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

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported): July 11, 2022

NERDWALLET, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-40994**	**45-4180440**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

55 Hawthorne St., 11th Floor, San Francisco, CA 94105
(Address of principal executive offices) (Zip code)

(415) 549-8913
(Registrant's telephone number, including area code)

Not Applicable
(Former name or former address, if changed since last report.)

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:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A common stock, $0.0001 par value	NRDS	The Nasdaq Global Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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). ☐

Explanatory Note

This Amendment No. 1 on Form 8-K/A amends the Current Report on Form 8-K filed by NerdWallet, Inc. (the Company) with the Securities and Exchange Commission (the SEC) on July 11, 2022 (the Original Form 8-K), which reported the completion of the Company's acquisition of On the Barrelhead, Inc. (OTB).

In the Original Form 8-K, the Company stated its intention to file the historical financial statements of OTB and the pro forma financial information required by parts (a) and (b) of Item 9.01 of Form 8-K not later than 71 calendar days after the date that the Original Form 8-K was required to be filed with the SEC. Pursuant to the instructions to Item 9.01 of Form 8-K, this Amendment amends the Original Form 8-K solely to provide the required financial information. This Amendment reports no other updates or amendments to the Original Form 8-K. The pro forma financial information included in this Amendment has been presented for informational purposes only, as required by Form 8-K. It does not purport to represent the actual results of operations that the Company and OTB would have achieved had the companies been combined during the periods presented in the pro forma financial information and is not intended to project the future results of operations that the combined company may achieve after completion of the acquisition.

Item 7.01 Regulation FD Disclosure.

Unaudited supplemental non-GAAP pro forma financial measures of the Company and OTB for the three months ended March 31, 2022 and the year ended December 31, 2021 are attached as Exhibit 99.4 to this report and incorporated herein by reference.

The information in this Item 7.01, including Exhibit 99.4 attached hereto, is being furnished, shall not be deemed "filed" for any purpose, and shall not be deemed incorporated by reference into any filing under the Securities Act, as amended or the Securities Exchange Act of 1934, as amended, regardless of any general incorporation language in such filings (unless the Company specifically states that the information or exhibit in this particular report with respect to Item 7.01 are incorporated by reference).

Item 9.01 Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired.

The audited financial statements of OTB as of and for the year ended December 31, 2021 are attached hereto as Exhibit 99.1 and incorporated herein by reference.

The unaudited financial statements of OTB as of March 31, 2022 and for the three months ended March 31, 2022 are attached hereto as Exhibit 99.2 and incorporated herein by reference.

(b) Pro Forma Financial Information.

The unaudited pro forma combined financial statements of the Company as of March 31, 2022 and for the three months ended March 31, 2022 are attached hereto as Exhibit 99.3 and incorporated herein by reference.

(d) Exhibits.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
23.1	Consent of Kurtz Fargo LLP.
99.1	Audited financial statements of On the Barrelhead, Inc. as of and for the year ended December 31, 2021.
99.2	Unaudited financial statements of On the Barrelhead, Inc. as of March 31, 2022 and for the three months ended March 31, 2022.
99.3	Unaudited pro forma combined financial statements of NerdWallet, Inc. as of March 31, 2022 and for the three months ended March 31, 2022 and year ended December 31, 2021.
99.4	Unaudited Supplemental Non-GAAP Pro Forma Financial Measure
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURE

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

NERDWALLET, INC.

Date:	August 17, 2022	By:	/s/ Ekumene M. Lysonge
			Ekumene M. Lysonge
			General Counsel and Corporate Secretary

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-266087, 333-265197 and 333-260853) of NerdWallet, Inc. of our report dated June 28, 2022 relating to the financial statements of On the Barrelhead, Inc., which appears in this Current Report on Form 8-K/A.

/s/ Kurtz Fargo LLP

Boulder, Colorado
August 17, 2022

Exhibit 99.1

ON THE BARRELHEAD, INC.

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2021

Independent Auditor's Report

To the Board of Directors
On the Barrelhead, Inc.

Opinion

We have audited the financial statements of On the Barrelhead, Inc. (the "Company"), which comprise the balance sheet as of December 31, 2021, and the related statements of income, changes in stockholders' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of On the Barrelhead, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

June 28, 2022

ON THE BARRELHEAD, INC.
BALANCE SHEET
DECEMBER 31, 2021

ASSETS

Current Assets		
Cash	$	4,909,095
Accounts receivable		7,293,163
Prepaid expenses and other current assets		2,800
Total Current Assets		12,205,058
Equipment, Net		38,137
Total Assets		12,243,195

LIABILITIES

Current Liabilities		
Accounts payable		4,026,445
Accrued expenses		175,790
Total Current Liabilities		4,202,235
Deferred Income Taxes		1,160,096
Total Liabilities		5,362,331

STOCKHOLDERS' EQUITY

Common Stock, $0.0001 par value; 11,000,000 shares authorized; 9,000,000 shares issues and outstanding		90
Additional Paid In Capital		257,635
Retained Earnings		6,623,139
Total Stockholders' Equity		6,880,864
Total Liabilities and Stockholders' Equity	$	12,243,195

See Accompanying Notes to the Financial Statements

ON THE BARRELHEAD, INC.
STATEMENT OF INCOME
YEAR ENDED DECEMBER 31, 2021

Net Revenues	$	38,056,006
Costs and Expenses:		
Cost of revenue		847,316
General and administrative		6,304,730
Sales and marketing		25,505,421
Research and development		28,151
Total Operating Expenses		32,685,618
Income from Operations		5,370,388
Other Income (Expense)		
Paycheck Protection Program loan forgiveness		517,025
Total Other Income (Expense)		517,025
Net Income Before Income Taxes		5,887,413
Income Tax Expense		(1,276,059)
Net Income	$	4,611,354

See Accompanying Notes to the Financial Statements

ON THE BARRELHEAD, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2021

	Common Stock		Additional Paid In		Total
	Shares	Amount	Capital	Retained Earnings	Stockholders' Equity
Balance, January 1, 2021	9,000,000	$ 90	$ 135,057	$ 2,011,785	$ 2,146,932
Stock-based compensation	—	—	122,578	—	122,578
Net Income	—	—	—	4,611,354	4,611,354
Balance, December 31, 2021	9,000,000	$ 90	$ 257,635	$ 6,623,139	$ 6,880,864

See Accompanying Notes to the Financial Statements

ON THE BARRELHEAD, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities:		
Net income	$	4,611,354
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation		7,750
Stock-based compensation		122,578
Deferred income taxes		987,905
Payment Protection Program loan forgiveness		(517,025)
Decrease (increase) in operating assets:		
Accounts receivable		(4,816,847)
Prepaid expenses and other current assets		2,200
Increase (decrease) in operating liabilities:		
Accounts payable		2,510,082
Accrued expenses		(287,348)
Net cash flows from operating activities		2,620,649
Cash flows from investing activities:		
Investment in equipment		(28,629)
Net cash flows from investing activities		(28,629)
Cash flows from financing activities:		
Proceeds from Payment Protection Program loan		264,225
Net cash flows from financing activities		264,225
Net increase in cash		2,856,245
Cash, beginning of period		2,052,850
Cash, end of period	$	4,909,095
Cash paid for income taxes	$	19,108

See Accompanying Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

Nature of Operations

On the Barrelhead, LLC was organized as a limited liability company in the State of Colorado in October 2017 for the purpose of developing a robo-advisor for consumer debt. It currently operates as a marketing lead generator in certain consumer finance verticals.

In July 2019, the members elected to convert On the Barrelhead, LLC to a corporation, On the Barrelhead, Inc. (the "Company") in the State of Delaware.

Use of Estimates

The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include valuation of the Company's stock, stock options, and deferred tax liability.

Cash

The Company considers all highly liquid investments with original maturities of three months or less, at the time of purchase, to be cash. The Company places its temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Accounts Receivable

The Company grants credit to all qualified customers. Accounts receivable are carried at cost less an allowance for losses, if an allowance is deemed necessary. The Company does not accrue finance or interest charges. On a periodic basis, the Company evaluates its receivables and determines the requirement for an allowance for losses, based on historical write-offs, collections, and current credit conditions. An accounts receivable balance is written off when it is determined that all reasonable collection efforts have been exhausted. The Company has not recorded an allowance for the year ended December 31, 2021.

Equipment

Equipment is stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

Assets	Useful Lives
Office Equipment	5 Years
Computer Equipment	5 Years
Automobile	5 Years

Expenditures for renewals or betterments that materially extend the useful life of an asset or increase its productivity are capitalized in the equipment account. Expenditures for maintenance and repairs that do not extend asset lives or improve productivity are charged to the appropriate expense accounts as incurred. When assets are sold, retired, or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and a gain or loss is recognized.

(1) Summary of Significant Accounting Policies (continued)

Long-lived Assets
The Company evaluates long-lived assets, including equipment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss exists when estimated undiscounted net cash flows expected to be generated by the use of the asset, including eventual disposition, are less than its carrying value. The excess of the asset's carrying value as compared to its estimated fair value would result in the need to recognize an impairment loss. The Company did not identify any events or circumstances that require the recognition of an impairment loss for the year ended December 31, 2021.

Fair Value of Financial Instruments
The Company measures its financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., exit price) in an orderly transaction between market participants at the measurement date. Additionally, companies are required to provide disclosure and categorize assets and liabilities measured at fair value into one of three different levels depending on the assumptions (i.e., inputs) used in the valuation. Level 1 provides the most reliable measure of fair value while Level 3 generally requires significant management judgment. Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The fair value hierarchy is defined as follows:

Level 1—Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2—Valuations are based on quoted prices for similar assets or liabilities in active markets or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.

Level 3—Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate of what market participants would use in valuing the asset or liability at the measurement date.

The carrying amounts of the Company's financial assets and liabilities, such as cash, accounts receivable, prepaid expenses and other assets, accounts payable, and accrued expenses approximate their fair values because of the short maturity of these instruments.

Revenue Recognition
The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") 606. Under ASC 606, an entity recognizes revenue when its customers obtain control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

(1) **Summary of Significant Accounting Policies (continued)**

Revenue Recognition (continued)

Auto Insurance Leads Revenue

The Company recognizes revenue resulting from the sale of auto insurance leads to insurers and insurance aggregators as a single performance obligation, when control transfers, which occurs when the leads are sent and available for use by the customer.

Mortgage, Personal, and Business Loan Leads Revenue

The Company recognizes revenue resulting from the sale of mortgage, personal, and business loan leads to relevant lenders and aggregators as a single performance obligation, when control transfers, which occurs when the leads are sent and available for use by the customer.

Debt Relief Leads Revenue

The Company recognizes revenue resulting from the sale of debt relief leads to debt settlement companies as a single performance obligation, when control transfers, which occurs when the leads are sent and available for use by the customer.

Auto Loan Leads Revenue

The Company recognizes revenue resulting from the sale of auto loan leads to auto loan lenders and aggregators as a single performance obligation, when control transfers, which occurs when the leads are sent and available for use by the customer.

Data Management Revenue

The Company sells consumer credit data to a marketing agency who utilizes credit data for strategic advertising decisions and recognizes revenue when control transfers based upon the terms of the profit share agreement with the marketing agency.

Decline Revenue

The Company sells consumer credit information that has been declined from obtaining a personal loan to companies in the financial services industry offering alternative products. Revenue is recognized as a single performance obligation when control transfers, which occurs when the leads are sent and available for use by the customer.

Direct to Form Revenue

The Company acts as an agent to a customer, whereby the Company routes online consumer traffic to the customer's online loan application. The Company does not control the services prior to delivery. The Company incurs third-party marketing costs on behalf the customer. Revenue is recognized net of these costs, equal to the amount retained for the Company's fees per lead.

The nature of the Company's contractual arrangements do have variable consideration, such as discounts, and are cancelable. The Company historically has had no other obligations affecting the recognized transaction price. Revenue is presented net of sales and other taxes collected on behalf of governmental authorities.

(1) Summary of Significant Accounting Policies (continued)

Income Taxes
Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently payable and deferred taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis.

A valuation allowance is provided when it is more likely than not that some portion of a deferred tax asset will not be realized. The Company determines valuation allowances based on all available evidence. Such evidence includes historical results, the reversal of deferred tax liabilities, expectations of future profitability and the feasibility of tax-planning strategies. Determining valuation allowances includes significant judgment by management, and different judgments could yield different results.

Accounting for uncertain tax positions requires a more likely than not threshold for recognition in the financial statements. The Company recognizes a tax benefit based on whether it is more likely than not that a tax position will be sustained. The Company records a liability to the extent that a tax position taken or expected to be taken on a tax return exceeds the amount recognized in the financial statements.

Lease Commitment
The Company recognizes rent expense for its office space on a straight-line basis over the term of the related lease.

Research and Development
Software development costs are expensed as incurred until technological feasibility has been established, at which time such costs are capitalized until the product is available for general release or use. To date, the Company's software has been available for general release or use concurrent with the establishment of technological feasibility, and accordingly, no development costs have been capitalized.

Cost of Revenue
Amounts recorded as cost of revenue relate to direct expenses incurred with the delivery of the Company's service. Cost of revenue consists of expenses incurred for software to host the company's platform, third-party customer service contractors, and third-party credit checks utilized to make lead data deliverable to customers.

Stock-Based Compensation
The measurement and recognition of compensation cost for all stock-based payment awards made to employees and non-employees is based on the fair value of the award. Accordingly, the Company recognizes stock-based compensation costs for only those shares expected to vest on a straight-line basis over the requisite service period of the award for each separate vesting portion of the award. The Company recognizes stock option forfeitures as incurred. Stock-based compensation expense is recorded in the statement of income as a general and administrative expense.

(1) Summary of Significant Accounting Policies (continued)

Advertising
The Company incurs advertising costs through general marketing activities, as well as through marketing activities performed as an agent for a customer. For the year ended December 31, 2021, the Company incurred $25,505,421 in general marketing activities, which was charged directly to sales and marketing as incurred, and $14,326,816 in advertising costs acting as an agent, which is presented net against the Company's Direct-To-Form revenue stream.

Recently Issued Accounting Pronouncements
In February 2016, the FASB issued ASU 2016-02, Leases (ASC 842). The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification for fiscal years beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statement, with certain practical expedients available.

(2) Equipment, Net

Equipment consists of the following:

		December 31, 2021
Cost:		
Office equipment	$	25,769
Computer equipment		12,190
Automobile		12,000
Total cost		49,959
Less accumulated depreciation		(11,822)
Equipment, net	$	38,137

Total depreciation charged to operations was $7,750 for the year ended December 31, 2021.

(3) Paycheck Protection Program Loan

In April 2020, the Company received a loan in the amount of $252,800 under the U.S. Small Business Administration ("SBA") Paycheck Protection Program ("PPP"). The Paycheck Protection Program is a loan program created by Section 1102 of the Coronavirus Aid, Relief, and Economic Security Act. The loan accrued interest at 1% per annum and had a maturity date of April 2022. The loan was fully forgiven in March 2021.

In January 2021, the Company received a second PPP loan in the amount of $264,225. The loan was fully forgiven in November 2021.

(4) Common Stock

In July 2019, as a result of the Company's conversion to a corporation, the Company granted 9,000,000 shares of restricted Common Stock. The stock shall incrementally vest in accordance with each shareholder's vesting schedule. As of December 31, 2021, 8,940,938 shares of Common Stock were fully vested. Each Common stockholder is entitled to the number of votes equal to the number of shares of Common Stock held.

(5) Stock-Based Compensation

In 2019, the Board of Directors adopted an equity incentive plan (the "Plan"). The Plan is a shareholder approved plan under which stock incentives in the form of stock options, restricted stock awards, and other stock awards may be granted to employees, officers, advisors, and consultants of the Company.

The Company granted non-qualified and incentive stock options under the Plan. As of December 31, 2021, there were 595,632 shares available for future grant.

Non-qualified stock options granted vest 25% on the first anniversary of the vesting commencement date and incrementally vest monthly for a three-year period thereafter. Non-qualified stock options expire ten years from the date of grant and were awarded with an exercise price equal to the estimated fair market value of the Company's Common Stock on the date of grant.

The Company utilized the Black-Scholes-Merton option pricing model to determine the fair value of the stock options on the date of grant. The fair value of stock options granted during the year ended December 31, 2021 was determined using the following assumptions:

	Year Ended December 31, 2021
Expected volatility (1)	55.588% - 55.804%
Expected option life (years) (2)	5.4 - 6.0
Risk-free interest rate (3)	0.747% - 1.331%
Expected dividend yield (4)	0%

(1) The Company determined the volatility assumption by using the five-year historical volatilities of similar public and private companies in its peer group.
(2) The expected life was determined using the simplified method, using the weighted average time to vesting and contractual term.
(3) The risk-free interest rate assumption was based upon the U.S. Treasury note with a term approximating the expected life of the options.
(4) The expected dividend yield assumption was determined based on the Company's historical and estimated dividend payouts.

(5) Stock-Based Compensation (continued)

The following table contains information about the Company's Plan for the year ended December 31, 2021:

	Stock Option Plan	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term
Outstanding at January 1, 2021	317,368	$ 1.30	8.0 years
Granted	87,000	6.80	—
Exercised	—	—	—
Expired or cancelled	6,908	1.30	—
Outstanding at December 31, 2021	397,460	$ 2.50	7.3 years
Vested and expected to vest at December 31, 2021	397,460	$ 2.50	7.3 years
Vested and exercisable at December 31, 2021	281,001	$ 1.65	6.8 years

For the year ended December 31, 2021, the Company determined that the stock options granted have a weighted average fair value of $3.48 per share, resulting in total compensation cost of $303,187. The total grant date fair value of stock options vested during the year ended December 31, 2021, was $113,048. As of December 31, 2021, the Company had unrecognized compensation cost for non-vested stock options of $257,216 to be recognized over a weighted average period of approximately 1.9 years.

(6) Income Taxes

The Company applies the asset and liability method to account for income taxes, under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

The components of the provision for income taxes are as follows:

	December 31, 2021
Current income tax expense	$ 349,767
Prior year tax adjustments	(61,613)
Change in deferred income taxes	987,905
Total income tax expense	$ 1,276,059

(6) Income Taxes (continued)

Significant components of deferred income taxes are as follows:

		December 31, 2021
Accrual to cash	$	(1,197,148)
Fixed Assets		(7,889)
Non-qualified stock options		44,941
Deferred income taxes	$	(1,160,096)

In assessing the realizability of deferred income taxes, management considers whether it is more likely than not that some portion or all of the deferred income taxes will not be realized. The ultimate realization of deferred income taxes is dependent upon the Company's future tax positions.

The Company's federal and state income tax returns are subject to examination by the Internal Revenue Service and the Colorado Department of Revenue, generally for three years after they are filed.

(7) Operating Leases

In June 2021, the Company entered into a lease for office space that expires in May 2022.

Total rent expense for the year ended December 31, 2021 was $31,082. The future minimum rental payments required under the operating lease is $14,000.

(8) Retirement Plan

The Company sponsors a 401(k) plan. All employees of the Company that meet the entry requirements are eligible to participate in the plan. Each plan year, the Company's Board of Directors will determine the amount, if any, that the Company will contribute to the plan as a Company matching contribution for that year. Matching contributions made by the Company were $200,032 for the year ended December 31, 2021.

(9) Commitments, Contingencies, Risks, and Uncertainties

Indemnification Agreements
Under the organizational documents, the Company's directors, officers, and employees are indemnified against certain liability arising out of the performance of their duties to the Company. The Company's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

Uncertainty
In March 2020, the World Health Organization declared a global pandemic as it relates to COVID-19. The spread of COVID-19 appears to be altering the behavior of businesses and people in a manner that is having negative effects on global and local economies. The Company is closely monitoring the impact of COVID-19 on operations. The financial statement does not include adjustments relating to this pandemic.

(10) Concentrations

Customer

As of December 31, 2021, the Company had two customers that accounted for 72% of total accounts receivable, and two customers that accounted for 83% of total revenue.

(11) Subsequent Events

Management has evaluated subsequent events through the date of the auditor's report, which is the date the financial statement was available to be issued. There were no material subsequent events that required recognition or disclosure in the financial statements.

Exhibit 99.2

ON THE BARRELHEAD, INC.

FINANCIAL STATEMENTS

THREE MONTHS ENDED MARCH 31, 2022

ON THE BARRELHEAD, INC.
BALANCE SHEET
MARCH 31, 2022

ASSETS

Current Assets		
Cash	$	3,888,473
Accounts receivable		11,538,157
Prepaid expenses and other current assets		25,200
Total Current Assets		15,451,830
Equipment, Net		29,258
Total Assets		15,481,088

LIABILITIES

Current Liabilities		
Accounts payable		5,049,299
Accrued expenses		204,603
Income taxes payable		28,769
Total Current Liabilities		5,282,671
Deferred Income Taxes		1,642,640
Total Liabilities		6,925,311

STOCKHOLDERS' EQUITY

Common Stock, $0.0001 par value; 11,000,000 shares authorized; 9,000,000 shares issues and outstanding		90
Additional Paid In Capital		289,239
Retained Earnings		8,266,448
Total Stockholders' Equity		8,555,777
Total Liabilities and Stockholders' Equity	$	15,481,088

See Accompanying Notes to the Financial Statements

ON THE BARRELHEAD, INC.
STATEMENT OF INCOME
THREE MONTHS ENDED MARCH 31, 2022

Net Revenues	$	18,648,090
Costs and Expenses:		
Cost of revenue		853,445
General and administrative		1,775,445
Sales and marketing		13,945,042
Research and development		918
Total Operating Expenses		16,574,850
Income from Operations		2,073,240
Other Income (Expense)		
Loss on disposal of equipment		(7,200)
Other income		59,813
Total Other Income		52,613
Net Income Before Income Taxes		2,125,853
Income Tax Expense		(482,544)
Net Income	$	1,643,309

See Accompanying Notes to the Financial Statements

ON THE BARRELHEAD, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
THREE MONTHS ENDED MARCH 31, 2022

	Common Stock		Additional Paid In		Total Stockholders'
	Shares	**Amount**	**Capital**	**Retained Earnings**	**Equity**
Balance, January 1, 2021	9,000,000	$ 90	$ 257,635	$ 6,623,139	$ 6,880,864
Stock-based compensation	—	—	31,604	—	31,604
Net Income	—	—	—	1,643,309	1,643,309
Balance, December 31, 2021	9,000,000	$ 90	$ 289,239	$ 8,266,448	$ 8,555,777

See Accompanying Notes to the Financial Statements

ON THE BARRELHEAD, INC.
STATEMENT OF CASH FLOWS
THREE MONTHS ENDED MARCH 31, 2022

Cash flows from operating activities:		
Net income	$	1,643,309
Adjustments to reconcile net income to net cash flows from operating activities:		
Depreciation		1,679
Loss on disposal of equipment		7,200
Stock-based compensation		31,604
Allowance for doubtful accounts		90,786
Deferred income taxes		482,544
Decrease (increase) in operating assets:		
Accounts receivable		(4,335,780)
Prepaid expenses and other current assets		(22,400)
Increase (decrease) in operating liabilities:		
Accounts payable		1,022,854
Accrued expenses		146,565
Income taxes payable		(88,983)
Net cash flows from operating activities		(1,020,622)
Net decrease in cash		(1,020,622)
Cash, beginning of period		4,909,095
Cash, end of period	$	3,888,473
Cash paid for income taxes	$	88,983

See Accompanying Notes to the Financial Statements

(1) Summary of Significant Accounting Policies

Nature of Operations
On the Barrelhead, LLC was organized as a limited liability company in the State of Colorado in October 2017 for the purpose of developing a robo-advisor for consumer debt. It currently operates as a marketing lead generator in certain consumer finance verticals.

In July 2019, the members elected to convert On the Barrelhead, LLC to a corporation, On the Barrelhead, Inc. (the "Company") in the State of Delaware.

Use of Estimates
The preparation of the financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates include valuation of the Company's stock, stock options, and deferred tax liability.

Cash
The Company considers all highly liquid investments with original maturities of three months or less, at the time of purchase, to be cash. The Company places its temporary cash investments with high credit quality institutions. At times, such investments may be in excess of the Federal Deposit Insurance Corporation (FDIC) insurance limit.

Accounts Receivable, Net
The Company grants credit to all qualified customers. Accounts receivable are carried at cost less an allowance for losses, if an allowance is deemed necessary. The Company does not accrue finance or interest charges. On a periodic basis, the Company evaluates its receivables and determines the requirement for an allowance for losses, based on historical write-offs, collections, and current credit conditions. An accounts receivable balance is written off when it is determined that all reasonable collection efforts have been exhausted. The Company has recorded an allowance of $90,786 for the three months ended March 31, 2022.

Equipment
Equipment is stated at cost. Depreciation is computed using the straight-line method over the following estimated useful lives:

Assets	Useful Lives
Office Equipment	5 Years
Computer Equipment	5 Years

Expenditures for renewals or betterments that materially extend the useful life of an asset or increase its productivity are capitalized in the equipment account. Expenditures for maintenance and repairs that do not extend asset lives or improve productivity are charged to the appropriate expense accounts as incurred. When assets are sold, retired, or otherwise disposed of, the cost and related accumulated depreciation are eliminated from the accounts and a gain or loss is recognized.

(1) **Summary of Significant Accounting Policies (continued)**

Long-lived Assets

The Company evaluates long-lived assets, including equipment, whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. An impairment loss exists when estimated undiscounted net cash flows expected to be generated by the use of the asset, including eventual disposition, are less than its carrying value. The excess of the asset's carrying value as compared to its estimated fair value would result in the need to recognize an impairment loss. The Company did not identify any events or circumstances that require the recognition of an impairment loss for the three months ended March 31, 2022.

Fair Value of Financial Instruments

The Company measures its financial assets and liabilities at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., exit price) in an orderly transaction between market participants at the measurement date. Additionally, companies are required to provide disclosure and categorize assets and liabilities measured at fair value into one of three different levels depending on the assumptions (i.e., inputs) used in the valuation. Level 1 provides the most reliable measure of fair value while Level 3 generally requires significant management judgment. Financial assets and liabilities are classified in their entirety based on the lowest level of input significant to the fair value measurement. The fair value hierarchy is defined as follows:

Level 1—Valuations are based on unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2—Valuations are based on quoted prices for similar assets or liabilities in active markets or quoted prices in markets that are not active for which significant inputs are observable, either directly or indirectly.

Level 3—Valuations are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. Inputs reflect management's best estimate of what market participants would use in valuing the asset or liability at the measurement date.

The carrying amounts of the Company's financial assets and liabilities, such as cash, accounts receivable, prepaid expenses and other assets, accounts payable, and accrued expenses approximate their fair values because of the short maturity of these instruments.

Revenue Recognition

The Company recognizes revenue in accordance with Accounting Standards Codification ("ASC") 606. Under ASC 606, an entity recognizes revenue when its customers obtain control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the entity performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

(1) Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Auto Insurance Leads Revenue

The Company recognizes revenue resulting from the sale of auto insurance leads to insurers and insurance aggregators as a single performance obligation, when control transfers, which occurs when the leads are sent and available for use by the customer.

Mortgage, Personal, and Business Loan Leads Revenue

The Company recognizes revenue resulting from the sale of mortgage, personal, and business loan leads to relevant lenders and aggregators as a single performance obligation, when control transfers, which occurs when the leads are sent and available for use by the customer.

Debt Relief Leads Revenue

The Company recognizes revenue resulting from the sale of debt relief leads to debt settlement companies as a single performance obligation, when control transfers, which occurs when the leads are sent and available for use by the customer.

Auto Loan Leads Revenue

The Company recognizes revenue resulting from the sale of auto loan leads to auto loan lenders and aggregators as a single performance obligation, when control transfers, which occurs when the leads are sent and available for use by the customer.

Data Management Revenue

The Company sells consumer credit data to a marketing agency who utilizes credit data for strategic advertising decisions and recognizes revenue when control transfers based upon the terms of the profit share agreement with the marketing agency.

Decline Revenue

The Company sells consumer credit information that has been declined from obtaining a personal loan to companies in the financial services industry offering alternative products. Revenue is recognized as a single performance obligation when control transfers, which occurs when the leads are sent and available for use by the customer.

Direct to Form Revenue

The Company acts as an agent to a customer, whereby the Company routes online consumer traffic to the customer’s online loan application. The Company does not control the services prior to delivery. The Company incurs third-party marketing costs on behalf the customer. Revenue is recognized net of these costs, equal to the amount retained for the Company’s fees per lead.

The nature of the Company’s contractual arrangements do have variable consideration, such as discounts, and are cancelable. The Company historically has had no other obligations affecting the recognized transaction price. Revenue is presented net of sales and other taxes collected on behalf of governmental authorities.

(1) Summary of Significant Accounting Policies (continued)

Income Taxes
Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently payable and deferred taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis.

A valuation allowance is provided when it is more likely than not that some portion of a deferred tax asset will not be realized. The Company determines valuation allowances based on all available evidence. Such evidence includes historical results, the reversal of deferred tax liabilities, expectations of future profitability and the feasibility of tax-planning strategies. Determining valuation allowances includes significant judgment by management, and different judgments could yield different results.

Accounting for uncertain tax positions requires a more likely than not threshold for recognition in the financial statements. The Company recognizes a tax benefit based on whether it is more likely than not that a tax position will be sustained. The Company records a liability to the extent that a tax position taken or expected to be taken on a tax return exceeds the amount recognized in the financial statements.

Lease Commitment
The Company recognizes rent expense on a short-term lease for its office space on a straight-line basis over the term of the lease.

Research and Development
Software development costs are expensed as incurred until technological feasibility has been established, at which time such costs are capitalized until the product is available for general release or use. To date, the Company’s software has been available for general release or use concurrent with the establishment of technological feasibility, and accordingly, no development costs have been capitalized.

Cost of Revenue
Amounts recorded as cost of revenue relate to direct expenses incurred with the delivery of the Company’s service. Cost of revenue consists of expenses incurred for software to host the Company’s platform, third-party customer service contractors, and third-party credit checks utilized to make lead data deliverable to customers.

Stock-Based Compensation
The measurement and recognition of compensation cost for all stock-based payment awards made to employees and non-employees is based on the fair value of the award. Accordingly, the Company recognizes stock-based compensation costs for only those shares expected to vest on a straight-line basis over the requisite service period of the award for each separate vesting portion of the award. The Company recognizes stock option forfeitures as incurred. Stock-based compensation expense is recorded in the statement of income as a general and administrative expense.

(1) Summary of Significant Accounting Policies (continued)

Advertising

The Company incurs advertising costs through general marketing activities, as well as through marketing activities performed as an agent for a customer. For the three months ended March 31, 2022, the Company incurred $13,919,265 in general marketing activities, which was charged directly to sales and marketing as incurred, and $2,794,305 in advertising costs acting as an agent, which is presented net against the Company's Direct-To-Form revenue stream.

(2) Equipment, Net

Equipment consists of the following as of March 31, 2022:

Cost:		
Office equipment	$	25,769
Computer equipment		12,190
Total cost		37,959
Less accumulated depreciation		(8,701)
Equipment, net	$	29,258

Total depreciation charged to operations was $1,679 for the three months ended March 31, 2022.

(3) Common Stock

In July 2019, as a result of the Company's conversion to a corporation, the Company granted 9,000,000 shares of restricted Common Stock. The stock shall incrementally vest in accordance with each shareholder's vesting schedule. As of March 31, 2022, 9,000,000 shares of Common Stock were fully vested. Each Common Stockholder is entitled to the number of votes equal to the number of shares of Common Stock held.

(4) Stock-Based Compensation

In 2019, the Board of Directors adopted an equity incentive plan (the "Plan"). The Plan is a shareholder approved plan under which stock incentives in the form of stock options, restricted stock awards, and other stock awards may be granted to employees, officers, advisors, and consultants of the Company.

The Company granted non-qualified and incentive stock options under the Plan. As of March 31, 2022 there were 619,316 shares available for future grant.

Non-qualified stock options granted vest 25% on the first anniversary of the vesting commencement date and incrementally vest monthly for a three-year period thereafter. Non-qualified stock options expire ten years from the date of grant and were awarded with an exercise price equal to the estimated fair market value of the Company's Common Stock on the date of grant.

(4) Stock-Based Compensation (continued)

The following table contains information about the Company's Plan for the three months ended March 31, 2022:

	Stock Option Plan	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term
Outstanding at January 1, 2022	397,460	$ 2.50	7.3 years
Granted	—	—	—
Exercised	—	—	—
Expired or cancelled	16,776	1.30	—
Outstanding at March 31, 2022	380,684	$ 2.56	7.4 years
Vested and expected to vest at March 31, 2022	380,684	$ 2.56	7.4 years
Vested and exercisable at March, 31, 2022	286,204	$ 1.70	7.0 years

The total grant date fair value of stock options vested during the three months ended March 31, 2022, was $21,354. As of March 31, 2022, the Company had unrecognized compensation cost for non-vested stock options of $225,611 to be recognized over a weighted average period of approximately 1.9 years.

(5) Income Taxes

The Company applies the asset and liability method to account for income taxes, under which deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be recovered or settled.

The components of the provision for income taxes are as follows as of March 31, 2022:

Current income tax expense	$ —
Change in deferred income taxes	482,544
Total income tax expense	$ 482,544

(5) Income Taxes (continued)

Significant components of deferred income taxes are as follows as of March 31, 2022:

Accrual to cash	$	(1,847,636)
Fixed assets		(5,717)
Deferred compensation		42,773
Non-qualified stock options		47,711
Net operating loss		104,229
Research and development credits		16,000
Deferred income taxes	$	(1,642,640)

In assessing the realizability of deferred income taxes, management considers whether it is more likely than not that some portion or all of the deferred income taxes will not be realized. The ultimate realization of deferred income taxes is dependent upon the Company's future tax positions.

The Company's federal and state income tax returns are subject to examination by the Internal Revenue Service and the Colorado Department of Revenue, generally for three years after they are filed.

(6) Operating Lease

In June 2021, the Company entered into a lease for office space that expired in May 2022. In June 2022, the lease was extended on a month-to-month basis. Reasonable certainty that the Company will continue to lease the premises for a period of greater than 12 months from the date of the financial statements does not exist, and, accordingly, the lease is accounted for as a short-term lease.

Total rent expense for the three months ended March 31, 2022 was $8,400. The future short-term lease commitments under the operating lease are $5,600.

(7) Retirement Plan

The Company sponsors a 401(k) plan. All employees of the Company that meet the entry requirements are eligible to participate in the plan. Each plan year, the Company's Board of Directors will determine the amount, if any, that the Company will contribute to the plan as a Company matching contribution for that year. Matching contributions made by the Company were $93,171 for the three months ended March 31, 2022.

(8) Commitments, Contingencies, Risks, and Uncertainties

Indemnification Agreements

Under the organizational documents, the Company's directors, officers, and employees are indemnified against certain liability arising out of the performance of their duties to the Company. The Company's maximum exposure under these agreements is unknown as this would involve future claims that may be made against the Company that have not yet occurred. However, based on experience, the Company expects the risk of loss to be remote.

(9) Concentrations

Customer

As of March 31, 2022, the Company had two customers that accounted for 79% of total accounts receivable, and two customers that accounted for 77% of total revenue.

(10) Subsequent Events

On June 23, 2022, the Company entered into an Agreement and Plan of Merger and Reorganization (the "Merger Agreement") with NerdWallet, Inc. ("NerdWallet"), a platform that provides financial guidance to consumers and small and mid-sized businesses. Under the Merger Agreement, NerdWallet would acquire all of the outstanding equity interests of the Company in exchange for stated consideration of $120 million, subject to customary purchase price adjustments (the "Acquisition"). The closing of the Acquisition under the Merger Agreement was subject to multiple closing conditions to be satisfied by both the Company and NerdWallet. On July 11, 2022 (the "Closing Date"), pursuant to the Merger Agreement, NerdWallet and the Company satisfied all closing conditions and consummated the Acquisition.

Management has evaluated subsequent events through the date of the compilation report, which is the date the financial statement was available to be issued.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information presents the combination of the historical consolidated financial statements of NerdWallet, Inc. and its subsidiaries (the Company) and the historical financial statements of On the Barrelhead, Inc. (OTB) after giving effect to the Company's acquisition of all equity interests in OTB pursuant to a merger agreement, as further described in Note 1 – Description of the Transaction.

The unaudited pro forma condensed combined balance sheet assumes the acquisition, including the related debt financing, was completed on March 31, 2022, and combines the Company's unaudited condensed consolidated balance sheet as of March 31, 2022 with OTB's unaudited balance sheet as of March 31, 2022.

The unaudited pro forma condensed combined statements of comprehensive income (loss) for the year ended December 31, 2021 combines the Company's historical audited consolidated statements of operations and of comprehensive loss with OTB's audited statement of income. The unaudited pro forma condensed combined statements of comprehensive income (loss) for the three months ended March 31, 2022 combines the Company's unaudited historical condensed consolidated statements of operations and of comprehensive loss with OTB's unaudited statement of income. The unaudited pro forma condensed combined statements of comprehensive income (loss) assume the acquisition, including the related debt financing, was completed on January 1, 2021, the first day of the Company's fiscal year ending December 31, 2021.

The unaudited pro forma condensed combined financial statements were prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," using the assumptions set forth in the notes to the unaudited pro forma condensed combined financial statements.

Basis for Historical Information

The unaudited pro forma condensed combined financial information was based on, and should be read in conjunction with, the Company's and OTB's historical financial statements referenced below:

- The Company's audited consolidated financial statements and related notes thereto as of and for the year ended December 31, 2021, contained in its Annual Report on Form 10-K for the year ended December 31, 2021;
- The Company's unaudited condensed consolidated financial statements as of and for the three months ended March 31, 2022 and related notes thereto, contained in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022; and
- OTB's audited financial statements and related notes thereto as of and for the year ended December 31, 2021 included as Exhibit 99.1 to this Amendment to the Current Report on Form 8-K/A, and OTB's unaudited financial statements as of March 31, 2022 and for the three months ended March 31, 2022 included as Exhibit 99.2 to this Amendment to the Current Report on Form 8-K/A.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not intended to present or be indicative of what the results of operations or financial position would have been had the events actually occurred on the dates indicated, nor is it meant to be indicative of future results of operations or financial position for any future period or as of any future date. The actual results of the Company may differ significantly from the results reflected in the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information does not give effect to the potential impact of current financial conditions, or any anticipated revenue enhancements, cost savings or operating synergies that may result from the Transaction.

NERDWALLET, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
AS OF MARCH 31, 2022

(in millions, except share amounts which are in thousands and per share amounts)	Historical NW	Historical OTB	Transaction Accounting Adjustments	Notes	Pro Forma Combined
Assets					
Current assets:					
Cash and cash equivalents	$ 161.6	$ 3.9	$ (5.7)	4(A)	$ 159.8
Accounts receivable	72.5	11.6	—		84.1
Prepaid expenses and other current assets	19.2	—	—		19.2
Total current assets	253.3	15.5	(5.7)		263.1
Property, equipment and software — net	39.6	—	—		39.6
Goodwill	43.6	—	70.0	4(B)	113.6
Intangibles — net	25.5	—	50.1	4(C)	75.6
Right-of-use assets	13.3	—	—		13.3
Other assets	0.8	—	—		0.8
Total Assets	**$ 376.1**	**$ 15.5**	**$ 114.4**		**$ 506.0**
Liabilities and Stockholders' Equity					
Current liabilities:					
Accounts payable	$ 5.2	$ 5.1	$ —		$ 10.3
Accrued expenses and other current liabilities	41.5	0.2	2.2	4(D)	43.9
Contingent consideration — current	30.5	—	—		30.5
Total current liabilities	77.2	5.3	2.2		84.7
Contingent consideration — noncurrent	28.1	—	—		28.1
Debt — noncurrent	—	—	70.0	4(E)	70.0
Deferred tax liability — noncurrent	1.1	1.6	(1.6)	4(F)	1.1
Other liabilities — noncurrent	14.3	—	—		14.3
Total liabilities	120.7	6.9	70.6		198.2
Commitments and contingencies					
Stockholders' equity:					
Preferred stock — $0.0001 par value per share — 5,000 shares authorized; zero shares issued and outstanding as of March 31, 2022	—	—	—		—
Common stock — $0.0001 par value per share — 296,686 shares authorized as of March 31, 2022; 67,138 shares issued and outstanding as of March 31, 2022; 72,073 shares issued and outstanding pro forma combined	—	—	—		—
Additional paid-in capital	340.2	0.3	42.9	4(G)	383.4
Accumulated other comprehensive income	0.2	—	—		0.2
Retained earnings (accumulated deficit)	(85.0)	8.3	0.9	4(H)	(75.8)
Total stockholders' equity	255.4	8.6	43.8		307.8
Total Liabilities and Stockholders' Equity	**$ 376.1**	**$ 15.5**	**$ 114.4**		**$ 506.0**

See notes to unaudited pro forma condensed combined financial information.

NERDWALLET, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT
OF COMPREHENSIVE INCOME (LOSS)
FOR THE THREE MONTHS ENDED MARCH 31, 2022

(in millions, except per share amounts)	Historical NW	Historical OTB	Transaction Accounting Adjustments	Notes	Pro Forma Combined
Revenue	**$ 129.1**	**$ 18.6**	**$ —**		**$ 147.7**
Costs and Expenses:					
Cost of revenue	7.7	0.9	2.4	5(A)	11.0
Research and development	17.4	—	0.9	5(B,C)	18.3
Sales and marketing	96.1	13.9	1.6	5(A,B,C)	111.6
General and administrative	13.1	1.7	—		14.8
Change in fair value of contingent consideration related to earnouts	3.9	—	—		3.9
Total costs and expenses	138.2	16.5	4.9		159.6
Income (Loss) From Operations	(9.1)	2.1	(4.9)		(11.9)
Other expense:					
Interest expense	(0.2)	—	(0.8)	5(D)	(1.0)
Other gains, net	—	—	—		—
Total other expense	(0.2)	—	(0.8)		(1.0)
Income (loss) before income taxes	(9.3)	2.1	(5.7)		(12.9)
Income tax provision	1.2	0.5	(1.2)	5(G)	0.5
Net Income (Loss)	**(10.5)**	**1.6**	**(4.5)**		**(13.4)**
Other Comprehensive Loss:					
Change in foreign currency translation	(0.3)	—	—		(0.3)
Comprehensive Income (Loss)	**$ (10.8)**	**$ 1.6**	**$ (4.5)**		**$ (13.7)**
Net Income (Loss) Per Share Attributable to Common Stockholders					
Basic	$ (0.16)				$ (0.19)
Diluted	$ (0.16)				$ (0.19)
Weighted-Average Shares Used in Computing Net Income (Loss) Per Share Attributable to Common Stockholders					
Basic	66.9				71.8
Diluted	66.9				71.8

See notes to unaudited pro forma condensed combined financial information.

NERDWALLET, INC. AND SUBSIDIARIES
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT
OF COMPREHENSIVE INCOME (LOSS)
FOR THE YEAR ENDED DECEMBER 31, 2021

	Historical		Transaction Accounting Adjustments	Notes	Pro Forma Combined
(in millions, except per share amounts)	NW	OTB			
Revenue	**$ 379.6**	**$ 38.1**	**$ —**		**$ 417.7**
Costs and Expenses:					
Cost of revenue	28.5	0.9	9.8	5(A)	39.2
Research and development	62.2	—	4.4	5(B,C,E)	66.6
Sales and marketing	271.3	25.5	8.1	5(A,B,C,E)	304.9
General and administrative	38.5	6.3	1.2	5(E,F)	46.0
Change in fair value of contingent consideration related to earnouts	18.1	—	—		18.1
Total costs and expenses	418.6	32.7	23.5		474.8
Income (Loss) From Operations	(39.0)	5.4	(23.5)		(57.1)
Other income (expense):					
Interest expense	(1.3)	—	(3.4)	5(D)	(4.7)
Other gains, net	2.6	0.5	—		3.1
Total other income (expense)	1.3	0.5	(3.4)		(1.6)
Income (loss) before income taxes	(37.7)	5.9	(26.9)		(58.7)
Income tax provision (benefit)	4.8	1.3	(11.2)	5(G)	(5.1)
Net Income (Loss)	**(42.5)**	**4.6**	**(15.7)**		**(53.6)**
Other Comprehensive Loss:					
Change in foreign currency translation	(0.1)	—	—		(0.1)
Comprehensive Income (Loss)	**$ (42.6)**	**$ 4.6**	**$ (15.7)**		**$ (53.7)**
Net Income (Loss) Per Share Attributable to Common Stockholders					
Basic	$ (0.82)				$ (0.94)
Diluted	$ (0.82)				$ (0.94)
Weighted-Average Shares Used in Computing Net Income (Loss) Per Share Attributable to Common Stockholders					
Basic	51.9				56.8
Diluted	51.9				56.8

See notes to unaudited pro forma condensed combined financial information.

NOTES TO THE UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

1. Description of the Transaction

On June 23, 2022, NerdWallet, Inc., a Delaware corporation (the Company), entered into an Agreement and Plan of Merger and Reorganization (the Merger Agreement) with On the Barrelhead, Inc., a Delaware corporation (OTB), a data-driven platform that provides consumers and small- and medium-sized businesses with credit-driven product recommendations.

Closing of the Acquisition

On July 11, 2022, the Company completed the acquisition of OTB, pursuant to the Merger Agreement. Pursuant to the terms of the Merger Agreement, the Company acquired all of the equity interests in OTB at the closing of the acquisition (the Closing), for a preliminary purchase consideration consisting of $75.7 million in cash (the Cash Consideration) and 4.9 million shares of the Company’s Class A common stock (the Stock Consideration), subject to customary post-Closing purchase price adjustments. The Cash Consideration includes $12.2 million of cash which is held in escrow for the settlement of claims for breaches, if any, of certain representations, warranties, agreements and covenants. The aggregate fair value of the Stock Consideration was $43.2 million based on the closing price of the Company’s Class A common stock on the Closing. Half of the Stock Consideration is subject to a lockup arrangement whereby such shares may not be sold or otherwise transferred prior to expiration of the 24-month period following the Closing. The final Purchase Price will be subject to customary closing adjustments, including for transaction expenses, indebtedness, cash and working capital.

Debt Financing of Cash Consideration

The Cash Consideration at the Closing was financed with a borrowing of $70.0 million on July 7, 2022 under the Company’s existing credit facility with Silicon Valley Bank, as administrative agent. Interest on the borrowing is incurred at the Eurodollar Rate, which is defined as LIBOR (or any successor thereto), plus a margin of either 2.75% or 3.00% depending on usage, which equated to 4.54% as of Closing.

Retention Agreements and Inducement Awards

Concurrently with the Closing, the Company provided employment offer letters to OTB’s employees, including compensatory retention agreements with the co-founders and certain other employees of OTB. Compensatory retention agreements with the co-founders of OTB could result in up to $15.0 million of cash awards, with such cash awards payable in equal installments on the first, second and third anniversary dates of the Closing. Compensatory retention agreements with certain other employees of OTB could result in up to $0.6 million of cash awards, with such cash awards payable in equal installments on the six-month and one-year anniversary dates of the Closing.

Also concurrently with the Closing, the Compensation Committee of the Company’s Board of Directors granted RSU awards under the NerdWallet, Inc. 2022 Inducement Equity Incentive Plan (the Inducement Plan) to employees of OTB who were offered employment with the Company, which RSU awards had an aggregate grant date fair value on the acquisition date of $17.5 million, including $12.8 million of RSU awards to the co-founders of OTB, $2.3 million of RSU awards to six non-management employees of OTB and $2.4 million of RSU awards to all fourteen employees of OTB. The $12.8 million of RSU awards to the co-founders of OTB will generally vest in full upon the third anniversary of the Closing. The $2.3 million of RSU awards to non-management employees of OTB will vest annually over four years, with 20% of the RSUs subject to vest on each of the first, second and third annual vesting dates and the remaining 40% of the RSUs subject to vest on the fourth annual vesting date. The $2.4 million of RSU awards granted to all employees of OTB will generally vest over four years subject to a one-year cliff and quarterly vesting thereafter. RSU awards under the Inducement Plan are subject to the conditions of the Inducement Plan and the terms and conditions of the grant agreements covering such awards.

Compensation expenses under these employment offer letters and vesting of awards under these retention agreements and Inducement Plan are generally subject to the employees' continued employment with the Company, and the fair value of such compensation and awards are excluded from the Purchase Price and accounted for separately from the business combination. The value of cash awards under these retention agreements will be recognized as compensation expense, and the value of RSU awards under the Inducement Plan will be recognized as stock-based compensation, ratably over the respective vesting terms of the awards. Compensation expense, including stock based compensation, are classified in the unaudited pro forma condensed combined statements of comprehensive income (loss) based on the award recipients' job functions.

2. Basis of Presentation

The unaudited pro forma condensed combined financial statements were prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," using the assumptions set forth in the notes to the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined financial statements have been adjusted to include acquisition accounting adjustments, which reflect the application of the accounting required by U.S. GAAP, including the effects of the acquisition as further described in Note 1.

The Company accounted for the acquisition of OTB using the acquisition method of accounting in accordance with *Accounting Standards Codification 805, Business Combinations*, ("ASC 805"), under U.S. GAAP. The Company is treated as the acquirer for accounting purposes and OTB as the acquiree. The Company recorded the assets acquired, including identifiable intangible assets, and the liabilities assumed from OTB at their respective estimated fair values at the Closing. Any excess of the fair value of the purchase consideration transferred over the net fair value of such assets acquired and liabilities assumed is recorded as goodwill.

The valuations of the assets acquired and liabilities assumed are preliminary and have not yet been finalized as of the date of this filing. The purchase price allocation is preliminary and subject to change, including the valuation of intangible assets, income taxes and goodwill, among other items. The final purchase price allocation may be materially different than the preliminary purchase consideration allocation presented in the unaudited pro forma condensed combined financial information. Any changes in the fair values of the net assets or total purchase consideration as compared with the information shown in the unaudited pro forma condensed combined financial information may change the amount of the total purchase price allocated to goodwill and other assets and liabilities and may impact the combined company's balance sheet and statement of comprehensive income (loss). As a result of the foregoing, the pro forma adjustments are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information.

The pro forma adjustments are based upon currently available information and certain assumptions that the Company's management believes are reasonable. Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma condensed combined financial information. Additionally, the Company conducted an initial review of the accounting policies of OTB to determine material differences in accounting policies or presentation between the Company and OTB that may require recasting or reclassification to conform to the Company's accounting policies and presentations. The assessment of differences is based on the Company management's best estimates which remain subject to change as additional information becomes available.

3. Preliminary Purchase Price Allocation

The preliminary calculation of the purchase consideration is as follows:

(in millions)		Total
Cash consideration[1]	$	75.7
Stock consideration[2]		43.2
Total consideration		118.9
Less: amounts considered separate from the business combination and attributable to post-combination expense[3]		(0.7)
Preliminary Purchase Consideration	**$**	**118.2**

(1) Includes $12.2 million of cash which is held in escrow for the settlement of breaches, if any, of certain representations, warranties, agreements and covenants.
(2) Represents the aggregate fair value of the 4.9 million shares issued of the Company's Class A common stock based on the closing price of the stock on the acquisition date of July 11, 2022, which was $8.75 per share.
(3) Primarily comprised of the additional fair value of unvested OTB option awards discretionally accelerated by the Company and attributable to post-combination expense.

Half of the Stock Consideration is subject to a lockup arrangement whereby such shares may not be sold or otherwise transferred prior to expiration of the 24-month period following the acquisition date. The final Purchase Price will be subject to customary closing adjustments, including for transaction expenses, indebtedness, cash and working capital.

The acquisition of OTB has been accounted for as a business combination. The preliminary purchase consideration calculated in the table above is allocated to the tangible and intangible assets acquired and liabilities assumed of OTB based on their estimated fair values as if the acquisition had been completed on March 31, 2022, which is the assumed acquisition date for purposes of the unaudited pro forma condensed combined balance sheet. Goodwill represents the excess of acquisition consideration over the fair value of the underlying net assets acquired. Goodwill recorded in the acquisition is not expected to be deductible for tax purposes.

The preliminary calculation of assets acquired and liabilities assumed for purposes of these unaudited pro forma condensed combined financial statements as of March 31, 2022 is as follows:

(in millions)		Fair Value
Preliminary Purchase Consideration	**$**	**118.2**
Fair Value of Assets Acquired		
Cash and cash equivalents		3.9
Accounts receivable		11.6
Intangible assets		50.1
Total assets		65.6
Fair Value of Liabilities Assumed		
Accounts payable		5.1
Accrued expenses and other current liabilities		0.2
Deferred tax liability		12.1
Total liabilities		17.4
Less: Net Assets Acquired		**48.2**
Goodwill	**$**	**70.0**

4. Adjustments to the Unaudited Pro Forma Condensed Combined Balance Sheet as of March 31, 2022

(A) Represents adjustments to cash and cash equivalents as follows:

(in millions)	Amount
Cash proceeds from drawdown on credit facility	$ 70.0
Cash consideration	(75.7)
Net pro forma adjustment to cash and cash equivalents	$ (5.7)

(B) Represents goodwill recognized of $70.0 million.

(C) Represents preliminary definite-lived intangible assets recognized, with preliminary weighted-average estimated useful lives, as follows:

(dollars in millions)	Weighted Average Useful Life (Years)	Amount
Developed technology	5.0	$ 48.9
Customer relationships	1.0	1.2
Net pro forma adjustment to intangible assets, net		$ 50.1

(D) Represents accrual for transaction expenses of $2.2 million which are not reflected in the historical financial statements.

(E) Represents debt drawdown on credit facility of $70.0 million.

(F) Represents adjustments to deferred tax liability as follows:

(in millions)	Amount
Recognition of deferred tax liability[1]	$ 12.1
Reduction in deferred tax liability related to the change in existing valuation allowance on deferred tax assets	(12.1)
Elimination of historical OTB deferred tax liability	(1.6)
Net pro forma adjustment to deferred tax liability	$ (1.6)

(1) Primarily relates to identified intangible assets.

(G) Represents adjustments to additional paid-in capital as follows:

(in millions)	Amount
Stock consideration	$ 43.2
Elimination of historical OTB additional paid-in-capital	(0.3)
Net pro forma adjustment to additional paid-in capital	$ 42.9

(H) Represents adjustments to accumulated deficit as follows:

(in millions)	Amount
Elimination of historical OTB retained earnings	$ (8.3)
Estimated transaction expenses[1]	(2.2)
Expense for transactions considered separate from the business combination	(0.7)
Tax benefit related to the change in existing valuation allowance on deferred tax assets	12.1
Net pro forma adjustment to accumulated deficit	$ 0.9

(1) Represents nonrecurring transaction expenses which are directly attributable to the acquisition, nonrecurring and not reflected in the historical financial statements.

5. Adjustments to the Unaudited Pro Forma Condensed Combined Statements of Operations for the Three Months Ended March 31, 2022 and Year Ended December 31, 2021

(A) Represents amortization of definite-lived intangible assets as follows:

(in millions)	Classification Within Statement of Comprehensive Income (Loss)	Three Months Ended March 31, 2022	Year Ended December 31, 2021
Developed technology	Cost of revenue	$ 2.4	$ 9.8
Customer relationships	Sales and marketing expense	—	1.2
Net pro forma adjustment for amortization of definite-lived intangible assets		$ 2.4	$ 11.0

Pro forma amortization is preliminary and based on the use of straight-line amortization. Actual amortization of definite-lived intangible assets may differ significantly from pro forma amounts based upon the final valuations of definite-lived intangible assets, and respective useful lives and amortization methodologies utilized. For pro forma purposes, a hypothetical 10% increase or decrease in the valuation of definite-lived intangible assets would result in a corresponding increase or decrease in amortization expense of approximately $0.2 million and $1.1 million for the three months ended March 31, 2022 and the year ended December 31, 2021, respectively.

(B) Represents stock-based compensation related to inducement awards as follows:

(in millions)	Three Months Ended March 31, 2022	Year Ended December 31, 2021
Research and development	$ 0.5	$ 2.1
Sales and marketing	0.8	3.2
Net pro forma adjustment for stock-based compensation related to inducement grants	$ 1.3	$ 5.3

(C) Represents compensation expense related to retention agreements as follows:

(in millions)	Three Months Ended March 31, 2022	Year Ended December 31, 2021
Research and development	$ 0.4	$ 2.1
Sales and marketing	0.8	3.5
Net pro forma adjustment for compensation expense related to retention agreements	$ 1.2	$ 5.6

(D) Represents interest expense related to the debt drawdown on the Company's existing credit facility to finance the Cash Consideration of $0.8 million and $3.4 million for the three months ended March 31, 2022 and year ended December 31, 2021, respectively. For pro forma purposes, the base LIBOR rate in effect at the Closing was held constant, with the margin adjusted based on usage, for the pro forma periods presented. A hypothetical 1/8th of a percentage point increase or decrease in the base LIBOR rate would result in a $0.1 million increase or decrease in interest expense for the year ended December 31, 2021, and an immaterial increase or decrease in interest expense for the three months ended March 31, 2022.

(E) Represents expense related to transactions considered separate from the business combination as follows:

(in millions)	Year Ended December 31, 2021
Research and development	$ 0.2
Sales and marketing	0.2
General and administrative	0.3
Net pro forma adjustment for transactions considered separate from the business combination	$ 0.7

(F) Represents estimated transaction expenses of $0.9 million for the year ended December 31, 2021 which are attributable to post-combination expense. These estimated transaction expenses are directly attributable to the acquisition, nonrecurring and are not reflected in the historical financial statements.

(G) Represents the income tax effect of the pro forma adjustments, including a tax benefit related to the change in the Company's existing valuation allowance on deferred tax assets. Such pro forma tax adjustments utilizes assumptions for the combined company, including the recognition of and changes in deferred tax attributes and any associated release of the Company's existing valuation allowance on deferred tax assets. The actual future tax impacts and effective tax rate of the combined company may be affected by various factors, including tax planning, and therefore may differ materially.

6. Net Loss Per Basic and Diluted Share

The pro forma basic and diluted weighted average shares outstanding are a combination of historical Company common stock outstanding and the Stock Consideration issued as part of the acquisition.

(in millions, except per share amounts)	Three Months Ended March 31, 2022	Year Ended December 31, 2021
Numerator:		
Pro forma net loss attributable to common stockholders — basic and diluted	$ (13.4)	$ (53.6)
Denominator:		
Historical weighted-average shares of common stock — basic and diluted	66.9	51.9
Common stock issued for the Stock Consideration	4.9	4.9
Pro forma weighted-average shares of common stock — basic and diluted	71.8	56.8
Pro Forma Loss per Share Attributable to Common Stockholders:		
Basic — pro forma	$ (0.19)	$ (0.94)
Diluted — pro forma	$ (0.19)	$ (0.94)

The following pro forma common stock equivalents were excluded from the computation of pro forma diluted loss per share because including them would have been antidilutive:

(in millions)	Three Months Ended March 31, 2022	Year Ended December 31, 2021
Shares subject to outstanding stock options and restricted stock units	7.5	5.0
Employee stock purchase plan	1.5	0.6

UNAUDITED SUPPLEMENTAL NON-GAAP PRO FORMA FINANCIAL MEASURE

Summary of Transaction

On July 11, 2022, NerdWallet, Inc. and its subsidiaries (the Company) completed the acquisition of On the Barrelhead, Inc. (OTB), pursuant to an Agreement and Plan of Merger and Reorganization (the Merger Agreement). The Company accounted for the acquisition of OTB using the acquisition method of accounting in accordance with Accounting Standards Codification 805, Business Combinations, (ASC 805), under U.S. GAAP.

Pro Forma Financial Information

The Company has provided unaudited pro forma condensed combined financial statements prepared in accordance with Article 11 of Regulation S-X as amended by the final rule, Release No. 33-10786 "Amendments to Financial Disclosures about Acquired and Disposed Businesses," in Exhibit 99.3 to the Company's Current Report of Form 8-K/A filed on August 17, 2022, to which this unaudited supplemental non-GAAP pro forma financial measure is attached.

The unaudited pro forma condensed combined statements of comprehensive income (loss) for the year ended December 31, 2021 and the three months ended March 31, 2022 combine the Company's historical condensed consolidated statements of operations and of comprehensive loss with OTB's unaudited statements of income, and assumes the acquisition was completed on January 1, 2021, the first day of the Company's fiscal year ended December 31, 2021.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not intended to present or be indicative of what the results of operations or financial position would have been had the events actually occurred on the dates indicated, nor is it meant to be indicative of future results of operations or financial position for any future period or as of any future date. The actual results of the Company may differ significantly from the results reflected in the unaudited pro forma condensed combined financial information. The unaudited pro forma condensed combined financial information does not give effect to the potential impact of current financial conditions, or any anticipated revenue enhancements, cost savings or operating synergies that may result from the acquisition.

Unaudited Supplemental Non-GAAP Pro Forma Financial Measure

Adjusted EBITDA

The Company uses Adjusted EBITDA in conjunction with GAAP measures as part of the overall assessment of the Company's performance, including the preparation of the Company's annual operating budget and quarterly forecasts, to evaluate the effectiveness of the Company's business strategies, and to communicate with the Company's Board of Directors concerning the Company's financial performance.

The Company defines Adjusted EBITDA as net income (loss) from continuing operations adjusted to exclude depreciation and amortization, interest expense, net, provision (benefit) for income taxes, and further exclude (1) loss (gain) on impairment and on disposal of assets, (2) remeasurement of the embedded derivative in its previously outstanding long-term debt, (3) change in fair value of contingent consideration related to earnouts, (4) deferred compensation related to earnouts, (5) stock-based compensation, and (6) acquisition-related costs.

The above items are excluded from the Company's Adjusted EBITDA measure because these items are non-cash in nature, or because the amount is not driven by core operating results and renders comparisons with prior periods less meaningful.

The Company believes that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating the Company's operating results and in comparing operating results across periods. Moreover, the Company has included Adjusted EBITDA in this supplemental pro forma disclosure because it is a key measurement used by the Company's management internally to make operating decisions, including those related to analyzing operating expenses, evaluating performance, and performing strategic planning and annual budgeting. However, the use of this non-GAAP measure has certain limitations because it does not reflect all items of income and expense that affect the Company's operations. Adjusted EBITDA has limitations as a financial measure, should be considered as supplemental in nature, and is not meant as a substitute for the related financial information prepared in accordance with GAAP. These limitations include the following:

- Adjusted EBITDA does not reflect interest income (expense) and other gains (losses), net, which include unrealized and realized gains and losses on foreign currency exchange, as well as certain nonrecurring gains (losses);
- Adjusted EBITDA excludes certain recurring, non-cash charges, such as amortization of intangible assets, depreciation of property and equipment, and impairments of assets previously acquired. Although these are non-cash charges, the assets being amortized and depreciated may have to be replaced in the future, and Adjusted EBITDA does not reflect all cash requirements for such replacements or for new capital expenditure requirements;
- Adjusted EBITDA excludes stock-based compensation, including for acquisition-related inducement awards, which has been, and will continue to be for the foreseeable future, a significant recurring expense in the Company's business and an important part of its compensation strategy; and
- Adjusted EBITDA excludes acquisition-related costs, including acquisition-related retention compensation under compensatory retention agreements with certain key employees, acquisition-related transaction expenses, contingent consideration fair value adjustments related to earnouts, and deferred compensation related to earnouts.

In addition, Adjusted EBITDA as the Company defines it may not be comparable to similarly titled measures used by other companies. Because of these limitations, you should consider Adjusted EBITDA alongside other financial performance measures, including net income (loss) and the Company's other GAAP results.

The Company compensates for these limitations by reconciling pro forma Adjusted EBITDA to pro forma net loss, the most comparable GAAP financial measure, as follows:

	For the Three Months Ended March 31, 2022				
	Historical				
(in millions)	NW	OTB	Transaction Accounting Adjustments	Notes	Pro Forma Combined
Pro forma net income (loss)	$ (10.5)	$ 1.6	$ (4.5)	(A)	$ (13.4)
Amortization and depreciation	7.2	—	2.4	(B)	9.6
Stock-based compensation	6.5	—	1.3	(C)	7.8
Acquisition-related retention	—	—	1.2	(D)	1.2
Deferred compensation related to earnouts	0.4	—	—		0.4
Change in fair value of contingent consideration related to earnouts	3.9	—	—		3.9
Interest expense, net	0.2	—	0.8	(E)	1.0
Income tax provision (benefit)	1.2	0.5	(1.2)	(F)	0.5
Pro forma Adjusted EBITDA	$ 8.9	$ 2.1	$ —		$ 11.0
Pro forma net income (loss) margin	(8 %)	9 %			(9 %)
Pro forma Adjusted EBITDA margin[1]	7 %	11 %			7 %

	For the Year Ended December 31, 2021				
	Historical				
(in millions)	NW	OTB	Transaction Accounting Adjustments	Notes	Pro Forma Combined
Pro forma net income (loss)	$ (42.5)	$ 4.6	$ (15.7)	(A)	$ (53.6)
Amortization and depreciation	27.1	—	11.0	(B)	38.1
Stock-based compensation	17.9	0.1	5.3	(C)	23.3
Acquisition-related retention	—	—	5.6	(D)	5.6
Deferred compensation related to earnouts	2.1	—	—		2.1
Acquisition-related expenses	0.1	—	1.6	(G)	1.7
Change in fair value of contingent consideration related to earnouts	18.1	—	—		18.1
Loss on impairment and on disposal of assets	0.8	—	—		0.8
Interest expense, net	1.3	—	3.4	(E)	4.7
Other gains, net	(2.6)	(0.5)	—		(3.1)
Income tax provision (benefit)	4.8	1.3	(11.2)	(F)	(5.1)
Pro forma Adjusted EBITDA	$ 27.1	$ 5.5	$ —		$ 32.6
Pro forma net income (loss) margin	(11 %)	12 %			(13 %)
Pro forma Adjusted EBITDA margin[1]	7 %	14 %			8 %

(1) Represents pro forma Adjusted EBITDA as a percentage of pro forma revenue.

(A) Represents transaction accounting adjustments to reflect the Company's acquisition of OTB assuming the acquisition was completed on January 1, 2021, the first day of the Company's fiscal year ended December 31, 2021. For further discussion, see Exhibit 99.3 to the Company's Current Report of Form 8-K/A filed on August 17, 2022, to which this unaudited supplemental non-GAAP pro forma financial measure is attached.

(B) Represents amortization of definite-lived intangible assets recognized as part of the acquisition of OTB.

(C) Represents stock-based compensation related to inducement awards granted to employees of OTB who were offered employment with the Company, with the majority of the stock-based compensation related to awards granted to the co-founders of OTB. For further discussion on inducement awards, see Note 1 – Description of the Transaction – Retention Agreements and Inducement Awards in Exhibit 99.3 to the Company's Current Report of Form 8-K/A filed on August 17, 2022, to which this unaudited supplemental non-GAAP pro forma financial measure is attached.

(D) Represents compensation expense related to retention agreements with the co-founders and certain other employees of OTB. For further discussion on retention agreements, see Note 1 – Description of the Transaction – Retention Agreements and Inducement Awards in Exhibit 99.3 to the Company's Current Report of Form 8-K/A filed on August 17, 2022, to which this unaudited supplemental non-GAAP pro forma financial measure is attached.

(E) Represents interest expense related to the debt drawdown on the Company's existing credit facility to finance the cash portion of the purchase consideration.

(F) Represents the income tax effect of the pro forma adjustments, including a tax benefit related to the change in the Company's existing valuation allowance on deferred tax assets.

(G) Represents estimated transaction expenses, including for transactions considered separate from the business combination, which are attributable to post-combination expense. These estimated transaction expenses are directly attributable to the acquisition, nonrecurring and are not reflected in the historical financial statements.

Financial Outlook

The Company is not updating financial outlook for the third quarter or full year of 2022, which was published in the earnings press release dated August 4, 2022. The Company is herein providing context for the estimated contribution of the acquisition of OTB and its anticipated impacts on the Company's third quarter 2022 financial outlook. The Company:

- expects the contribution of the OTB acquisition to be approximately 8-10 points to its overall year-over-year revenue growth during the third quarter of 2022;
- does not expect the OTB acquisition to be accretive to Adjusted EBITDA during the third quarter of 2022 as the Company is ramping integration efforts, and therefore expects that the accretive contribution of the acquisition to its 2022 financial results would occur during the fourth quarter; and
- reiterates that, given the extensive nature of the integration of OTB to the Company's business following closing of the acquisition, the Company does not anticipate that it will be able to prospectively quantify the acquisition's contribution to the Company's revenue and operating income.

Forward-Looking Statements

This Exhibit contains forward-looking statements about the Company and its industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Exhibit are forward-looking statements, including, but not limited to, the statements in the section titled "Financial Outlook." In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will" or "would" or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the Company's:

- ability to navigate macroeconomic challenges such as market volatility, inflation and an increasing interest rate environment;
- expectations regarding the benefits of the acquisition of OTB, including expected accretive contributions to the Company's revenue and adjusted EBITDA;
- ability to successfully integrate OTB and achieve expected synergies from this acquisition;
- expectations regarding future financial performance, including total revenue, cost of revenue, Adjusted EBITDA and MUUs;
- ability to grow traffic and engagement on its platform;
- expected returns on marketing investments and brand campaigns;
- expectations about consumer demand for the products on its platform in 2022;
- ability to convert users into Registered Users and improve repeat user rates;
- ability to convert consumers into matches with financial services partners;
- ability to grow within existing and new verticals, including its ability to expand SMB product marketplaces;
- ability to expand geographically;
- ability to build efficient and scalable technical capabilities to deliver personalized guidance and nudge users;
- ability to maintain and enhance its brand awareness and consumer trust;
- ability to generate high quality, engaging consumer resources;
- ability to adapt to the evolving financial interests of consumers;
- ability to compete with existing and new competitors in existing and new market verticals;
- ability to maintain the security and availability of its platform;
- ability to maintain, protect and enhance its intellectual property;
- sufficiency of cash, cash equivalents, and investments to meet its liquidity needs; and
- ability to successfully identify, manage, and integrate any existing and potential acquisitions.

You should not rely on forward-looking statements as predictions or guarantees of future events. The Company has based the forward-looking statements contained in this Exhibit primarily on its current expectations and projections about future events and trends that it believes may affect its business, financial condition and operating results. These forward-looking statements are subject to risks, uncertainties and other factors that may cause actual results or outcomes to be materially different from any future results expressed or implied by these forward-looking statements, including those factors described in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 and in other filings the Company makes with the SEC from time to time.

The forward-looking statements made in this Exhibit are made only as of the date hereof. The Company undertakes no obligation to update any forward-looking statements made in this Exhibit to reflect events or circumstances after the date of this Exhibit or to reflect new information or the occurrence of unanticipated events, except as required by law.