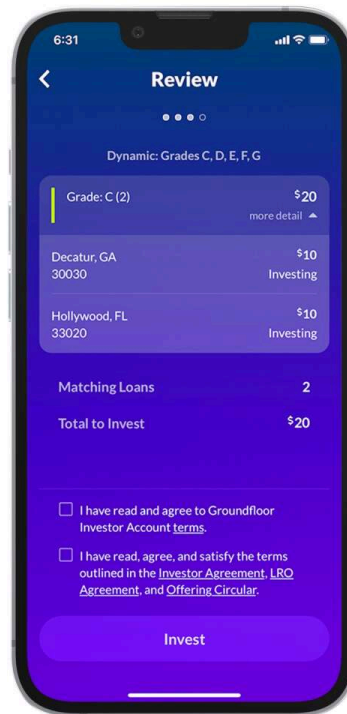
# HOW GROUNDLOOR WORKS



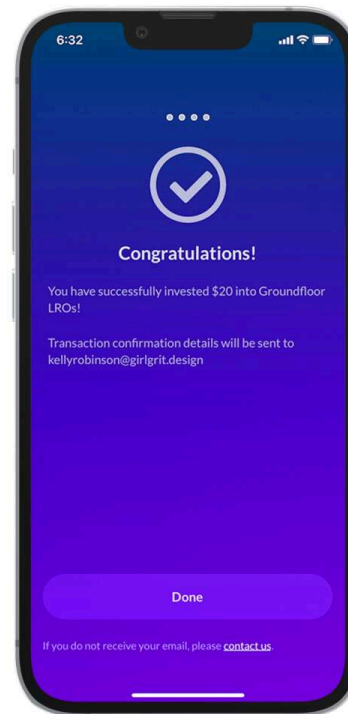
Link a bank account and deposit funds



Determine an investment strategy



Build a portfolio based on your criteria



Generate returns in 9-12 months



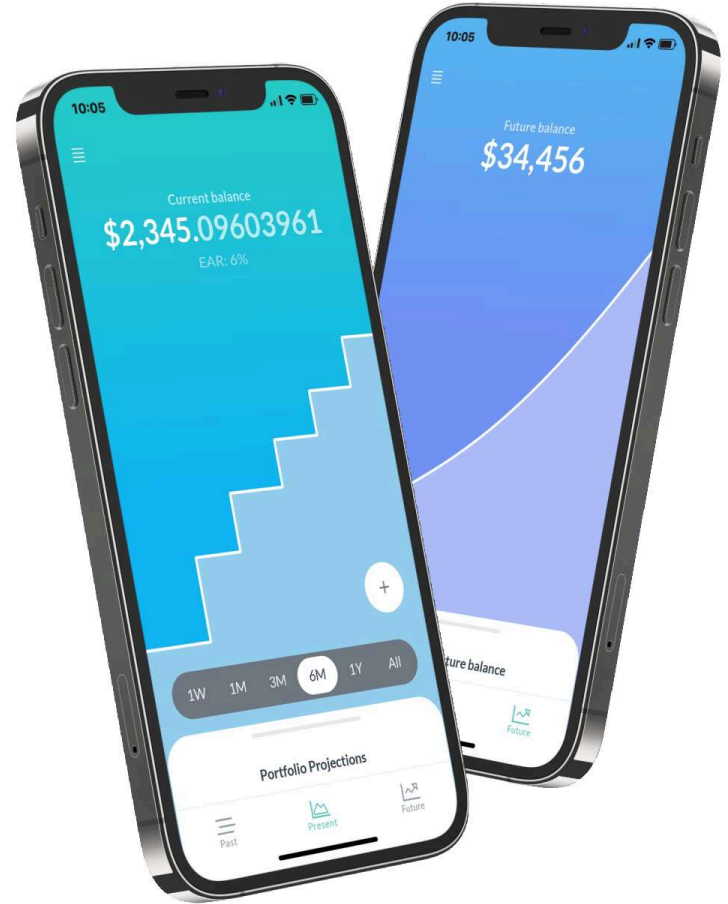
## GROUND FLOOR VS. OTHER INVESTMENTS

	Groundfloor	Bank CDs	Stock Apps	Crypto	Collectibles
ANNUAL INTEREST RATE	10%	0.01-3.0%	✘	varies	0%
NO FEES	✓	✘	varies	✘	✘
SECURITY	residential property	FDIC insured	✘	✘	physical or virtual goods
PRODUCT	debt note	bank interest	stocks, options, funds	coins	SPV
REPAYMENT TERM	continuous	1-72 months	?	??	???

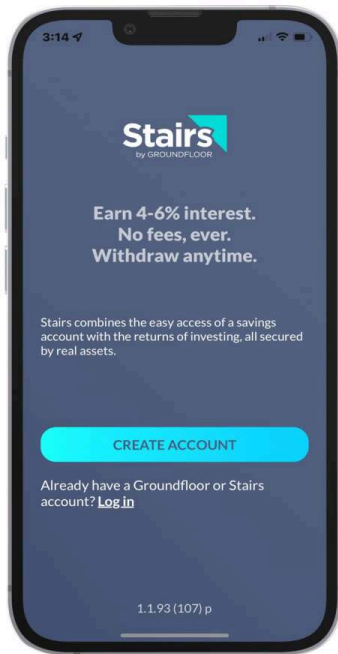
## WHAT STAIRS OFFERS

# A Better Way to Save

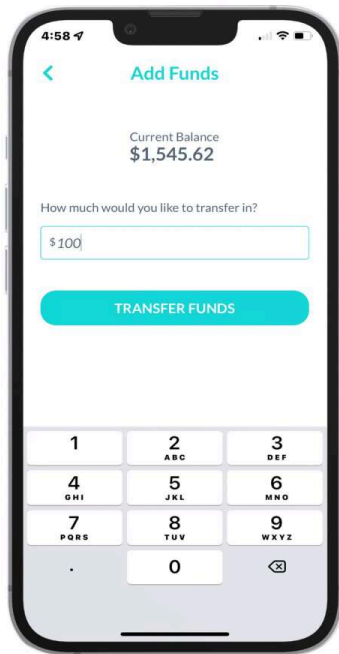
- ✓ **FIXED 4% RATE**
- ✓ **WITHDRAW ANYTIME**
- ✓ **NO FEES, EVER**
- ✓ **INVESTMENTS SECURED BY REAL ESTATE NOTES**



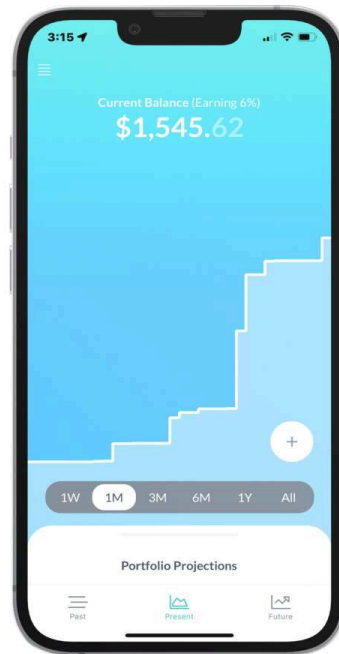
## HOW STAIRS WORKS



Create account








Transfer funds



Earn cash

## SAVING WITH GROUNDLOOR VS. SAVING WITH BANKS

					
ANNUAL PERCENTAGE RATE	4%	0.5%	0.01%	0.01%	0.01%
UNLIMITED WITHDRAWALS	✓	✗	✗	✗	✗
FREE TO USE	✓	✗	✗	✗	✗

## WHAT SETS GROUNDLOOR PRODUCTS APART

### DESIGNED FOR EVERYONE

For anyone who wants to do more with their money – not just accredited investors.

### MINIMAL CONCENTRATION RISK

Continuously diversify across a range of investments for as little as \$10 each.

### SHORT-TERM LIQUIDITY

With recurring investments, portfolios generate cash flow in as little as nine months.

### QUALIFIED BY THE SEC

Each investment opportunity is qualified by the SEC before being offered on the platform.

## ▼ THE ADVANTAGE OF REAL ESTATE DEBT

Groundfloor offers debt investments that **carry less risk** and are backed by secured, collateralized real estate assets in a **first lien position**.



# Why Groundfloor is Good for Shareholders

## UNIQUE, SELF-SUSTAINING BUSINESS MODEL

We provide our own capital  
to real estate developers

1

We offer proprietary  
securities based on  
the underlying asset

2

**UNLIMITED  
GROWTH  
POTENTIAL**

As they invest, our  
capital is replenished

4

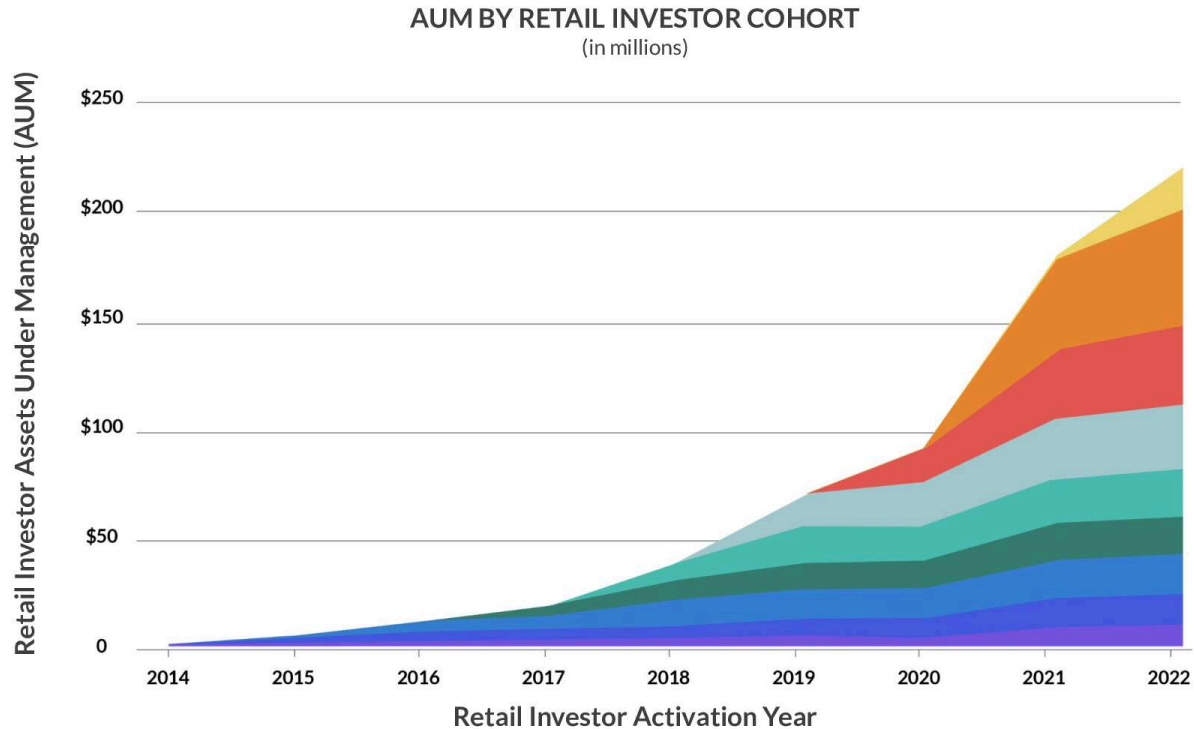
Individuals invest in  
our securities

3



## OUR CUSTOMERS ARE STICKY

The portfolios of our earliest investors **continue to grow** year-over-year

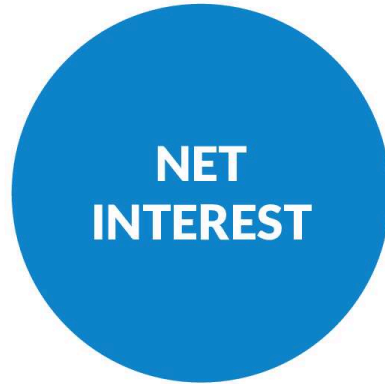


## ▶ MULTIPLE REVENUE STREAMS

For every \$1,000 invested on the Groundfloor platform, we earn an average of **\$66.58** from **three revenue streams**:



Real estate developers pay points and fees



We earn interest on loans until they fund on our platform



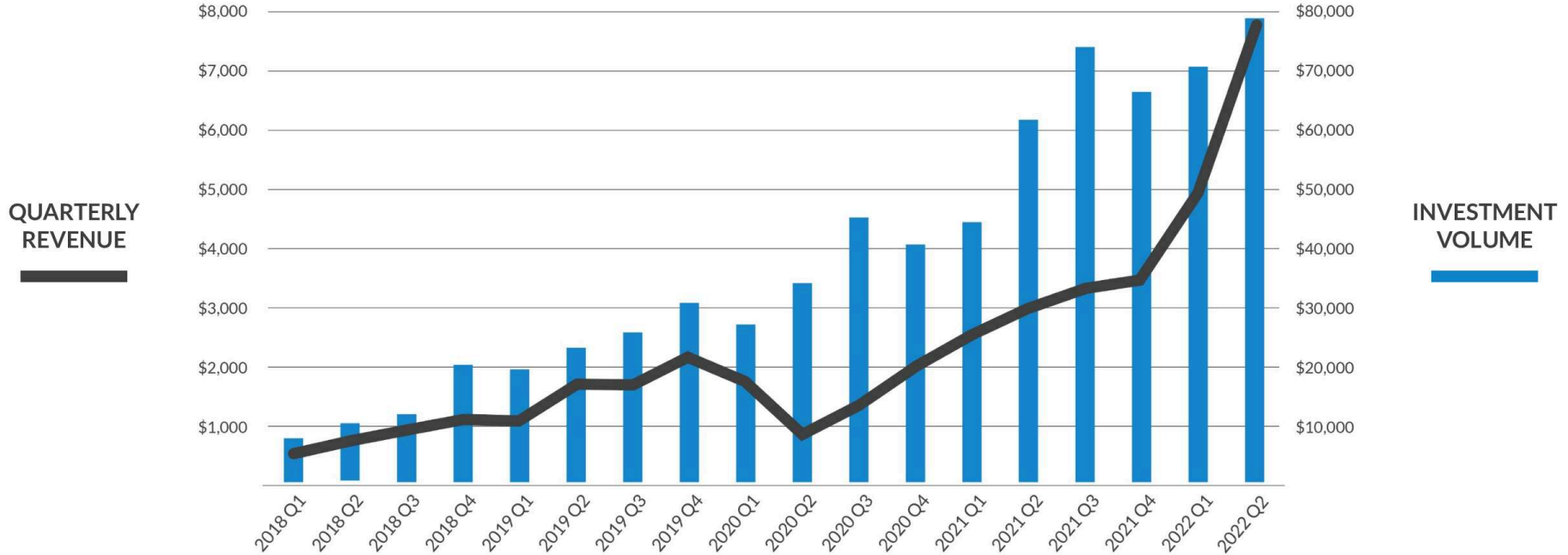
Developers pay servicing fees during the term of their loan

# ▲ GROWTH IS STRONG

Quarterly investment volume has grown consistently, reaching **\$78 million** and supporting **\$7.7 million in revenue\*** in Q2 2022.

QUARTERLY REVENUE AND INVESTMENT VOLUME

(in thousands)



\* Unaudited Non-GAAP Revenue based on quarterly cash receipts per management reports

## ▼ WE WERE BUILT FOR TURBULENT TIMES

### As Housing Prices Decline

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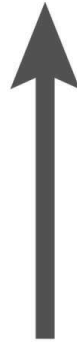
Investors are protected by a first lien on collateral

Borrowers have better buying opportunities

Risk can be controlled by limiting leverage (loan size in relation to collateral)

### As Interest Rates Rise

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Borrowers have fewer competing alternatives to financing with us

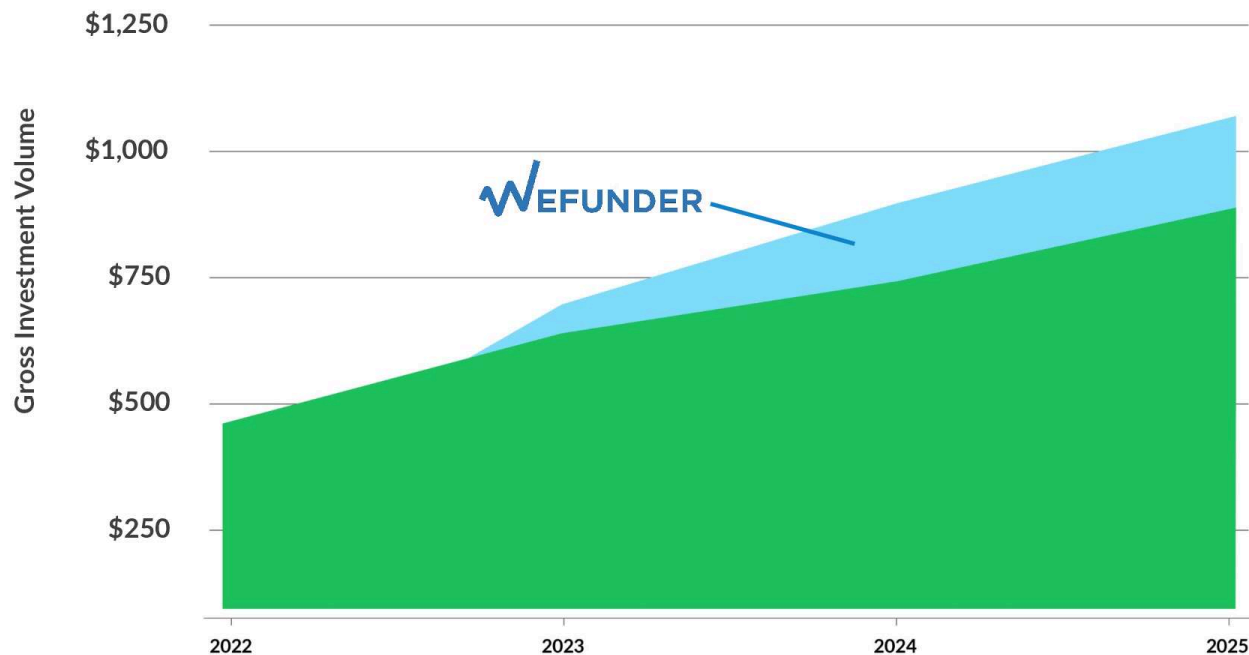
Investors earn higher yields on better terms

Equity capital becomes relatively less expensive

The COVID-19 pandemic proved that capital deployed by a broad base of individual investors is **more resilient, flexible, and powerful** than traditional sources.

# WE'RE RAISING CAPITAL TO PLAY OFFENSE IN 2023

INCREMENTAL GROWTH DRIVEN BY WEFUNDER RAISE  
(in millions)



Incremental growth driven by increased investor acquisition and new products funded via Wefunder capital

Growth projections from current investor base

## ▶ CLEAR PATH TO PROFITABILITY

	historical proforma				projected			
	2018	2019	2020	2021	2022	2023	2024	2025
<b>Net revenue*</b>	\$ 3,325	\$ 7,073	\$ 5,627	\$ 14,049	\$ 23,136	\$ 35,644	\$ 53,463	\$ 80,461
<i>Net revenue growth rate</i>	90.2%	112.7%	-20.4%	149.7%	64.7%	54.1%	50.0%	50.5%
<b>Cost of goods sold</b>	424	780	611	1,363	1,725	2,387	3,225	4,367
Gross profit	2,901	6,293	5,016	12,686	21,411	33,257	50,238	76,094
<b>Operating expense</b>	7,867	9,186	9,021	11,181	25,799	33,717	46,590	65,106
Advertising	700	274	607	2,625	2,443	2,871	3,733	4,853
<b>Net (loss) income</b>	<b>\$(5,666)</b>	<b>\$(3,167)</b>	<b>\$(4,612)</b>	<b>\$(1,120)</b>	<b>\$(6,831)</b>	<b>\$(3,331)</b>	<b>\$(85)</b>	<b>\$6,135</b>
% of net income	n/a	n/a	n/a	n/a	n/a	n/a	n/a	7.62%

\*Non GAAP, \$ in thousands

Without any expansion in revenue multiple, achieving these projections would generate **3-4x share** price appreciation on a Series B-3 investment in three years, by 2025

# ▶ BATTLE-TESTED EXECUTIVE TEAM



**BRIAN DALLY**  
CEO

Co-founded company in  
February 2013



**NICK BHARGAVA**  
EVP Regulatory Affairs

Co-founded company in  
February 2013



**RHONDA HILLS**  
COO

Joined in February 2018



**CHRIS SCHMITT**  
CTO

Joined as employee #1 in August 2013



**BENJAMIN SUTTON**  
SVP of Finance & Strategy

Joined in February 2017



**PATRICK DONOGHUE**  
VP of Risk Management

Joined in April 2016



**CHRIS GARRETT**  
VP of Product

Joined in October 2021



**MEGAN HEANEY**  
Head of People, Projects & Culture

Joined in November 2020

## NOTABLE INVESTORS



**Yair Goldfinger**  
Co-Founder & CEO at  
AppCard



**David Sissman**  
Angel Investor, Professional  
Investor & Portfolio Manager



**Michael Goodman**  
Vice President, Real Estate at  
Capitol Broadcasting Company



**Michael D. Olander Jr.**  
CEO & Chairman at  
MDO Holdings



**John Healy**  
Principal at  
Hyde Street Holdings, LLC



**Bruce Boehm**  
Angel Investor &  
Retired Venture Capitalist



**T.R. Missner**  
VOIP Jedi at  
TextNow



**Lucas Timberlake**  
Co-Founder & General Partner at  
Fintech Ventures Fund



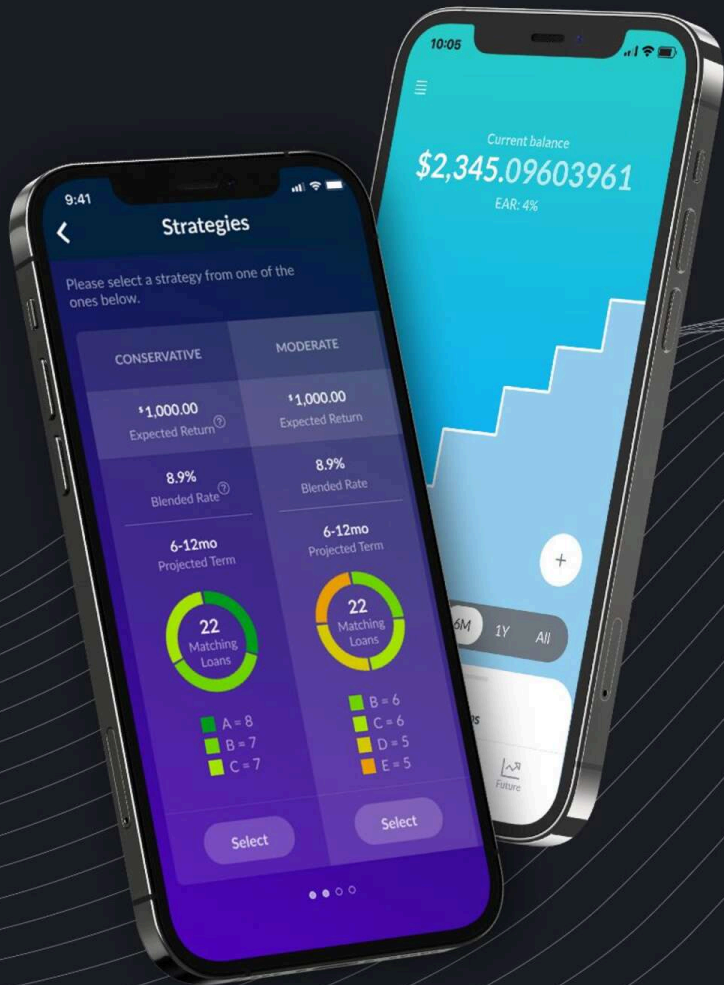
## ▶ WE'RE GAINING MOMENTUM FAST

- ✓ Nearly 200,000 users and growing
- ✓ Over \$800 million invested to date
- ✓ Over 2,000,000 individual investments
- ✓ Covered in hundreds of publications
- ✓ Winner of two dozen industry and innovation awards

Over **6,375 Shareholders** and... growing!

# JOIN US, TODAY!





**Thank you!**