Offerpad



INVESTOR PRESENTATION

SEPTEMBER 2022 UPDATE

DISCLAIMER

Forward-Looking Statements

Certain statements in this Presentation may be considered forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or Offerpad Solutions Inc.'s (the "Company") plans, strategies, business prospects, market opportunity and future financial or operating performance. Statements using words such as "may," "should," "could," "might," "plan," "possible," "project," "strive," "budget," "forecast," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "potential" or "continue," or the negatives of these terms, are also forward-looking. Such forward-looking statements are subject to numerous risks, uncertainties, and other factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including but not limited to: the outcome of any legal proceedings that may be instituted against the Company; changes in applicable laws or regulations; the ability to respond to general economic conditions; the health of the U.S. residential real estate industry; the ability to grow market share in existing markets or any new markets; the impact of the COVID-19 pandemic; the ability to manage growth effectively; the ability to accurately value and manage inventory, and to maintain an adequate and desirable supply of inventory; the ability to successfully launch new product and service offerings, and to manage, develop and refine the technology platform; and other risks and uncertainties set forth in the sections entitled "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in the Company's Annual Report on Form 10-K filed March 7, 2022 and other documents filed by the Company from time to time with the Securities and Exchange Commission (SEC). You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company does not undertake any duty to update these forward-looking statements.

Financial Information; Non-GAAP Financial Measures

This Presentation also includes certain financial measures not presented in accordance with generally accepted accounting principles ("GAAP") including, but not limited to, Contribution Margin, Adjusted EBITDA and certain ratios and other metrics derived therefrom. Contribution Margin means net sale proceeds less holding and selling costs, plus other services. Adjusted EBITDA includes adjustments for amortization of share based compensation, impairments and other non-cash expense. These non-GAAP financial measures are not measures of financial performance in accordance with GAAP and may exclude items that are significant in understanding and assessing the Company's financial results. Therefore, these measures should not be considered in isolation or as an alternative to net income, cash flows from operations or other measures of profitability, liquidity or performance under GAAP. You should be aware that the Company's presentation of these measures may not be comparable to similarly-titled measures used by other companies. The Company believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to the Company's financial condition and results of operations. The Company believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating ongoing operating results and trends in and in comparing the Company's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. These non-GAAP financial measures are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures.

This Presentation also includes certain projections of non-GAAP financial measures. Due to the high variability and difficulty in making accurate forecasts and projections of some of the information excluded from these projected measures, together with some of the excluded information not being ascertainable or accessible, the Company is unable to quantify certain amounts that would be required to be included in the most directly comparable GAAP financial measures without unreasonable effort. Consequently, no disclosure of estimated comparable GAAP measures is included and no reconciliation of the forward-looking non-GAAP financial measures is included.

Industry and Market Data

In this Presentation, the Company relies on and refers to certain information and statistics obtained from third-party sources which they believe to be reliable. The Company has not independently verified the accuracy or completeness of any such third-party information.

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Offerpad

OUR MISSION:

PROVIDE YOUR BEST WAY TO BUY AND SELL A HOME. PERIOD.

01 REAL ESTATE IS CHANGING

02 OFFERPAD'S MARKET APPROACH

03 OFFERPAD'S GROWTH DRIVERS

04 BUSINESS MODEL POSITIONED TO PERFORM

05 APPENDIX

01

REAL ESTATE IS CHANGING



MASSIVE AND RAPIDLY EVOLVING OFFLINE TO ONLINE MARKET



$2.5T [1]

Real Estate opportunity today
99% analog

~1% Digital penetration [2]

MARKET OPPORTUNITY

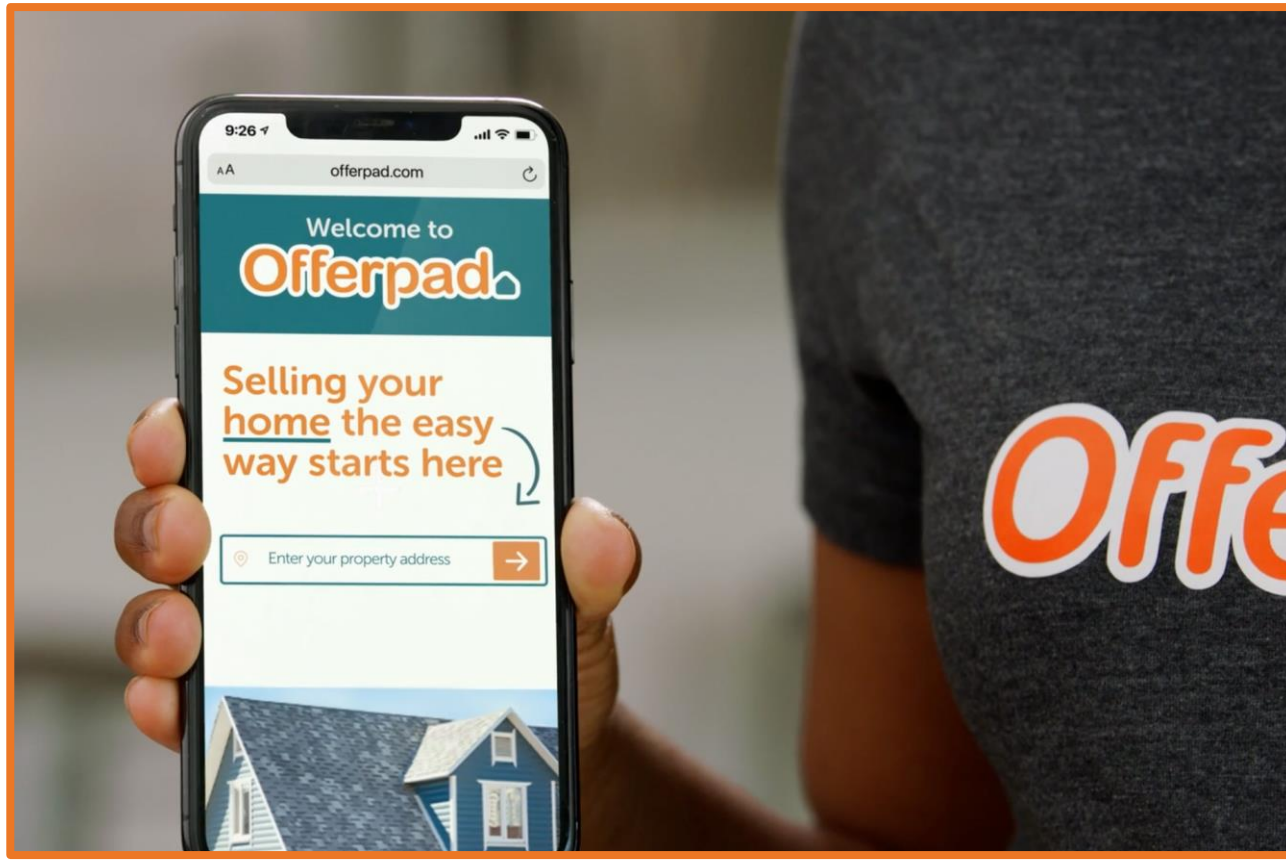
$1.5T [3]
"BUY BOX" TODAY

$2.07B
2021 REVENUE

[1] US Census & National Association of Realtors
[2] Company Estimates
[3] Houses in the US in the price range of $0 - $1M

ONLINE, SINGLE-CLICK TRANSACTIONS FUEL THE FUTURE OF REAL ESTATE

- **Request a cash offer**
- **Search homes online**
- **Access available home via mobile app**
- **Complete inspection, virtual closings**



OFFERPAD IS TRANSFORMING THE INDUSTRY

As long as 6 months or more to buy or sell a home.

Closing can take 6+ months



TRADITIONAL

30+ Days → 30+ days & $1000's of list ready repairs → 10+ showings 30+ days on market → 30-45 days in escrow

Broker search | Prepare listing & marketing | Showing & open house | Closing

VS.

Close in as little as 3 days



OFFERPAD

24 hrs to receive cash offer → **Zero** list ready repairs → **Zero showings** or open houses under contract in **24 hrs** → Close in as little as **3 days**

24 hrs for sellers to receive certainty and move on their schedule.

02 OFFERPAD'S MARKET APPROACH



STRONG VALUE PROPOSITION FOR ALL CUSTOMERS

CONVENIENCE | CERTAINTY | CONTROL

Offerpad EXPRESS

CASH OFFER
For those who want to sell on their own schedule with more convenience, certainty and control.

- **Strong Cash Offer**
- **Sell Without Listing**
- **No Showings**
- **Pick Your Closing Day**
- **Free Local Move**
- **3-Day Extended Stay**

Offerpad FLEX

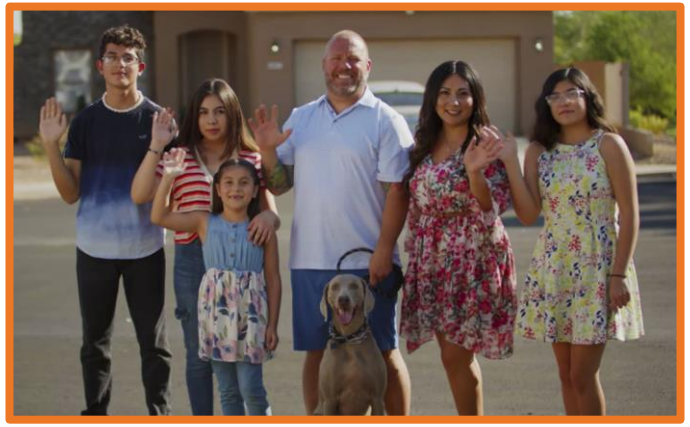
BUY AND LIST WITH CONFIDENCE
For those who want to buy or list with guidance from real estate experts.

- **Back-up Cash Offer**
- **Dedicated Local Experts**
- **Market Power**
- **Home Improvement Advance**
- **FREE Show-Ready Services**

ANCILLARY SERVICES

ADDITIONAL OPTIONS
Offering personalized solutions to meet each individual customers needs.

- **Bundle Rewards**
- **Mortgage Offerings**
- **Title Services**
- **Buyer Boost**



We are results oriented & quality focused so our customers can move freely.

OUR CUSTOMERS ARE OUR BEST REFERENCE

+74

NET PROMOTER SCORE*

★★★★★

"Straightforward"

Zayd in Florida

★★★★★

"Top-tier professionals"

David in Texas

94%

CUSTOMER SATISFACTION*



9 OUT OF 10 WOULD RECOMMEND TO A FRIEND*

"Hands-down the ONLY way to sell" Nicholas in South Carolina

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* Based on surveys from over 2,500 customers in the first half of 2022.

SOPHISTICATED RENOVATIONS EXPAND MARKET OPPORTUNITIES

AVERAGE COST

$17,000

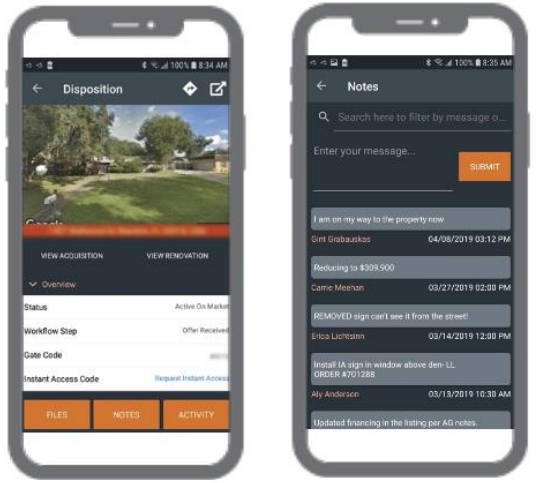
Renovations completed in Q2 2022

AVERAGE DAYS

20

Number of days per project in Q2 2022

PROPRIETARY FIELD AUTOMATION



Helix GO Field Automation

UTILIZE IN-HOUSE TALENT AND VETTED EXTERNAL SPECIALISTS TO INCREASE QUALITY AND CONTROL



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03

OFFERPAD'S GROWTH DRIVERS



GROWTH PLAN WITH MULTIPLE PROFIT EXPANSION TOUCH POINTS

Market penetration in existing markets

- Long-term goal to drive total market share to 3-4%, from current approximately 1%

Expanding into new markets nationwide

- Added 7 new markets year to date 2022
- 29 total markets expected by end of 2022

Innovative ancillary services

- Bundle Rewards, Mortgage, Title, Buyer Boost
- Contribution margin uplift opportunities



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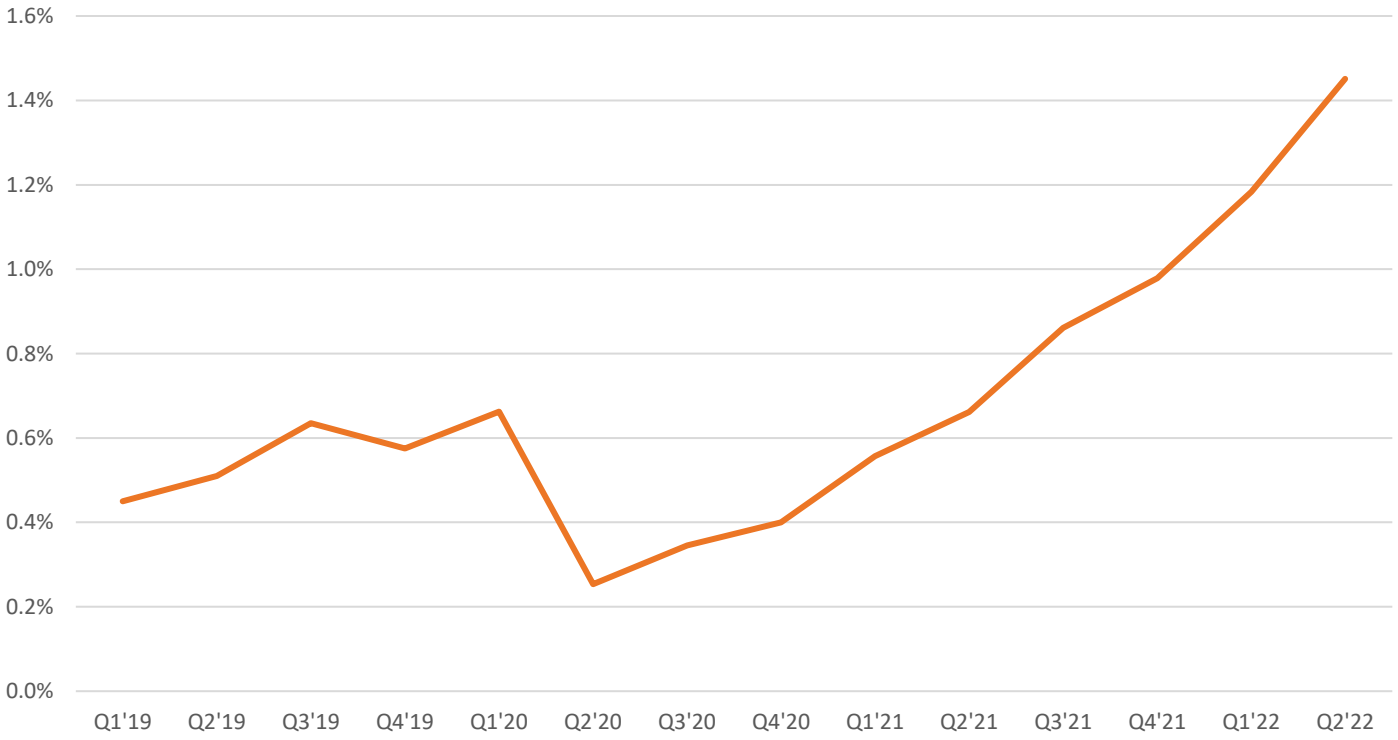
SUCCESS INCREASING MARKET SHARE IN CURRENT MARKETS

Offerpad Market Share in Existing Markets



- Market share rebounded to surpass pre-COVID-19 pandemic highs
- Lifetime Aggregate Revenue of over $6.8B

Source: Based on internal transaction data and market level information from third party aggregator sources

MASSIVE REVENUE POTENTIAL WITH MARKET EXPANSION STRATEGY

Market Strategy

- Geographical diversity
- Historical transactions (quantity & composition)
- Housing affordability
- Housing supply and demand
- Population and employment growth

Expected New Market Expansion

- Added 7 markets year to date 2022
- Cincinnati, OH scheduled to open 2H 2022
- **29 TOTAL** expected by year-end



PRODUCT INNOVATION POSSIBILITIES

Product Expansion Roadmap

CURRENT PRODUCT OFFERINGS

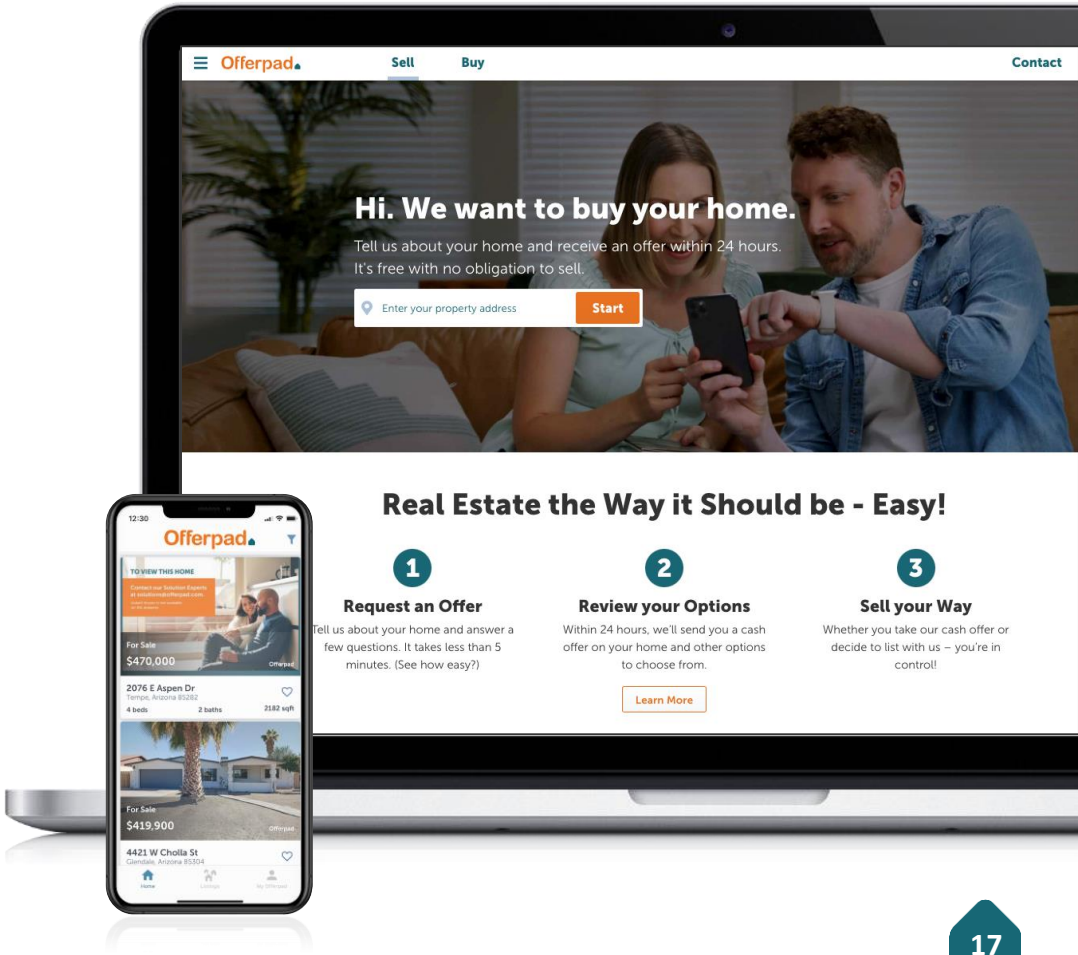
Offerpad ***EXPRESS*** & Offerpad **FLEX**, Mortgage, Title, Bundle Rewards, Buyer Boost

POTENTIAL NEAR-TERM PRODUCT OFFERINGS

Home Warranty, Remodel Services, Insurance

POTENTIAL LONG-TERM PRODUCT OFFERINGS

Smart Home, Energy Efficiency



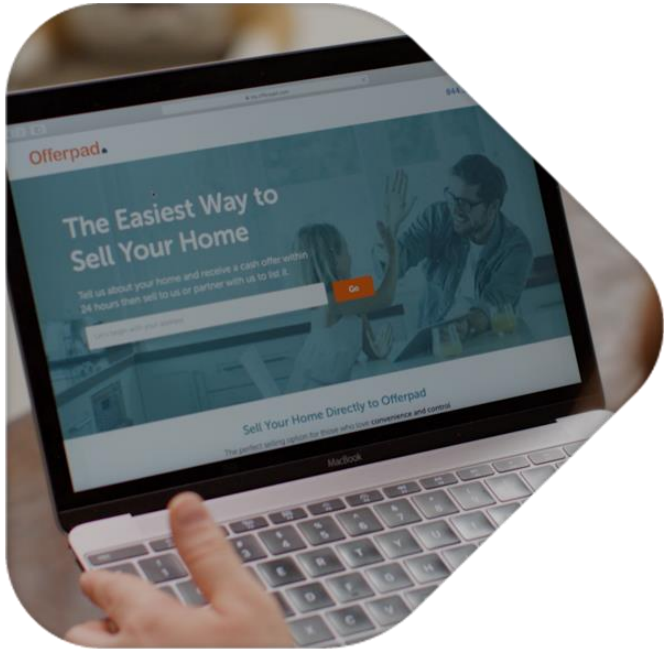
04

BUSINESS MODEL POSITIONED TO OUTPERFORM



MODEL INCREASES VALUE CREATION OPPORTUNITIES

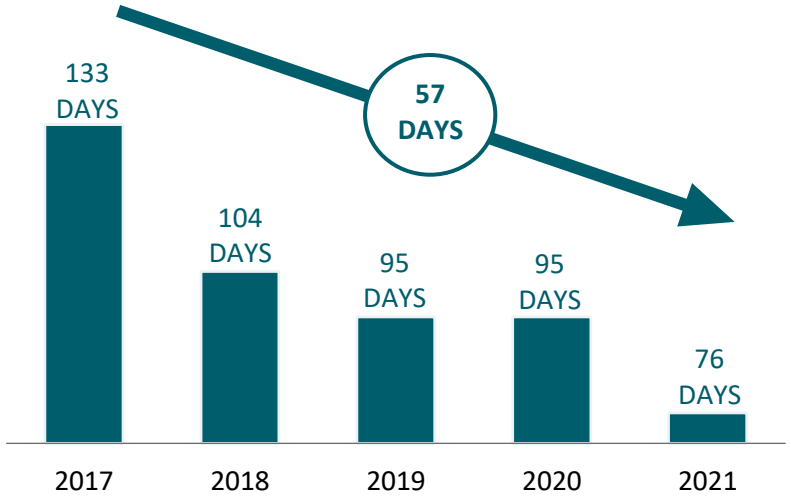
LEVERAGING TECHNOLOGY



RENOVATING TO ADD VALUE

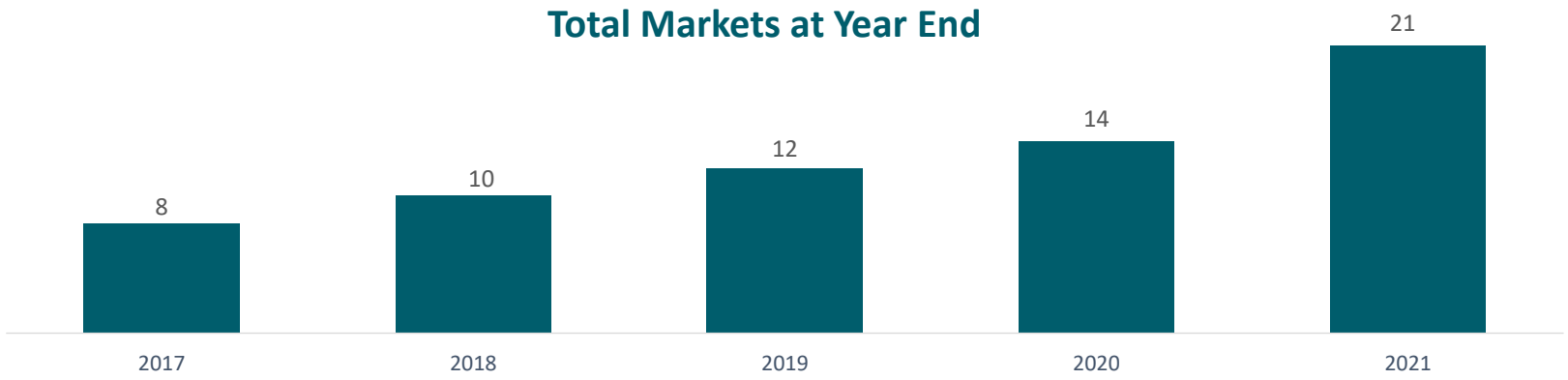


EXPEDITING TIME TO CASH*



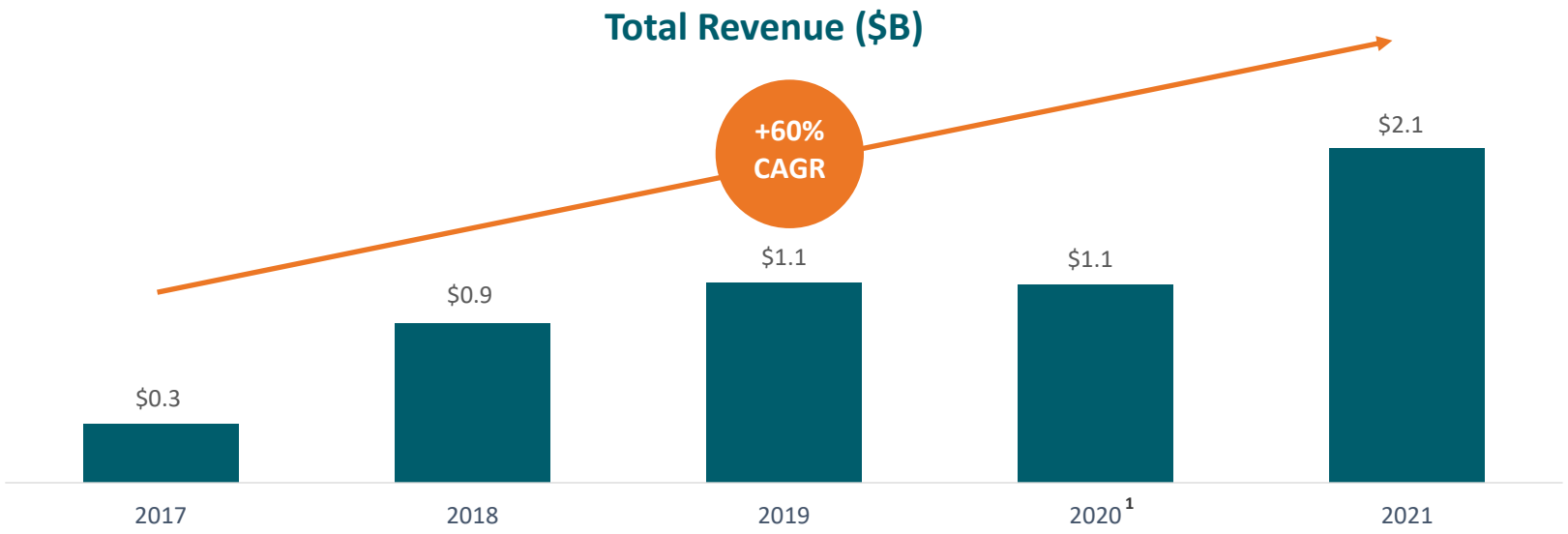
*Time to cash measures the time from when a home is acquired to sold

RAPID MARKET ADDITIONS: KEY REVENUE DRIVER



29

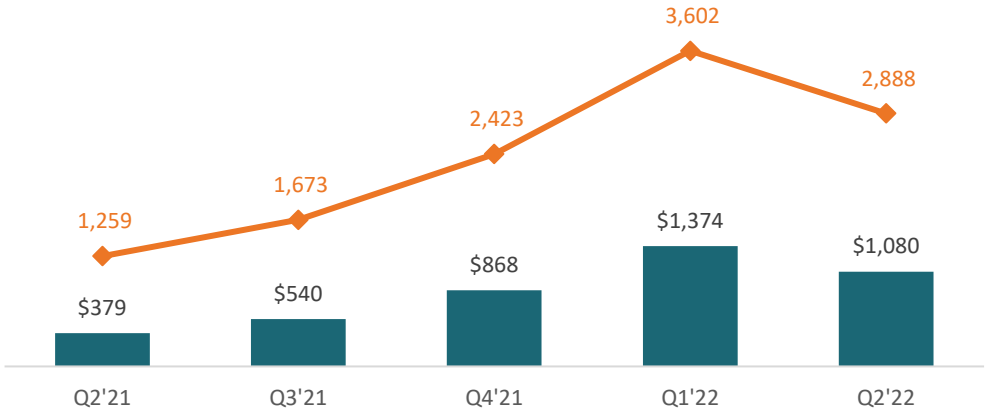
Expected by YE 2022



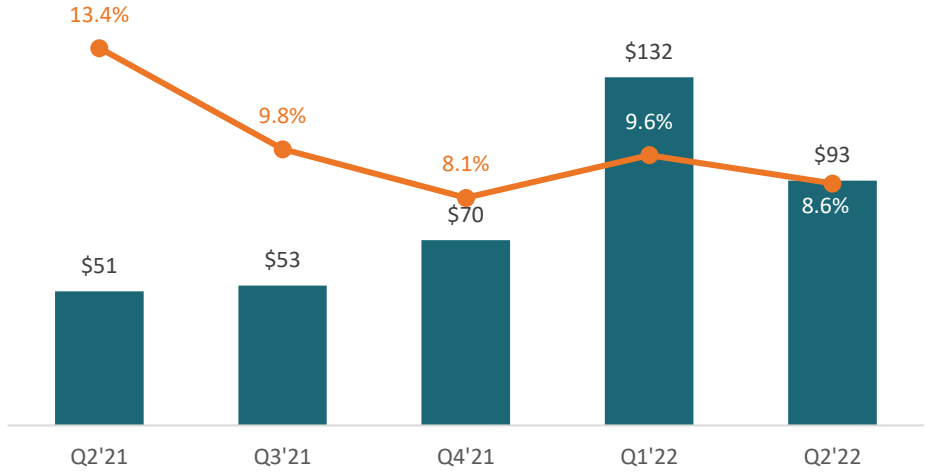
[1] Negatively impacted growth due to COVID-19 pandemic

OFFERPAD'S MODEL IS DRIVING ACCELERATING KPI RESULTS

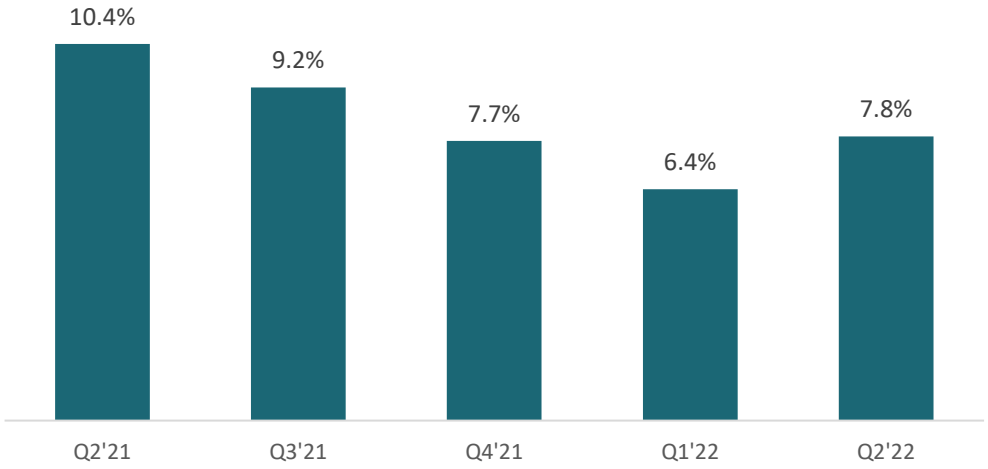
Revenue ($M) & Homes Sold



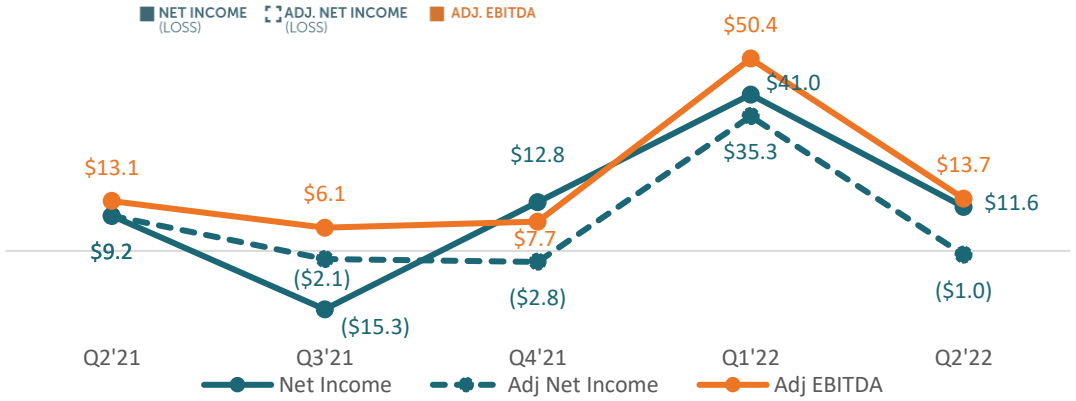
Gross Profit ($M) & Margin



Total Operating Expenses as % of Revenue



Net Income (Loss), Adj. Net Income (Loss) & Adj. EBITDA ($M)



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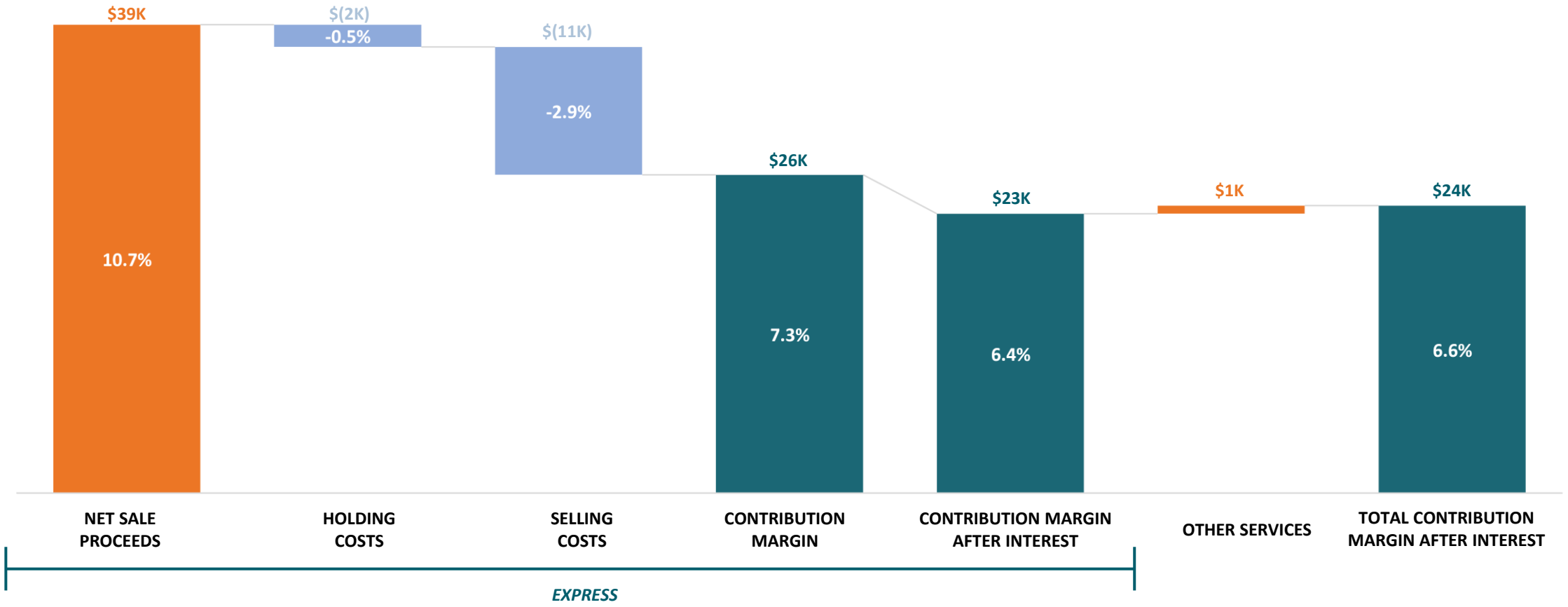
See Slide 29 for a reconciliation to the most directly comparable GAAP measure and additional information.

ATTRACTIVE UNIT ECONOMICS

Q2’22 TTM contribution margin per home after interest



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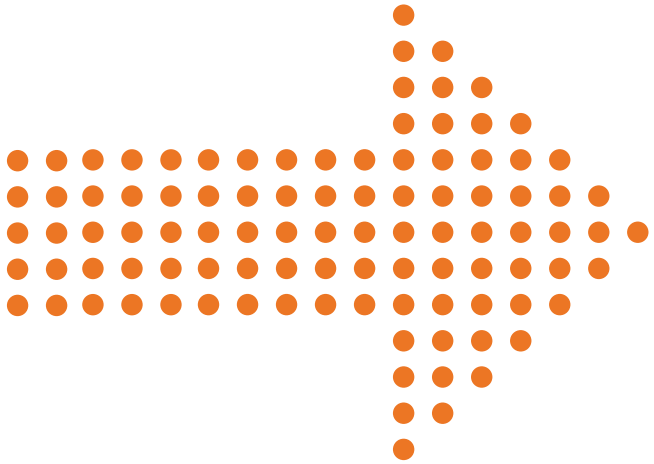
CAPITAL EFFICIENCY FEATURING HIGH RETURNS ON INVESTMENT

ROI Based on Total Homes Sold 2019 - 2021

	2021
87 DAYS TIME TO CASH	*76 Days*
+	
8.8% GROSS MARGIN	*10.0%*
+	
$14K CONTRIBUTION AFTER INTEREST PER HOME	*$23k*



	2021
23.6% ANNUALIZED ROI FOR EVERY $[1] VS. <5% cost of debt [2]	*42.0%*
+	
60% REVENUE CAGR 2017-2021	

Source: Company model, company filings

(1) Calculated based of contribution profit after interest / (Total operating costs + Interest expense) annualized by time to cash

(2) Denotes Q2 2022 blended cost of debt for warehouse facilities

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2Q 2022 FINANCIAL & OPERATIONAL HIGHTLIGHTS

Revenue	**$1.1B**	**+185%** YoY
Homes Acquired	**3,792**	**+87%** YoY
Homes Sold	**2,888**	**+129%** YoY
Net Income	**$11.6M**	**($1.0)M** when excluding $12.6M non-cash credit to mark to market the warrant liability
Adj. EBITDA	**$13.7M**	**+5%** YoY
Contribution Profit after Interest per Home Sold	**$28.5K**	**-10%** YoY

1H 2022 HIGHLIGHTS

- Generated nearly $2.5B in Revenue
- Maintained average time from acquisition to sale below our 100-day target
- Completed more than 6,500 renovation projects

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Note: YoY represents a comparison against the comparable period in the prior year (2Q 22 vs. 2Q 21)

THIRD QUARTER 2022 OUTLOOK

HOMES SOLD
1,700 – 2,200

REVENUE
$600M – $800M

ADJUSTED EBITDA[1]
($40)M – ($20)M





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[1] See Non-GAAP financial measures on slide 2 for an explanation of why a reconciliation of this guidance cannot be provided.

OFFERPAD INVESTMENT HIGHLIGHTS

LARGE ADDRESSABLE MARKET

Offerpad operates in the residential real estate industry with a Total Addressable Market of $2.5T.

FOCUSED BUSINESS MODEL

Offerpad is focused on responsible, long-term growth powered by our real estate expertise and advanced, proprietary algorithms that help optimize each transaction.

COMPETITIVE DIFFERENTIATION

Offerpad's Solutions Center provides a diversified suite of real estate services, customizable to meet each customer's needs.

ATTRACTIVE GROWTH PROFILE

Offerpad's growth is fueled by geographic expansion, existing market penetration and the rollout of additional ancillary services that create value for our customers.



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05 # APPENDIX



NON-GAAP RECONCILIATIONS

(in thousands, except percentages and homes sold, unaudited)	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Gross profit	**$ 92,981**	**$ 132,142**	**$ 70,292**	**$ 53,122**	**$ 50,864**
Gross margin	*8.6%*	*9.6%*	*8.1%*	*9.8%*	*13.4%*
Homes sold	*2,888*	*3,602*	*2,423*	*1,673*	*1,259*
Gross profit per home sold	***32.2***	***36.7***	***29.0***	***31.8***	***40.4***
Adjustments:					
Inventory impairment - current period	20,995	434	985	676	177
Inventory impairment - prior period	(287)	(1,114)	(511)	(152)	(95)
Interest expense capitalized	2,793	4,278	3,511	1,410	767
Adjusted gross profit	**116,482**	**135,740**	**74,277**	**55,056**	**51,713**
Adjusted gross margin	*10.8%*	*9.9%*	*8.6%*	*10.2%*	*13.7%*
Adjustments:					
Direct selling costs	(23,524)	(31,854)	(19,894)	(11,350)	(8,787)
Holding costs on sales - current period	(1,293)	(1,991)	(1,339)	(910)	(533)
Holding costs on sales - prior period	(526)	(819)	(558)	(295)	(188)
Other income	24	4	0	-	7
Contribution profit	**91,163**	**101,080**	**52,486**	**42,501**	**42,212**
Contribution margin	*8.4%*	*7.4%*	*6.0%*	*7.9%*	*11.1%*
Homes sold	*2,888*	*3,602*	*2,423*	*1,673*	*1,259*
Contribution profit per home sold	**31.6**	**28.1**	**21.7**	**25.4**	**33.5**
Adjustments:					
Interest expense capitalized	(2,793)	(4,278)	(3,511)	(1,410)	(767)
Interest expense on homes sold - current period	(4,115)	(5,312)	(2,575)	(2,381)	(1,345)
Interest expense on homes sold - prior period	(1,999)	(3,443)	(1,749)	(697)	(386)
Contribution profit after interest	**82,256**	**88,047**	**44,651**	**38,014**	**39,714**
Contribution margin after interest	*7.6%*	*6.4%*	*5.1%*	*7.0%*	*10.5%*
Homes sold	*2,888*	*3,602*	*2,423*	*1,673*	*1,259*
Contribution profit after interest per home sold	**28.5**	**24.4**	**18.4**	**22.7**	**31.5**

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Note: Current period represents adjustments for costs incurred on homes sold in the period presented and prior periods represents adjustments for costs incurred in prior periods on homes sold in the period presented. Numbers may not total due to rounding.

NON-GAAP RECONCILIATIONS CONT.

(in thousands, except percentages, unaudited)	Three Months Ended				
	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021
Net income (loss) (GAAP)	**$ 11,558**	**$ 40,988**	**$ 12,806**	**$ (15,303)**	**$ 9,190**
Change in fair value of warrant liability	(12,537)	(5,664)	(15,649)	13,185	-
Adjusted net income (loss)	**$ (979)**	**$ 35,324**	**$ (2,843)**	**$ (2,118)**	**$ 9,190**
Adjusted net income margin	*(0.1%)*	*2.6%*	*(0.3%)*	*(0.4%)*	*2.4%*
Adjustments:					
Interest expense	7,771	7,196	6,178	5,495	2,257
Amortization of capitalized interest [1]	2,793	4,278	3,511	1,410	767
Income tax expense	1,610	1,899	-	81	89
Depreciation and amortization	130	119	90	156	146
Amortization of share based compensation	2,400	1,628	763	1,053	649
Adjusted EBITDA	**13,725**	**50,444**	**7,699**	**6,077**	**13,098**
Adjusted EBITDA margin	*1.3%*	*3.7%*	*0.9%*	*1.1%*	*3.5%*

[1] Amortization of capitalized interest represents all interest related costs, including senior and mezzanine interest related costs, incurred on homes sold in the period presented that were capitalized and expensed in cost of sales at the time of sale.
Note: Numbers may not total due to rounding.