

Weedmaps Principals Withdraw From Planned Stock Purchase

WM Technology Co Founders Withdraw Offer to Take Company Private Amid Market Uncertainty

Douglas Francis and Justin Hartfield, co-founders of WM Technology, the parent company of cannabis advertising giant Weedmaps, have officially pulled back from a proposal to acquire all outstanding shares and take the company private. The announcement was made via a Tuesday press release, signaling a pause in a months-long effort to realign the company's ownership structure during a challenging time for cannabis tech businesses.

While the door remains open for a future or alternative proposal, the current withdrawal halts a transaction that, if completed, would have marked a significant shift in the company's corporate direction and public market status.

Initial Proposal Aimed to Acquire Shares at a Significant Premium to Market Value

The original buyout proposal, submitted in December 2023, included an offer to purchase WM Technology's outstanding common stock at \$1.70 per share. At the time of submission, this price represented a 39% premium over the company's closing share price on December 17, 2023. It also marked a 52% premium on the company's implied enterprise value and a 65% premium compared to the volume-weighted average share price over the previous year.

Such a premium suggested strong interest by the company's leadership to take WM Technology private in a transaction that would consolidate control, potentially enable long-term strategic shifts, and distance the company from the pressures of quarterly public market reporting.

Special Committee Was Established to Evaluate the Take-Private Bid and Explore Strategic Alternatives

Following the proposal from Francis and Hartfield, WM Technology formed a Special Committee of independent board members to assess the potential transaction. The committee's mandate was to evaluate the fairness and strategic fit of the offer on behalf of public shareholders, while also exploring whether alternative transactions could deliver better value.

The committee's assessment appears to have contributed to the latest pause, as no finalized agreement was reached, and the committee continues to reserve comment on potential future developments.

In the company's news release, it was stated that the Special Committee "does not intend to comment on or disclose further developments regarding any potential transaction unless and until it deems future disclosure

is appropriate or required.”

Strategic Reconsideration Comes Amid Difficult Market Conditions and Regulatory Headwinds

The decision to back out of the take-private transaction arrives during a period of ongoing headwinds for WM Technology and the broader cannabis advertising sector. In recent years, market dynamics have shifted considerably due to declining sales in licensed cannabis markets, increasing regulatory pressure, and a broader cooldown across the cannabis investment landscape.

WM Technology had previously acknowledged these headwinds at the time of the proposal, noting that legal cannabis markets had pulled back from peak volumes experienced during and immediately following the company’s merger with Silver Spike Acquisition Corp., a special purpose acquisition company (SPAC).

As a result, WM Technology has been forced to navigate a more conservative spending environment among cannabis retailers and brands—many of whom rely on Weedmaps for digital advertising, consumer engagement, and e-commerce integrations.

SEC Penalty and Reporting Issues Add to Mounting Operational Challenges

Adding further complexity to WM Technology’s corporate narrative, the company was fined **\$1.5 million by the U.S. Securities and Exchange Commission (SEC)** in September 2023. The fine stemmed from allegations that the company misrepresented its user metrics in public filings and investor communications.

While WM Technology neither admitted nor denied wrongdoing as part of the settlement, the penalty underscored the regulatory scrutiny facing cannabis-focused tech firms as they attempt to build credibility in traditional capital markets.

These developments have weighed on investor confidence and may have contributed to both the withdrawal of the take-private bid and the company’s current re-evaluation of its long-term strategy.

WM Technology’s Stock Performance Reflects Ongoing Market Volatility

Trading under the ticker **MAPS** on the Nasdaq exchange, WM Technology has experienced considerable volatility in its stock price since going public via SPAC merger. After debuting with significant investor enthusiasm, shares of WM Technology have steadily declined, reflecting broader investor caution toward cannabis tech firms and digital advertising platforms serving the cannabis industry.

The proposed \$1.70 per share buyout was, for some investors, seen as a potential opportunity to exit at a premium. With the withdrawal of the offer, however, it remains uncertain whether shareholders will see similar upside in the near term unless a new bid is introduced or the company embarks on a transformative business strategy.

Co-Founders May Return With Alternative Proposal as Strategic Evaluation Continues

While the current bid has been formally withdrawn, WM Technology has not ruled out the possibility of a future transaction. The news release stated that Francis and Hartfield “will continue to evaluate the deal and could submit an alternative proposal.”

Such a proposal could take a different structure, involve outside investors, or target a different price point. It could also come in the form of a partial acquisition, partnership, or restructuring initiative designed to

improve performance while retaining public company status.

For now, however, the market is left waiting to see whether WM Technology's leadership will chart a new course or double down on its current operational model in the face of challenging conditions.

Cannabis Tech Sector Remains in Flux as Companies Adapt to Slower Growth and Reduced Funding

The uncertainty surrounding WM Technology's future is emblematic of broader trends in cannabis tech and digital infrastructure companies. Once viewed as high-growth, high-margin plays on the emerging legal cannabis market, these firms are now navigating a dramatically different landscape.

Funding is harder to secure. Advertising budgets among cannabis companies have tightened. Regulatory compliance costs have increased. And public markets have become more skeptical of speculative growth stories without clear paths to profitability.

Against this backdrop, companies like WM Technology are under pressure to adapt—either through privatization, consolidation, or aggressive cost-cutting measures.

WM Technology's Next Moves Will Determine Investor Confidence and Market Trajectory

With the co-founders' proposal off the table for now, WM Technology enters a critical phase where investor confidence will hinge on the company's ability to stabilize operations, rebuild trust, and deliver results in a difficult operating environment.

The company must now demonstrate that it can navigate regulatory pressures, enhance transparency, and drive consistent revenue from a shrinking but still competitive cannabis advertising market.

Whatever the path forward whether public, private, or restructured the actions WM Technology takes in the coming quarters will likely determine its long-term relevance in the cannabis digital ecosystem.

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