



WSWA Board of Directors Meeting Minutes February 3, 2021

The WSWA Board of Directors met Wednesday, February 3, 2021, through a virtual meeting organized by the association. In attendance were: 51 Board of Directors, 10 member representatives, and WSWA staff.

Chairman Wirtz called the Board of Directors meeting to order at 10:35 a.m. and announced the news of the merger agreement between Uber Technologies, Inc. (Uber) and Drizly Group, Inc., whose assets include Drizly (alcohol delivery) and Lantern (cannabis delivery). He also shared that the Executive Committee, the day before, approved a resolution, on behalf of WSWA Services, LLC, consenting to the Uber-Drizly Merger Agreement as a shareholder, as well as empowered the WSWA President and CEO to sign all documents necessary to effectuate the merge as a Drizly Group shareholder.

B. Stuart then shared with the Executive Committee some background on how the pandemic accelerated e-commerce alcohol delivery sales – benefiting Drizly and making them very attractive to potential acquirers including Uber. He also shared the details of the merger deal – a \$1.1 billion stock-for-stock acquisition of the alcohol delivery company Drizly with a spin-out of the cannabis delivery company Lantern, which will remain with the parent company: Drizly Group.

He emphasized the ever-present strategic focus of this partnership: to advance local, licensed delivery that supports the entire three-tier system, and how that objective endures. He noted that Uber wants to dominate one-hour delivery. He also explained that Drizly cancelled all of its partnership agreements except one -the strategic alliance with WSWA Services. The Drizly CEO sees continuing value in the alliance and will advocate for Uber to continue the



relationship. Ultimately, Drizly sees working within the alcohol regulatory structure as a competitive advantage, and it appears that Uber agrees with that model.

President and CEO Korsmo shared her vision for the Financial Opportunities Task Force to make recommendations to the Board on how best to invest and use this money for many years to come. She noted how this a great opportunity to think bigger on projects that are forward looking.

Staff then explained the basic structure of the deal, noting the deductions, adjustments, and 5% holdback for indemnity that will come out of the \$1.1 billion. The Committee reviewed the investments in Drizly made over the years (2015-2020) totaling \$3.25 million and the one-time sale of Drizly warrants in 2018 for \$1.2 million (net). Staff also explained how the Uber-Drizly Group merger agreement has been signed but the deal will not close for another 30-45 days, as well as what needs to be done before closing. Finally, the group heard how WSWA Services will still have an ownership stake and board seat with the Drizly Group whose only asset will be Lantern.

The members shared how it is important to try to work with Uber as they move forward with Drizly. Also, they want to ensure that the association gives back to the industry when considering how to use the investment monies.

There were no further matters requiring the Board of Directors approval or discussion, and Chairman Wirtz adjourned the meeting on at 11:25 a.m.