

MATTERPORT Q4 EARNINGS CALL MANAGEMENT PREPARED REMARKS

List of Participants

- RJ Pittman, Chief Executive Officer, Matterport
- JD Fay, Chief Financial Officer, Matterport
- Soohwan Kim, VP Investor Relations

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Thank you. Before we begin, I'd like to remind you that today's call contains forward-looking statements within the meaning of federal securities laws, including, but not limited to, statements regarding Matterport's future financial results and management's expectations and plans for the business. These forward-looking statements are subject to numerous risks and uncertainties that may cause actual results to differ materially from those discussed on today's call. These forward-looking statements generally are identified by the words "believe," "project," "expect," "anticipate," "estimate," "intend," "strategy," "future," "forecast," "opportunity," "plan," "may," "should," "will," "would," "will be," "will continue," "will likely result," and similar expressions (including the negative versions of such words or expressions). Forward-looking statements are predictions, projections and other statements about future events that are based

on current expectations and assumptions and, as a result, are subject to risks and uncertainties. Many factors could cause actual future events to differ materially from the forward-looking statements in this document, including Matterport's ability to implement business plans, forecasts, and other expectations in the industry in which Matterport competes, and identify and realize additional opportunities. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in documents filed by Matterport from time to time with the U.S. Securities and Exchange Commission. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and Matterport assumes no obligation and, except as required by law, does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise. Matterport does not give any assurance that it will achieve its expectations.

Additional information regarding the risks and uncertainties that could cause actual results to differ from forward-looking statements can be found in our filings with the SEC. Any forward-looking statements made on this call, speak only as of today and Matterport assumes no obligation to update or revise them whether as a result of new developments or otherwise, except as required by law.

In addition, today's call may include discussion of non-GAAP financial measures. These measures should be considered as a supplement to and not a substitute for GAAP financial measures. Reconciliation of each of these non-GAAP financial measures to the most directly comparable GAAP measure can be found in today's earnings deck, which is available on the company's website. Hosting today's call are RJ Pittman, Chairman and Chief Executive Officer of Matterport and JD Fay, Chief Financial Officer.

Now I'd like to turn it over to RJ to begin.

RJ Pittman, Chief Executive Officer, Matterport

Thanks, Soohwan. Good afternoon everyone and thank you for joining us today.

2021 was a landmark year for Matterport. We completed our merger with Gores Holdings VI, Inc. and began trading on the Nasdaq in July, raising over \$640 million dollars in gross proceeds, significantly strengthening our balance sheet. We doubled our headcount in the year, right on plan, giving us the capacity and world-class leadership across the company to execute our growth plan. I am incredibly proud of the organization we have built and the caliber of the team is exceptional. We understand better than most, the magnitude of scale required to fulfill our ambitious goal of digitizing the built world at large. I am very impressed with our accomplishments over the last decade, and especially in just the last year, but for Matterport this is just the start of the start.

I am thrilled to report strong growth metrics for 2021 that demonstrate the power of our platform and the sharp progress we're making scaling the business. For the full-year, our subscriber base doubled to more than 503,000 subscribers, Spaces Under Management grew 54% to 6.7 million, and subscription revenue increased 47% to \$61 million, as subscription revenue continues to increase as a percentage of the total revenue mix.

LOOKING AHEAD TO 2022

The outlook for 2022 and the next decade ahead for Matterport is extremely compelling. We expect to see a continued convergence of the physical and digital worlds. People want to be able to access every corner of the globe digitally. More broadly, digital access to the real-world is rapidly changing the game, particularly as Matterport unlocks the power of our spatial data library comprising billions of square feet of rich building data from all types of spaces in 177 countries. The insights and analysis we can generate from that data creates so much new value for the property and the owner, manager, and occupants. This is why our mission to make every space more valuable and accessible is so important to the digital-first world of tomorrow. And today, we are greatly simplifying the process—enabling anyone to create a high fidelity digital twin of any physical space, starting with just the smartphone in their pocket.

Our strategy for growth remains the same: scale customer acquisition, unlock the power of our spatial data, and expand our platform ecosystem. I'd like to provide an update on each of these. Let's start with acquisition.

To accelerate growth we continue to innovate in a critical initiative we call Capture Ubiquity. Capture Ubiquity provides the best way to digitize any physical

space for any type of customer. From professional, on-demand Capture Services to a capture device of choice, customers can digitize a space using a range of offerings including the Matterport Pro2 camera, third-party devices, and even the smartphone in your pocket.

In 2021, we scaled every aspect of our capture portfolio, and in Q4, we introduced Matterport for Android, making 3D capture available to anyone with a compatible Android device in 177 countries around the world. Bringing Matterport capture to Android is a key part of our growth strategy that taps into the other 75% of the smartphone installed base in the world. This will help accelerate our international expansion across Europe, the Middle East, and Africa, and the Asia Pacific region where Android market share is especially concentrated.

At launch, we saw a tremendous response from Android users. We served over 200,000 app downloads from the Google Play store in just the last two months of the fourth quarter. As expected, we are seeing a strong international mix that is ready for Matterport on a mobile device. In fact, more than half of our Android subscribers came from Europe in the quarter.

Smartphone capture is an important part of our go-to-market strategy and it continues to drive adoption across SMB, Mid-Market, and Enterprise. I am excited to report that we now have 20% of the Fortune 1000 as customers, many of whom were able to prove Matterport's enterprise value immediately using just the phone in their pocket and our no-cost freemium tier to get started.

Matterport Axis

But we didn't stop there. On the heels of Matterport for Android, we are excited to introduce Matterport Axis. Axis is a revolutionary motorized mount that works with a smartphone to capture 3D digital twins of any physical space with increased speed, precision, and consistency. This convenient, hands-free solution produces reliable high-fidelity results with just a click of a button. From homes to offices, hotels, rentals, retail locations, even a factory floor, Matterport Axis is the most affordable way to supercharge 3D capture using either an iOS or Android smartphone. With Axis, we aim to accelerate the digital transformation of the built world by making it effortless for anyone with a smartphone to digitize any kind of space with a new level of precision and ease of use.

Customers across a variety of industries use Matterport to virtually measure, document, manage, and promote their properties online. Now, with Matterport Axis, organizations across the globe can scale up their efforts to affordably capture high-fidelity digital twins at multiple locations simultaneously. Distributed teams get reliable, consistent results from their smartphones, and Axis helps to ensure that every scan from every location achieves the same level of precision.

On February 8th, Axis became available for pre-launch reservation at Matterport.com, and also with our partner- Adorama and B&H with a special pre-launch price of just \$59. Due to overwhelming demand, we have nearly allocated all of our initial supply allocation. Additionally, we have seen tremendous interest from enterprise customers with many already in full evaluations with Axis today. We expect general availability of Axis in early April along with our first Axis Starter Bundle, that includes Axis, a tripod, carry-case AND a 12-month subscription plan for just \$149, our best customer value offered to date.

DATAFICATION

The second part of our strategy unlocks the power of our spatial data library. We introduced our datafication strategy in 2021, and have been on a roll ever since. Today Matterport transforms buildings into data with our powerful digital twin technology. Tomorrow we will increase the value of every building and space through analysis and understanding of every square foot, and every square centimeter of a physical space. A fully digital, spatial audit, with far more detail and building insights than are currently available from the property appraisals, inspections, and walkthroughs of today. The potential is enormous, and the opportunity is now. We are already in market today with early commercial deployments of datafication, and we aim to supercharge those efforts with the acquisition of Enview, a premier provider of scalable AI-powered 3D spatial analysis, that closed on January 6th of this year. Enview uses a combination of artificial intelligence, deep learning, and computer vision to understand what's in a space, recognize objects, and recognize where they're positioned in an outdoor environment or an indoor space. It's very difficult to codify what we as humans do when we walk through a space and Enview helps us get there faster, with extraordinary technology and data science expertise. Our customers agree that canvassing every centimeter of a *single*, 200,000 square foot facility, is at best, difficult to do with sufficient efficiency and precision. With Matterport's

datafication platform we will soon be ready to simultaneously analyze thousands of these facilities with the precision that leaves no centimeter unturned. This is remote facilities management and building intelligence at scale and we're very excited about it.

Now I'd like to talk about the third part of our strategy- the expansion of the Matterport platform ecosystem. We have been hard at work extending the Matterport value proposition by opening the platform to developers, partners, and enterprises. Now, these industry partners can build and integrate with the world's largest spatial data library to customize our digital twins and create vertical market applications for all of our major end markets. Our partners connect with hundreds of thousands of Matterport customers in 177 countries to market their innovations and deliver breakthrough 3D experiences. We're grateful to have partners like SIMLAB, Redfin, Autodesk, and 150 more.

Last year, we expanded our partnership with Amazon Web Services in two important ways:

- In Q3, we launched the AWS GovCloud. This will be the platform where we deploy and manage our FedRAMP-compliant offering.

- In Q4, we introduced our digital twin platform support as a launch partner for AWS IoT TwinMaker introduced at the Re:Invent conference which took place in November. Further demonstrating the growing demand for digital twin solutions in the enterprise and showcasing Matterport's industry leading solution in 3D capture for the built world.

Amazon looks to meet customers where they are today with solutions that cater to the data they store in AWS cloud. Building, facilities, and manufacturing data is among the growing cohorts. With Matterport's scalable digital twin platform we provide an easy on-ramp to AWS IoT TwinMaker, with a precision digital twin to accurately represent and help optimize the physical operating environment. This is another example of Matterport's platform ecosystem that readily scales to deliver powerful partner solutions for large-scale businesses like AWS.

The versatility of our platform ecosystem has also helped us expand our partnership with Facebook, now Meta, to enable researchers and academics to develop advanced intelligent systems with a physical or virtual embodiment such as robots and personal digital assistants. Meta's AI group is partnering with Matterport to provide access to a collection of Matterport's powerful 3D spatial

data out of a shared interest in addressing this area of critical need in embodied AI to spur greater innovation in both the digital and physical world.

We came together with Facebook and released an unprecedented 1,000 digital buildings and spaces of all kinds from over 90 countries that researchers from the top universities all over the world have started using to train AI models and autonomous systems to make proper decisions in both digital and real world situations. Since we announced the program last summer, we have received more than 450 applications and hundreds of universities and researchers have already started their work.

Following this program, there has been quite a bit of discussion about the future of digital twins and how essential they are to creating a viable metaverse at scale.

We certainly share in the enthusiasm for what the future holds in a digital-first world. Some are approaching the metaverse with simulated virtual worlds, VR and AR layers for gaming, entertainment, social, and meetings. Matterport, by contrast, has been digitizing buildings in the physical world to generate proven business value by turning buildings into data with our powerful AI platform and

connecting real-world spaces in the digital realm. And we're doing it at an unprecedented scale that is unequaled today.

Mattport for Android, Axis, Enview, and our growing partnerships with AWS and Meta are great indicators of our continued momentum and the focused execution in just Q4 alone. Directly fueling our capture, spatial data, and platform ecosystem growth strategy. I can't be more proud of our team for delivering on such major initiatives in Q4, and setting the stage for another year of innovation and growth in 2022!

I will now turn it over to JD who will discuss our financial performance for the fourth quarter, and the continued strength of our business model.

JD Fay, Chief Financial Officer, Matterport

Thank you RJ.

We had a remarkable year in 2021, achieving record total revenue of \$111 million, which was up 29% year-over-year. Recurring subscription revenue also achieved a record \$61 million, increasing 47% year-over-year.

In 2021, we continued to make progress on our transition to a recurring subscription business. Not only was 2021 the fourth year in a row that recurring subscription revenue as a percentage of total revenue increased but also in 2021 subscription revenue became the majority of our revenue for the first time. Subscription revenue represented 55% of total revenue, which was an increase of 700 basis points from the prior year.

The growth of subscription revenue also naturally results in more of our revenue becoming recurring with high gross margin. Subscription gross margin was 77 percent, which represents more than a 400 basis point increase from 2020.

We had another outstanding year of customer acquisition, nearly doubling our total subscribers year-over-year to 503,000. At the end of the fourth quarter, we had 448,000 free subscribers and 55,000 paid subscribers.

Moving to Q4 performance, I am pleased to report that we delivered record fourth quarter revenue of \$27.1M, up 15% from Q4 last year. Subscription revenue was a record \$16.5 million, up 32% from the year-ago quarter. In addition, our annual recurring revenue metric, or ARR, grew to a record \$66.1 million at quarter-end.

Subscription revenue was 61% of total revenue in the fourth quarter compared to 53% in the year-ago period. Subscriptions are core to our growth strategy and we leverage the other revenue lines - product, services, and license - to continue to build subscribers and subscription revenue over time.

Our subscribers are also increasing their spend with us at a healthy rate. Our net dollar expansion rate was 110% in Q4. This is in line with our historical growth rate for this metric. I mentioned in the past that our net dollar expansion rate can be driven by our enterprise customers where we still have relatively low penetration,

and we had another successful quarter moving enterprise customers upward, to higher plans, as they grew their use of Matterport. Small businesses tend to have lower activity on the platform in the fourth calendar quarter given the holidays and winter weather in our larger markets, and which partially offset the strength in enterprise customer expansions.

License revenue was \$0.3 million in the fourth quarter. As I noted on the third quarter call, there was a large enterprise transaction that was expected to be recognized as license revenue during Q4, however, that relationship progressed directly into the subscription phase in the quarter. And, because it is now a subscription, this transaction is expected to continue to be recognized as recurring subscription revenue over at least the next four quarters.

The license revenue recognized in the quarter derives from another new offering launched in 2021, which is an application programming interface and software development kit to integrate Matterport data into customers' enterprise applications. This API / SDK integration enables enterprises to bring Matterport data and content into their workflows, such as project management, modeling, and asset maintenance applications. This is part of our strategy to integrate into

enterprise workflows robustly, increasing adoption and usage of Matterport Spaces and their data over time.

Services revenue for the fourth quarter was \$3.7 million, a 69% increase year-on-year. We provide a variety of services, including in-app purchases and Capture Services. The year-over-year growth was led by exceptionally strong performance in our Capture Services segment. Capture Services is an offering by which enterprise customers hire us to subcontract the capture of their spaces in high volume, enabling them to get onto our platform more quickly and at scale. In the fourth quarter, we started to see enterprise customers that had agreed to use Capture Services earlier in the year begin to schedule and scan their physical footprint in greater volumes.

In addition, in-app purchases, which provide our customers additional digital assets, such as schematic floor plans and scan-to-BIM files, also continued to provide strong year-over-year growth.

Our product revenue was \$6.6 million in the quarter, compared to \$8.4 million in the year-ago period.

We continued to see strong demand throughout the quarter for our products, but as I noted in the third quarter conference call, we were impacted by the full quarter of the global supply chain constraints. This meant that we could not satisfy all the demand for products, and, as a result, we entered the first quarter of 2022 with one of our largest backlogs ever. I believe that we could have seen year-over-year growth in our product revenue had we been able to satisfy all of the demand.

Moving on to gross margin, our total non-GAAP gross margin for the fourth quarter was 50%.

Our subscription gross margin was 78%, as compared to 75% a year ago.

Our subscription gross margin remains strong as we continue to make enhancements to our technology platform while our total Spaces Under Management grew over 50% last year. As we have noted before, we expect subscription gross margin to vary by 100-200 basis points from quarter to quarter as we continue to invest in building out our subscription platform.

Product gross margin was negative 11%, as compared to positive 39% a year ago. As I mentioned on our last earnings call, toward the end of Q3, we began expediting materials in short supply to meet customer demand. We also made tactical decisions to source parts from alternative suppliers or to pay higher prices to secure allocations. The combined impact of these factors drove the increase in our product cost of goods sold. While it is not our intention to lose money on products, it is also important to support our customers. And, in most cases the shipment of a Pro2 camera results in a new paid subscriber to our platform. In this situation, we expect to recover the current product gross profit investment within the first four months of the customer's subscription term with us, on average.

Reviewing Non-GAAP operating expenses in Q4:

Research and Development expenses were \$9.0 million, up from \$4.6 million in the prior year period. The growth in spending was as planned, and is primarily attributable to investments in headcount to increase our product development capabilities and throughput, and to support the launch of Matterport for Android and the newly announced Matterport Axis product.

SG&A expenses were \$30.1 million, as compared to \$11.1 million a year ago. The majority of this increase is due to investments in sales and marketing, which were also part of our growth plan. We continue to invest in global selling and marketing capacity to drive further growth. We are investing now knowing that it requires some lead time before seeing the fruit from these investments.

Non-GAAP net loss was \$25.1 million and diluted non-GAAP loss per share was 10 cents for the quarter, as expected, using a weighted average share count of roughly 245 million shares.

Moving on to our balance sheet, we ended the quarter with almost \$670 million in cash and investments. We redeemed 7.1 million warrants, raising \$76 million in Q4. Since the end of the fourth quarter, we redeemed another 2 million warrants, raising an additional \$28 million. Continuing to have a strong balance sheet will give us tremendous flexibility to accelerate our growth over time.

Today, we are introducing financial guidance for the full year of 2022 and the first quarter.

We continue to see an extraordinary opportunity in front of us, that is for Matterport to lead the digitization and datafication of the built world. While we are the first mover and first scaler, with over 6.7 million Spaces Under Management already, in many ways we have just started on the journey of propelling the digital transformation of the world's largest asset class, real estate. With over 500,000 subscribers, we see the myriad ways Matterport adds value, and can see that every structure benefits from a Matterport digital twin and the content and application integration that comes along with that digital twin. Moreover, there are 4 billion buildings and 20 billion spaces in the world for us to capture.

Accordingly, we expect 2022 will be another year of strong growth for Matterport. We expect full year 2022 total revenue to be in the range of \$125 million to \$135 million. Importantly, we expect subscription revenue to be in the range of \$80 million to \$82 million, which represents 32% annual growth at the midpoint.

With respect to our acquisition of Enview, we are planning to spend this year integrating its technology into our platform, and accordingly, we expect minimal revenue from the acquisition in 2022.

For the first quarter, we expect total revenue to be in the range of \$25.5 million to \$27.5 million. We expect subscription revenue to be in the range of \$17.1 million to \$17.4 million, which represents 25% annual growth at the midpoint. We expect first quarter non-GAAP loss per share to be in the range of 13 to 15 cents.

The balance of our revenue forecast is comprised roughly evenly between product revenue on the one hand, and services and license revenue on the other.

In the third quarter conference call, while only issuing guidance for 2021 at that time, I did say we would expect to be able to grow our annual total revenue around the 50% range as the economy returns to a more normalized state with respect to supply chain constraints and labor markets, given we did not see any change in the end market demand for our products and services. The demand side of that equation has held up; we continue to see healthy demand. At this point in the first quarter, however, we see the supply chain constraints continuing. This impacts product revenue and, to a lesser extent, it flows into our subscription revenue growth. Our guidance contemplates that these imbalances will be with us through the full year of 2022. There are signs that pressure on component

availability could abate somewhat in the back half of 2022. Regardless, our plans assume that balance in the supply chain will not be fully restored until some time in 2023.

License revenue is expected to remain approximately \$300 thousand per quarter in 2022.

Regarding non-GAAP earnings per share, we expect a 47 to 52 cent loss for 2022.

Finally, we remain very excited about our market opportunity and growth prospects as we build on our recent product launches. Accordingly, we are optimistic that 2022 will be another exciting growth year for Matterport as we continue on our mission to digitally transform the entire build world.

Now, I would like to turn the call back over to RJ.

RJ Pittman, Chief Executive Officer, Matterport

Thank you JD!

2021 marked the company's 10-year anniversary and definitively positioned Matterport to lead the digital transformation of the largest asset class in the world. Valued at more than 230 trillion dollars, this will be the most important market in the world to undergo such a significant sea-change in the next ten years. The physical world is going digital. Every industry on every continent is embracing digitization, the largest technology platforms in the world are invested in the movement, and Matterport is the scaled platform to lead the way. This is why Matterport in 2022 is the start of the start. Thank you very much. Operator, we are now ready for questions.