Transcript of Announcement Presentation by Brendan Wallace, Lucas Haldeman

Brendan Wallace (00:00):

Well thank you, everyone, for joining. I'm Brendan Wallace. I am the Co-Founder of Fifth Wall, the sponsor of the SPAC that is merging with SmartRent. And I thought maybe to kick things off, I'll just give a little bit of context on Fifth Wall as a firm, who we are, how we first came to discover SmartRent as a venture capital fund, and ultimately how we effected this transaction over the course of the last couple months. So for those that aren't familiar with Fifth Wall, Fifth Wall is the largest and the most active investor in real estate technology. What really makes Fifth Wall unique is the fact that about half of our capital comes from the largest owners and operators and developers of real estate globally, who are in turn the largest customers and end users and partners of the very technologies we're investing in, frankly like SmartRent. And in many ways, that has defined our model.

Brendan Wallace (01:03):

So what Fifth Wall does is we collaborate very closely with our strategic LPs. We understand their pain points, we understand which technologies they are imminently about to adopt, and then we invest in those companies and help shepherd their growth into these large institutional owner, operator, developers of real estate. We started the firm back in 2016. I think in many ways, Fifth Wall today has become synonymous with real estate tech. And really, our unique model of how we invest explains the track record that we have had. So we are early investors, and in some cases, the first money in to companies like Opendoor, and Hippo, and States Title, and VTS, and Clutter and Blend. And that, in some ways, explains how we first came to discover SmartRent.

Brendan Wallace (01:57):

So what Fifth Wall often does is we'll run an RFP on behalf of one of our strategic home builder LPs, and we will evaluate different technologies within the tech ecosystem, identify which company we think is a relevant partner. We evaluated the smart home ecosystem in the early part of 2020. As we did so, it became just abundantly clear to us that SmartRent had emerged as the category winner for a number of reasons. One, the largest institutional national footprint owner, operator, developers of multifamily had, I would say, overwhelmingly endorsed, supported, and grown with SmartRent. But obviously, the management team and its hardware agnostic approach to building a solution for property managers was totally unique within the ecosystem.

Brendan Wallace (02:57):

So in the early part of 2020, we began a dialogue with Lucas and the team at SmartRent. Lucas was kind enough to open up a closed Series C financing to accommodate Fifth Wall's investment. Fifth Wall invested in March of last year out of our North American venture capital fund. In February of this year, Fifth Wall IPOed its first SPAC. Fifth Wall was the first first-time sponsor to have a no warrant SPAC. And our thesis was that we wanted to take out to the public markets a business that very much resembled the same quality of the portfolio we had built in private venture capital market. So a category-leading business that is endorsed by the entire real estate community. And our thought was that these market-leading businesses that have ready access to capital in private venture capital financings, they're going to be highly sensitive to the dilutive impact of the warrants that are typically associated with SPACs.

Brendan Wallace (03:59):

And that what they're really going to be looking for is a sponsor that intimately understands their business, can truly add value after the merger and can, I would say, very compellingly tell their narrative to the public markets. And so SmartRent candidly is exactly the business we hope to take out. It is a category-leading business. It falls within the Fifth Wall portfolio. We understand the business, we can speak very competently to why the real estate industry has so overwhelmingly adopted this solution. And so we were really excited to begin a dialogue with Lucas and team.

Brendan Wallace (04:55):

I think it's probably important to note that SmartRent will be Fifth Wall's largest investment in prop tech because we are so confident in the business and so confident in its growth trajectory, we've agreed to a very long-term lockup of our sponsor shares. They're obviously an all primary deal. So this is exactly what we had hoped to do with Fifth Wall Acquisition Corp. So really excited to introduce this to the public markets. But maybe Lucas, you can give your background and the other side of that story from your perspective.

Lucas (05:34):

Hey, good morning, Brendan. Good to be with you. So yeah, the other side of that perspective is we as a company, we're looking at the ability to access the public markets and access durable public capital. And we were intrigued by the SPAC market that we've all seen grow in popularity, but really there were two issues that we felt were limiting us. One was the sponsor had no strategic value, but a lot of these sponsors were really successful in their own right and great people in great companies, but that they didn't really check that strategic box. And I think you'll see throughout this presentation, our company's always valued strategic money over just money. And that's also now been true in this transaction, as we'll discuss. And the other issue was it was fairly expensive. As Brendan alluded to, with the warrant structure that comes with most SPACs is that expensive round of financing.

Lucas (06:23):

And so we were thrilled when we saw that Fifth Wall launched an IPO and had created FWAA, and that not only did that check the strategic box, but they also were able as a first-time sponsor to get a warrantless SPAC to market, we thought this is just the perfect combination. So really excited to be with you today. Really excited to tell the story and share a little bit more about what we're doing at SmartRent. And maybe I'll give a little bit of my background before we go into what we're doing at SmartRent, because I think it dovetails nicely into how we got to here. So prior to starting SmartRent, I was a Chief Technology Officer of a publicly traded REIT of single family homes called Colony Starwood Homes, now part of Invitation Homes, INVH. And as the CTO, I had lots of requests from different departments to better understand our assets, better manage our assets and from the marketing team to provide better amenities to our residents.

Lucas (07:20):

And to me, it was such an obvious answer. We just need to make these homes smart homes. And that's where I really discovered the problem, which now we've solved with SmartRent, which was at the time there was really no good enterprise management of smart devices, enterprise management of IOT. There were a lot of really cool devices. I had a bunch in my house. Brendan, you have a bunch in your house. But no one had ever said, "How do I manage these at scale? How do I manage 100,000, or 200,000, or a million of these devices?" And there's two sides to managing at scale. One is we're a

hardware agnostic platform. So we integrate hundreds of different devices onto one single platform, locks, thermostats, leak sensors, motion sensors, video, all comes into one cohesive platform.

Lucas (08:04):

Then the other side of that is we're gathering all this new data, we're bringing in all this new information. What do we do with it? And that's where our deep integrations with other pieces of software that are used to run the rentals business, multifamily and single family, come into play. So let me give you an example. If a leak sensor gets wet in one of our apartment units that have SmartRent, it's connected to our hub, our hub is connected to the property management software. We'll actually write an emergency work order into the property management system and dispatch a technician to solve the problem.

Brendan Wallace (08:39):

I think one of the things that I think really impressed us as we were running that RFP on behalf of our home builders strategic LP was that when you look at the smart home ecosystem, it's clearly a secular megatrend that consumers want smarter devices in their homes. And there's obvious benefits on the landlord side as well. But the challenge is that most of the ways to articulate that thesis from an investment perspective are either betting on large incumbent tech businesses like Google or Amazon, or they relate to betting on individual smart hardware solutions. And the challenge in making such a bet is that you face the challenges of hardware investing, which is hardware margins, hardware competition, hardware replacement cycles.

Brendan Wallace (09:25):

What's really compelling and I think unique about the SmartRent story is that this is a company that allows investors to articulate a secular bet around smart home adoption at an enterprise level, selling an enterprise grade solution and capturing that upside with really attractive recurring revenue characteristics in a hardware agnostic way where you get to free ride to some extent on the tailwinds of all of this R&D that is pouring into smarter and smarter devices for homes.

Lucas (09:57):

Yeah. So let's talk about the connected community, which is what we call our entire platform. So really from the parking lot all the way into the living room, we're able to bring better management to these properties. If you look across the landscape of what we're offering, we're the only comprehensive platform solution. And what I love about this business is any one of these products can be a landing point. So we have the unique ability to sit down with an owner and an operator and say, "What's the most acute pain point? What are you really struggling with today? Let us go solve that problem." That's an introduction to our platform and then we can expand that over time.

Lucas (10:32):

So you may start with building access control because your system is 30 years old and it needs replaced today. You may start with smart apartments because you realize all the benefits that that brings. But ultimately, what we're seeing is owners and operators are adopting multiple solutions and continuing to bundle this to really create a comprehensively connected community. And one product that I think oriented to a great landing spot and especially coming through this global pandemic that we're all living through, self-guided tours, this is something my background in single family homes, we had to embrace this early on.

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Lucas (11:03):

We invented the idea of a self-guided tour in institutional rentals because we didn't have any offices. We didn't have any leasing agents. So it was, necessity is the mother of invention.

Lucas (11:15):

What we found though in multifamily is that this can actually have huge operational efficiencies on the property and actually the ability to close more traffic. Through COVID when the leasing office was closed and people couldn't give tours, this was keeping a lot of people in business, a great landing point for our product.

Lucas (11:35):

What's the value to owners and operators? This is where we talked about the different drivers of ROI. To me, one of the exciting things about starting this company was there were so many different ways to drive ROI. I'd never really seen a platform where you could underwrite it in so many different ways and get to a positive ROI experience.

Lucas (11:54):

The first one that that owners are experiencing is they get a higher rent if they have a smart apartment. They're able to get a rent premium for offering an amenity that residents want. It's an upgraded apartment. It comes with an upgraded price. It's a great way for owners to drive top line revenue.

Lucas (12:09):

The other side of that is around expense savings, decreasing complexity, and better protecting our assets. If you look across this, there's actually 20 or 30 different ways that we can drive value, but a couple big ones to highlight today.

Lucas (12:24):

One is water. I mentioned it earlier, putting leaks sensors into these units and mitigating against water damage has a huge impact on the P&L. Water is the number one cause of damage in multifamily. 70% of the damage done in multifamily is done by water damage, and decreasing that is not only highly impactful to the P&L, also creates a better resident experience. No one likes living in an apartment where their belongings are ruined as water comes down the ceiling from an upstairs apartment.

Lucas (12:53):

Then the other side, we touched on where we're seeing owners able to drive cost out of the business and better convert their traffic and better convert their marketing spend is using that self-guided tour.

Brendan Wallace (13:03):

I think one of the things just to highlight here is, Lucas, you made the point earlier that you have these multiple entry points into a property manager and a multifamily owner that can really solve whatever is most acute for them at that time from almost an application layer.

Brendan Wallace (13:20):

But what's just really powerful is that you have this quadruple threat of value proposition here, which is real estate owners are fundamentally simple, predictable animals in so far as their adoption decisions with respect to technology. So you have top line revenue growth, you have OPEX savings, complexity reduction, so just reducing the complexity, the number of applications, the number of logins the property manager needs at the asset level, and then really fast paybacks and ROIs. This is almost the quadruple threat that makes it a very no-brainer adoption decision for these large institutional multifamily owners.

Lucas (14:00):

Yeah, that's right. We have a slide later, where we'll look at a couple case studies that really bears out the proof of that.

Lucas (14:12):

Another aspect of the platform is creating a really elegant resident experience. We're just in the first innings of this, but having all of your smart devices in one app is really something that is a unique differentiator for our company, so that all these different hardware devices, if you had a lock, a thermostat, and leak sensors without our platform, you'd have three different apps to interact with that. This all, for both the owner and for the resident, comes into one seamless, integrated experience.

Lucas (14:45):

We've talked a little bit about the enterprise software layer, hardware agnostic, open architecture, deeply integrated. The last leg of the stool of our business that I'll orient you to is around our field services team. Another unique piece of our business is, if you're an owner and operator and you make the decision to input our product, we're actually going to come on site with a W-2 team and we're going to captain this job, do this install. We bring on installers and trainers, W-2 employees. We augment them with local contract labor, 1099 labor. It's something that's allowed us to scale very quickly because of the high quality of the install.

Lucas (15:38):

Speaking of scaling very quickly, this is our unit density map, as well as where we have employees. Growing every day. It's really exciting for us to be a relatively young company and say we have over a million devices on the platform, over 400 cities, 42 states, and we have local teams already in 28 states and growing. A leading presence in all major MSAs throughout the US. Really, this is when we get to, Brendan, we talk later about the addressable market, I want to go back and have everyone keep this slide in mind, which is when we're talking about how many millions of units there are, 28 million institutionally-owned units in the US, 15 million single family rentals, there's not 28 million in coastal cities or in urban areas. This is throughout the entire U.S. That's where we are. We're everywhere. We're in San Francisco, we're in New York, but we're also in Phoenix, Dallas, Houston, Jacksonville.

Brendan Wallace (16:29):

I think when you look at a map like this, it effectively looks like the population density map of the US. This is where people live today. This is where the existing multifamily and residential building stock exists today.

Brendan Wallace (16:43):

Today, obviously, smart home adoption is relatively under-penetrated, so the TAM here is massive. But I think a lot of what you see from an investor perspective when you do look at the smart home ecosystem, is there are companies that have had some traction, but that fraction is in new development in Miami or New York or it's in very, very high-end residential in Aspen, Colorado. I think those are obviously technologies that have much smaller TAMs. What's profound here is just this applies to all of the multifamily and residential building stock in the U.S. today. This is a solution that is applicable and adoptable for those owner operators today.

Brendan Wallace (17:27):

I can give a bit of perspective here. This is effectively what Fifth Wall does. We are in many ways in the business of trying to know what the real estate industry is going to do before it does it, so to understand its adoption decisions of technology prior to it becoming obvious to the entire market. That comes obviously from the 70 strategic LPs that have invested in Fifth Wall's funds, many of which are on this page today.

Brendan Wallace (17:55):

As I mentioned, we ran this RFP looking at the entire ecosystem. About a year ago, it was pretty abundantly clear to us that I think about five of these dominoes had fallen. There are probably five check marks on this page. But having surveyed the rest of the institutional national footprint, owner, operator, developers of multifamily, we recognized that SmartRent was going to be the industry standard solution.

Brendan Wallace (18:20):

The same dynamic takes place with respect to enterprise sales to the real estate industry. Which is, whichever company can overwhelmingly sign up and engage the top 20 owners in a given space wins the category. That company quickly is running downhill and becomes market standard for the entire real estate ecosystem. It's an artifact of the fact that the real estate industry is a late-adopting industry, so there are a number of owners that own 10,000 units, 5,000 units. These are smaller regional owners. Typically, what they are going to do is they're going to look to the names on this list to see which smart home operating system have they adopted to ultimately make their decisions. You have this very profound signaling effect and this herding behavior that overwhelmingly leads to one company becoming a market standard technology. When you look at a page like this in light of that dynamic, this looks like game, set, match for the multifamily industry when it comes to a smart operating system. I think the other dynamic that's probably important to call out here is that for the multifamily space, these multifamily assets trade fairly liquidly. They almost trade like stocks between different institutional owners. But what's different about SmartRent versus other kinds of enterprise software is it's both a software solution, but it also is on premise. This is installed. It goes with the asset. So you almost have this negative churn dynamic, where there's this cross-fertilization opportunity, where when one of these large institutional owners trades an asset to a smaller, more regional owner, they obviously get that asset with SmartRent. It becomes obviously almost, like I said, a downhill foot race where you're just growing into the rest in the long tail of the multifamily industry, which is, as you can see on the left side of this page, enormous. There are a lot of units where nothing is installed today. So this early lead, typically, I would say almost categorically, becomes deterministic over time. The same pattern plays out in real estate tech over and over.

Lucas (20:45):

I think it's really an important distinction to say that these owners who have made the choice to go with us have done it in a very careful and methodical way. It's a big upfront capital expense to put our platform in. It's something that typically is done through an RFP. We've got a couple of case studies, so this is illustrative of how most owners run the process. This is two great customers of ours, Aimco and UDR, who were early adopters of our platform. I think these are illustrative to the rest of the names on the previous page.

Lucas (21:17):

But we start out doing an RFP, where we come in and we do the pitch similar to this so they're more focused on the benefits. Out of that RFP we're looking to go to a pilot. You think about your average operator, multifamily owner, and say maybe they've got 50 or 100 properties around the country, they're not going to do it at all 50 at once. We try to get them to do a pilot, which is maybe four properties or five properties, one per region, just so that they can truly understand the benefits themselves.

Lucas (21:46):

Once we're through that pilot phase and they have verified, "Okay, I am saving money. I am being more efficient. I am a better operator. Oh, and I'm also growing revenue," then it's a footrace to how quickly can we deploy the entire portfolio?

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Lucas (22:03):

And so this is the case that's played out over and over again. It's an illustrative case study that we see happen frequently, where it's try it, get to know it and then roll it out across the entire portfolio. So it's not something we only do in the southeast or something that we do in our class A or something we only do as part of our portfolio. Really it's universal. The idea of increasing revenue while decreasing costs is a universal theme, really in any business, but especially in rentals.

Brendan Wallace (22:27):

And just something to highlight here, this dynamic again, plays out over and over in real estate tech when you're talking about these large national footprint owner operator developers, it's almost like you know the starting point, the starting point is no units, or a pilot. And you know the ending point is something like 95% penetration and full saturation within a portfolio. And that's dependent on a lot of different variables, but the same dynamic takes place where you have this highly predictable revenue growth that happens organically within these large national footprint owner-operator developers of real estate. And so almost the easiest way to say that is that your most expensive tax, costs of customer acquisition, are in your rear view mirror. These are the most expensive customers to win, to get, to do pilots, to have successful pilots, because once you get them, you are again running downhill into full portfolio saturation.

Lucas (23:30):

Yeah, that's right. And so let's talk about what that embedded growth looks like for us, because it is an important, this sort of concept of running downhill, it was really an important distinction in how we view ourselves different from a lot of things that have come to market this way. And that is really a unique opportunity to invest. So if you look at our total customer base, these are customers who have signed a

master services agreement with us. They've started to roll out. These are customers who are in the process of rolling out our product. Those customers own almost 3 million units, 2.9 million units in the U.S. and Canada. Of that we've installed about 176,000. We have another 752,000 of committed units. So that's near term that owners have said, "Hey, we've done our pilot. We verified it works. It's back to this part of the curve. We're through our pilot, we're ready to get going. And this year or next year, this is what we're going to do." And so really, as you're sitting there as a potential investor looking at this, you say, "Well, there's already," to Brendan's point, "the customer acquisition cost has already been done. Now, it's just a matter of going in and harvesting that organic growth." I like to think about it. If we didn't sign another customer ever, this would be an incredibly impressive business. This would be a great, long-term durable going concern.

Lucas (24:59):

But of course the opposite is true. We're out trying to sign customers every day and we're being successful doing it. We've added over 100 logos last year. We've already added over 20 logos in the first quarter of this year. You know that we are continuing to grow this. But I think the investors are thinking about how do we de-risk it, is to say, "Well, even if not everything has to come true in this presentation, not all of the growth trajectories that we're going to touch on, have to be valid. And there's a really nice business here."

Lucas (27:18):

So let's pivot here from our current customers, which is great to talk about, but talk about what's the opportunity in front of us? So, we've done an incredible job of signing up the largest institutional owners, we're the biggest company out there installing. But this is a massive green field opportunity ahead of us, that if you take just existing residential stock in the U.S. it's a $30 billion market opportunity.

Lucas (27:44):

If you expand that out and you look at some of the new products we're bringing to market, we're going to talk about that a little bit later, and moving into other asset classes, student housing, military housing, senior housing, offices, that actually becomes an $80 billion market opportunity. And then if you take that and the other important thing here, and part of why we're so excited to have Fifth Wall as a sponsor is if you look then internationally, this is not a domestic only problem that we've solved. This is a global problem. And if we take this to the globe, as we plan to do, it's a $200 billion market opportunity. Just staggering numbers.

Brendan Wallace (28:18):

Well, just to call out, obviously how Fifth Wall intends to help there. Fifth Wall today, obviously it is the largest investor with more owners and operators of real estate invested in its fund than any fund in the U.S. But the same dynamic exists in Europe as well. Fifth Wall is the largest real estate technology fund in Europe. We have some of the largest, most institutional owners in Europe as LPs in our fund, and very much our strategy resembles SmartRent's strategy, which is we tried to engage with these large beachhead investors. So for example, in the UK, we have British Land as a strategic LP. We have Gecina, the largest owner in France. We have Merlin, the largest owner in Spain, and then in east Asia, we have Mitsubishi Estate, the largest owner in Japan. We have China Vanke, the largest residential developer in mainland China. We have City Developments and Temasek and Kepple in Singapore. And so the intent

would be to really bring SmartRent to all of these large international institutional owners and use them as beachheads to expand into those markets.

Lucas (29:26):

Another way we're looking to continue to expand the business is by enhancing the product offering, and continuing to bring new products to market. We think there's a real opportunity here to become the operating system for the resident. The way the resident uses their apartment, operates with their apartment, all the way from looking for an apartment into living, into work orders, into living there and interacting with it on a daily basis. So, we created this roadmap actually when we started the business.

So Brendan, let's talk about another way we can grow and are planning on growing, which is around continuing to enhance our product offering and make it more robust.

Lucas (30:41):

We really think there's an opportunity here to create a new resident experience and really an elegant way of finding, leasing and living in an apartment that today it's largely a lot of fractured different pieces of software that don't work together and don't talk to each other. From the customer side, it can be a very frustrating experience. We want to make it a really elegant experience. And part of the reason for doing this transaction is to fast forward that. This has been our roadmap for three and a half years now. We've had the same roadmap. What's new now is actually we can fast forward. We have the ability to offer these products by becoming a strategic acquirer. So instead of having to build everything in our internal workshop, we actually can go find best-in-breed prop tech companies and tuck them in so that they're day one a creative. And we think there's a real opportunity to create some hyper growth around getting these products to market.

Brendan Wallace (31:37):

And obviously, this is something Fifth Wall I think is uniquely positioned to help with as well. We are the most active investor in real estate technology. We see the entire scope of technologies that emerge and are selling into the real estate industry solving any variety of pain points and solutions for the industry. So when you look at a page like this, this is the aperture of our investment mandate. And across this, on the far right of this page, you're looking at more kind of hardware, smart home based solutions.

Brendan Wallace (32:11):

On the far left are more software based solutions, but it's important to highlight that all of these solutions are really attractive from a bolt-on perspective for SmartRent, because the way we conceptualize it is that it's almost like smart stuff came along at the residential level. The existence of all that smart stuff from different hardware manufacturers necessitated the creation of a functional operating system an OS that is enterprise grade and multifamily property manager facing. But that multifamily property manager wants fewer tabs open in their browser. They don't want more tabs open in their browser. In the same way the consumer doesn't want 10 applications to control their smart home, they want one. The multifamily property manager wants the same. So there's natural synergies here in so far as the ability to layer in these kinds of solutions that are today point solutions, CRM, payments, lease signing, and layer that in to the same product that resident is adopting in SmartRent, because this business is fundamentally a B2B2C business. So by virtue of selling in the landlord, you have almost forced consumer adoption. And the consumer really only wants, the resident really only wants one application to engage with their landlord in the same way they want to engage with their lock or their thermostat. So there's natural synergies across both the enterprising facing components of this

business and the resident facing components to this business around this kind of M&A roll up opportunity.

Lucas (33:48):

Yeah. So let's just recap because we've talked about a lot. So I think it would make sense to just kind of bring it home, which is the ability to access capital markets through this transaction and through having ongoing public currency will allow us to hyper charge the growth of this company. And we plan on investing in sales and marketing, in the installation services team, and continuing to invest in our software development team and our engineers. But also it's going to allow us to go into the other trajectories of growth that we've talked about, expanding internationally, expanding by acquiring companies, and expanding by moving into other verticals of commercial real estate.

Lucas (34:29):

We just couldn't be more excited about all of the embedded growth we have, and then all the other additional inorganic opportunities that are out there that we haven't talked about. And I just think it's really important to bring home that while we think there's all these incredible ways we can grow and new areas we can get into, and new verticals we can penetrate, that really if you come to the financial overview slide, we're not asking investors to pay for that today. We're asking investors to participate in that upside.

Lucas (34:57):

So all of these numbers that we've put out, all of the financial projections really are oriented around selling our core business, harvesting that internal growth, harvesting that embedded growth that we already have. And I think that really, the KPI here is 85% of '21 and 75% of 2022 business is already in our committed pipeline.

Lucas (35:17):

So while we think there's an ability to grow much faster and grow in new ways, we're not relying on that for you to get comfortable with this transaction. That's actually upside that we're all going to share in and all investors are going to share in, not just previous investors or current, all of us are sharing that.

Brendan Wallace (35:32):

And I think, the way we look at it as an investor is when we conceptualize the kind of business that we wanted to take to market with our first SPAC, it was obviously one that would perform very well in the public markets. And that in so doing creates a lot of highly predictable revenue growth. So you have kind of a clear revenue trajectory around these committed units, around these enormous portfolios that are rolling onto the platform.

Brendan Wallace (36:14):

But there's kind of these multiple vectors of new growth. One is deepening that monetization at an asset level around M&A, and these bolt-on application layers that you can kind of connect to SmartRent that offer benefits to the landlord and also to the resident, and there's international expansion, and there's new product set expansion within real estate, right? So there's military housing, there's student housing, there's healthcare, all of which have the same characteristics as what you've filled into today in multifamily.

Brendan Wallace (36:45):

So there's kind of a really interesting dynamic here where you have a true category leading enterprise solution with recurring revenue characteristics that is running downhill on its market. But you have this kind of venture-like upside in the fact that this breakaway velocity that SmartRent has today can readily enable it to expand into new verticals and further accelerate monetization from the owners it has today, as well as expand into new vectors of growth.

Lucas (37:14):

That's exactly right. And I hope it's clear through this presentation and through this video how excited we are to go harvest that growth.

Brendan Wallace (39:04):

So Lucas, I think anyone obviously can access this presentation publicly, and so you can kind of review it, but I think there's a couple points that I just want to highlight that I think are really important for investors to understand. One is how you and how SmartRent has been so strategic in how you have done financings. You've used financings very consistently as an opportunity to bring in the most strategic partners that can accelerate your business and bring the most important landlords offsides and really onto the SmartRent platform. So can you just talk about that historically and also how this transaction reflects that as well?

Lucas (39:45):

Yeah. I think it's a really important point to touch on because at every financing we've done from our seed round to this round, we actually could have maximized value and taken less strategic capital. We could've taken higher start value, pushed the value higher, but without the same quality of capital. And we've always prioritized the quality of capital over the amount of capital. And that from our first round that we did, our seed round, we had offers that were at a much higher value, but the offer we took was from a venture firm whose LPs all owned apartments, they owned over a million apartments in the U.S. We said, "Well, that seems to be much smarter money than just taking in VC dollars, generic VC dollars," we'll say.

Lucas (40:59):

So what's really exciting about this transaction and this financing is we've done the same thing. And it's exciting for us that the third largest apartment owner, Starwood, is one of the anchors of our PIPE. The second largest home builder by volume, Lennar, is an anchor in our PIPE. And the largest institutional owner of single-family rentals, Invitation Homes, is an anchor in our PIPE. So this has been a theme from the beginning and continues even through this access to the public markets.

Brendan Wallace (41:24):

Yeah. And I think that's one of the things that is, I would say excited us so much about being an investor in SmartRent, both from our venture fund, but obviously in sponsoring this transaction, which is the companies that emerge as category winners use financing events exactly as you have. And I think this merger is just so interesting. One, because you have these really high-quality financial investors that clearly see this kind of downstream revenue growth that you have and just the compelling financial characteristics of this business. But I mean, this is a hits list of the most relevant players in the real estate industry who are coming into this financing through the PIPE.

Brendan Wallace (42:05):

Obviously Fifth Wall is the largest, most active, kind of most synonymous investor with real estate. In fact, is the sponsor of the transaction. But then beyond that is Starwood, Barry Sternlicht, one of the most iconic names in the real estate industry that is this anchoring this PIPE. In addition, Lennar, which is both the Fifth Wall LP and investor in your business and I think one of the most strategic residential investors in new technologies has given their track record, they are coming in a big way, and Invitation Homes is coming in.

Brendan Wallace (42:37):

So I just think this is so exciting because it not only is this an IPO effectively, but it's also just such a validation from the demand side of the real estate industry to everything that SmartRent represents and the potential of your business. And so, as a firm that loves rolling up their sleeves and driving collaboration between the real estate industry and new technologies that have emerged as category winners like yours, I would say we could not be more thrilled to be introducing this to the public markets. We are just so excited to be sponsoring this.

Brendan Wallace (43:10):

So Lucas, I guess, any closing thoughts, or should we just let investors peruse the rest of the materials?

Lucas (43:19):

No, we're super excited to have Fifth Wall as a sponsor, to have the incredible investors lending, both dedicated investors, long only mutual funds, as well as the strategics that we discussed, and just incredibly excited to take the next step in this journey.

Brendan Wallace (43:36):

Great. Thanks Lucas.

Lucas (43:38):

Thanks, Brandon. Good to talk to you.

Important Information for Investors and Stockholders

This document relates to the proposed merger involving Fifth Wall Acquisition Corp. I ("FWAA") and SmartRent.com, Inc. ("SmartRent"). FWAA intends to file a registration statement on Form S-4 with the Securities and Exchange Commission ("SEC"), which will include a document that serves as a prospectus and proxy statement of FWAA, referred to as a proxy statement/prospectus, and each party will file other documents with the SEC regarding the proposed transaction. A definitive proxy statement/prospectus will also be sent to the stockholders of FWAA, seeking any required stockholder approvals. Investors and security holders of FWAA and SmartRent are urged to carefully read the entire proxy statement/prospectus, when it becomes available, and any other relevant documents filed with the SEC, as well as any amendments or supplements to these documents, because they will contain important information about the proposed transaction. The documents filed by FWAA with the SEC may be obtained free of charge at the SEC's website at www.sec.gov. Alternatively, these documents, when available, can be obtained free of charge from FWAA upon written

request to Fifth Wall Acquisition Corp. I, 6060 Center Drive, 10th Floor, Los Angeles, California 90045.

FWAA, SmartRent and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies in favor of the approval of the merger and related matters. Information regarding FWAA's directors and executive officers is contained in the section of FWAA's Form S-1 titled "Management", which was filed with the SEC on February 4, 2021. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the proxy statement/prospectus and other relevant documents filed with the SEC when they become available. Free copies of these documents may be obtained as described in the preceding paragraph.

This document does not constitute a solicitation of a proxy, consent, or authorization with respect to any securities or in respect of the proposed transaction. This document also does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor will there be any sale of any securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such other jurisdiction. No offering of securities will be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, or an exemption therefrom.

Forward-Looking Statements

This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, FWAA's and SmartRent's expectations or predictions of future financial or business performance or conditions, SmartRent's product roadmap, including the expected timing of new product releases, SmartRent's plans to expand its product availability globally, the expected composition of the management team and board of directors following the transaction, the expected use of capital following the transaction, including SmartRent's ability to accomplish the initiatives outlined above, the expected timing of the closing of the transaction and the expected cash balance of the combined company following the closing. Any forward-looking statements herein are based solely on the expectations or predictions of FWAA or SmartRent and do not express the expectations, predictions or opinions of Fifth Wall in any way. Forward-looking statements are inherently subject to risks, uncertainties, and assumptions. Generally, statements that are not historical facts, including statements concerning possible or assumed future actions, business strategies, events, or results of operations, are forward-looking statements. These statements may be preceded by, followed by, or include the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates," "intends" or "continue" or similar expressions. Such forward-looking statements involve risks and uncertainties that may cause actual events, results or performance to differ materially from those indicated by such statements. Certain of these risks are identified and discussed in the section of FWAA's Form S-1 titled "Risk Factors," which was filed with the SEC on February 4, 2021. These risk factors will be

important to consider in determining future results and should be reviewed in their entirety. These forward-looking statements are based on FWAA's or SmartRent's management's current expectations and beliefs, as well as a number of assumptions concerning future events. However, there can be no assurance that the events, results, or trends identified in these forward-looking statements will occur or be achieved. Forward-looking statements speak only as of the date they are made, and neither FWAA nor SmartRent is under any obligation and expressly disclaim any obligation, to update, alter or otherwise revise any forward-looking statement, whether as a result of new information, future events, or otherwise, except as required by law. Readers should carefully review the statements set forth in the reports, which FWAA has filed or will file from time to time with the SEC.

In addition to factors previously disclosed in FWAA's reports filed with the SEC, including FWAA's most recent reports on Form 8-K and all attachments thereto, which are available, free of charge, at the SEC's website at www.sec.gov, and those identified elsewhere in this document, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: risks and uncertainties related to the inability of the parties to successfully or timely consummate the merger, including the risk that any required regulatory approvals or stockholder approvals of FWAA or SmartRent are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the merger is not obtained, failure to realize the anticipated benefits of the merger, risks related to SmartRent's ability to execute on its business strategy, attract and retain users, develop new offerings, enhance existing offerings, compete effectively, and manage growth and costs, the duration and global impact of COVID-19, the possibility that FWAA or SmartRent may be adversely affected by other economic, business and/or competitive factors, the number of redemption requests made by FWAA's public stockholders, the ability of SmartRent and the combined company to leverage Fifth Wall's limited partner and other commercial relationships to grow SmartRent's customer base (which is not the subject of any legally binding obligation on the part of Fifth Wall or any of its partners or representatives), the ability of SmartRent and the combined company to leverage its relationship with any other SmartRent investor (including investors in the proposed PIPE transaction) to grow SmartRent's customer base, the ability of the combined company to meet Nasdaq's listing standards (or the standards of any other securities exchange on which securities of the public entity are listed) following the merger, the inability to complete the private placement of common stock of FWAA to certain institutional accredited investors, the risk that the announcement and consummation of the transaction disrupts SmartRent's current plans and operations, costs related to the transaction, changes in applicable laws or regulations, the outcome of any legal proceedings that may be instituted against FWAA, SmartRent, or any of their respective directors or officers, following the announcement of the transaction, the ability of FWAA or the combined company to issue equity or equity-linked securities in connection with the proposed merger or in the future, the failure to realize anticipated pro forma results and underlying assumptions, including with respect to estimated stockholder redemptions and purchase price and other adjustments; and those factors discussed in documents of FWAA filed, or to be filed, with the SEC.

Additional factors that could cause actual results to differ materially from those expressed or implied in forward-looking statements can be found in FWAA's most recent reports on Form 8-K, which are available, free of charge, at the SEC's website at www.sec.gov, and will also be provided in FWAA's proxy statement/prospectus, when available. Any financial projections in this document are forward-looking statements that are based on assumptions that are inherently subject to significant uncertainties and contingencies, many of which are beyond FWAA's and SmartRent's control. While all projections are necessarily speculative, FWAA and SmartRent believe that the preparation of prospective financial information involves increasingly higher levels of uncertainty the further out the projection extends from the date of preparation. The assumptions and estimates underlying the projected results are inherently uncertain and are subject to a wide variety of significant business, economic and competitive risks and uncertainties that could cause actual results to differ materially from those contained in the projections. The inclusion of projections in this document should not be regarded as an indication that FWAA and SmartRent, or their representatives, considered or consider the projections to be a reliable prediction of future events.

Annualized, pro forma, projected and estimated numbers (including projected revenue derived from committed units) are used for illustrative purposes only, are not forecasts, and may not reflect actual results. Presentation of historical 0% customer churn (which occurs when an existing customer removes SmartRent installed units) is illustrative only, and is not intended to be predictive of future churn, particularly as business continues to grow. When used herein, the term "committed units" includes both (i) units that are subject to binding purchase orders from customers and (ii) units that existing customers who are parties to a SmartRent master services agreement have informed SmartRent that they intend to order.

This document is not intended to be all-inclusive or to contain all the information that a person may desire in considering an investment in FWAA and is not intended to form the basis of an investment decision in FWAA. All subsequent written and oral forward-looking statements concerning FWAA and SmartRent, the proposed transaction, or other matters and attributable to FWAA and SmartRent or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above.

Important Information About Fifth Wall

In these materials (including any accompanying video or audio materials), references to "Fifth Wall" and "Fifth Wall Group" generally refer to Fifth Wall Asset Management, LLC, and Fifth Wall Ventures Management, LLC, collectively with their affiliates and any investment funds, investment vehicles or accounts managed or advised by any of the foregoing (each such fund, vehicle or account, a "Fifth Wall Fund"). FWAA is sponsored by Fifth Wall Acquisition Sponsor, LLC (the "FWAA Sponsor"), which is an affiliate of Fifth Wall. However, FWAA is an independent publicly-traded company, and not a member of Fifth Wall or the Fifth Wall Group. Fifth Wall has not and is not providing investment advice to any person in connection with the matters contemplated herein, including FWAA, FWAA Sponsor or SmartRent. A fund managed by Fifth Wall currently holds a minority stake of less than 5% in SmartRent.

Except for certain limited obligations of the FWAA Sponsor related to the disposition of its founder shares in FWAA, Fifth Wall in not a party to the proposed transaction agreements between FWAA and SmartRent or related transactions. **Neither Fifth Wall, nor any of its partners, employees or other representatives will have at any time any legal obligation or commitment to any person (including SmartRent) to promote, advertise, market, or support the products, services, business or operations of SmartRent or the combined company. Fifth Wall's position following consummation of the proposed merger will be that of an investor in the combined company until such time as Fifth Wall may, subject to its contractual obligations, dispose of its shares in the combined company.**

This material is neither an offer to sell nor a solicitation of an offer to buy any security in any Fifth Wall Fund, and may not be used or relied upon in connection with any offer or solicitation. A private offering of interests in a Fifth Wall Fund may only be made by such Fifth Wall Fund pursuant to the offering documents for such Fifth Wall Fund, which will contain additional information about the investment objectives, terms, and conditions of an investment in such Fifth Wall Fund and also contain tax information and risk disclosures that are important to any investment decision regarding such Fifth Wall Fund. The information contained in this material is superseded by, and is qualified in its entirety by reference to, such offering documents. This communication is intended only for persons resident in jurisdictions where the distribution or availability of this communication would not be contrary to applicable laws or regulations.

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Use of Non-GAAP Financial Measures

This document may contain certain non-GAAP financial measures. SmartRent's management and board of directors use certain non-GAAP measures to understand and evaluate SmartRent's operating performance, to establish budgets, and to develop operational goals for managing its business, and they believe these measures also provide meaningful supplemental information to investors and others in understanding and evaluating SmartRent's operating results and enhancing the overall understanding of its past performance and future prospects. These non-GAAP financial measures are not a substitute for GAAP measures and should be read in conjunction with SmartRent's GAAP financial information.