



Wish to Continue Withhold to Cover Process to Reduce Share Dilution From Restricted Share Units (RSUs) and Employee Option Awards

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SAN FRANCISCO--(BUSINESS WIRE)--Sep. 20, 2022-- ContextLogic Inc. (d/b/a Wish or the "Company") (NASDAQ: WISH), one of the world's largest mobile ecommerce platforms, announced today that the company will continue its *Withhold to Cover* process on the settlement of restricted share units (RSUs) and option exercises. This treatment reduces the otherwise additional dilutive effect of RSU settlements and options exercises through the Company's use of cash to cover employees withholding tax requirements. The Company made this switch in the second quarter of 2022 to stem the overall dilution otherwise caused by the previous treatment which sold a portion of shares in the open market to cover employees' taxes.

Between December 2020, when Wish went public, and up to first quarter 2022, the company used *Sell to Cover*, which allowed Wish, as the employer, to sell a portion of employees' vested RSUs into the public markets to cover the federal (and other applicable) tax liabilities of employees, and distribute the remaining vested shares to its employees. With the new process, *Withhold to Cover*, the estimated impact on reducing potential dilution for Fiscal Year 2022 should be approximately 25 million to 26 million shares.

About Wish

Wish brings an affordable and entertaining shopping experience to millions of consumers around the world. Since our founding in San Francisco in 2010, we have become one of the largest global ecommerce platforms, connecting millions of value-conscious consumers to hundreds of thousands of merchants globally. Wish combines technology and data science capabilities and an innovative discovery-based mobile shopping experience to create a highly visual, entertaining, and personalized shopping experience for its users. For more information about the company or to download the [Wish mobile app](#), visit www.wish.com or follow @Wish on [Facebook](#), [Instagram](#) and [TikTok](#) or @WishShopping on [Twitter](#) and [YouTube](#).

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact could be deemed forward-looking, including, but not limited to, statements regarding Wish's withhold to cover process and its impact on share dilution, outlook, priorities, strategic direction, business operations, and growth initiatives. In some cases, forward-looking statements can be identified by terms such as "anticipates," "believes," "could," "estimates," "expects," "foresees," "forecasts," "guidance," "intends" "goals," "may," "might," "outlook," "plans," "potential," "predicts," "projects," "seeks," "should," "targets," "will," "would" or similar expressions and the negatives of those terms. These forward-looking statements are subject to risks, uncertainties, and assumptions. If the risks materialize or assumptions prove incorrect, actual results could differ materially from the results implied by these forward-looking statements. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Further information on these and additional risks that could affect Wish's results is included in its filings with the Securities and Exchange Commission ("SEC"), including its most recent Annual Report on Form 10-K and Quarterly Report on Form 10-Q, and future reports that Wish may file with the SEC from time to time, which could cause actual results to vary from expectations. Any forward-looking statement made by Wish in this news release speaks only as of the day on which Wish makes it. Wish assumes no obligation to, and does not currently intend to, update any such forward-looking statements after the date of this release.

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