

## Risk Factors Comparison 2025-02-06 to 2024-02-01 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

**Investing in our securities involves risks.** You should consider carefully the risks described below, together with all of the other information included in this Annual Report, as well as in our other filings with the SEC, in evaluating our business and / or an investment in our Class A common stock. If any of the following risks actually occur, our business, financial condition, operating results, **cash flows** and ~~future~~ prospects could be materially and adversely affected. In that case, the trading price of our Class A common stock may decline and you might lose all or part of your investment. The risks described below are not the only ~~ones~~ **risks** we face. Additional risks that we currently do not know about or that we currently believe to be immaterial may also impair our business, financial condition, operating results, **cash flows**, and prospects. ~~Please be advised that certain of the risks and uncertainties described below contain "forward-looking statements."~~ See the section of this Annual Report entitled ~~"Forward-Looking Statements"~~ for additional information. Risks Related to Our Products and Solutions ~~If In the event~~ we are found to be in violation of the legal requirements applicable to our products and services, our business and operating results may be adversely affected. ~~Many of our products~~ **Our business activities are subject to various federal, state and local laws and regulations. In addition, certain of our services, such as our tenant screening and risk mitigation services,** are highly regulated or intended to be used in connection with other highly regulated activities. **Unfavorable** ~~Some of the laws and,~~ regulations to which our products and services are subject include, without limitation: • the Fair Housing Act; • the Fair Credit Reporting Act (the "FCRA"); • Title VII of the Civil Rights Act; • the Telephone Consumer Protection Act; • the Americans with Disabilities Act; • the Electronic Signatures in Global and National Commerce Act; and • the Federal Trade Commission Act. State law equivalents of the foregoing, plus various state regulations related to insurance licensing and solicitation and privacy also apply to certain of our products and services. In addition, our products and services are subject to changing federal and state laws and regulations, the application or interpretation of which is not clear in some jurisdictions. ~~Unfavorable regulations, laws,~~ and administrative or judicial decisions interpreting or applying laws and regulations could subject us to litigation or governmental investigation and increase our cost of doing business, any of which may adversely affect our operating results. Further, the evolution and expansion of our products and services may subject us to additional **regulatory** risks and ~~regulatory~~ requirements. For example, as our electronic payments services business evolves, we may become **directly** subject to laws governing money transmission and anti- money laundering. Regulatory requirements vary throughout the markets in which we operate, and have increased over time as the scope and complexity of our products and services have expanded. Moreover, federal and state legislatures and regulatory agencies have indicated they are focused on protecting tenants. This focus may result in the introduction of new laws and regulations that are directly applicable to our business. There is no guarantee that we will not be subject to fines, criminal and civil lawsuits or other regulatory enforcement actions in one or more jurisdictions or be required to adjust business practices to accommodate regulatory requirements. New and evolving regulatory requirements may also impact our customers and their ability or willingness to utilize our products and services. For instance, we are monitoring (i) FCRA rulemaking efforts by the Consumer Financial Protection Bureau ("**CFPB**") and various recently enacted and proposed state regulations applicable to tenant screening, ~~such as New Jersey's Fair Chance in Housing Act, and (ii) rulemaking efforts by the Federal Trade Commission ("FTC") and various recently enacted and proposed state regulations that govern, and in some cases limit, the advertising and collection of certain rental fees that may be deemed hidden, duplicative, or excessive, such as Colorado House Bill 1095.~~ These new regulatory requirements may impact our ability to offer or our customers' ability and willingness to utilize certain of our services, which may impact our operating results. We periodically undergo examinations, audits, and investigations **by regulatory authorities** related to our services, including those related to the affairs of insurance companies and agencies and electronic payment services providers. Such examining, auditing, and investigating **regulatory** authorities are generally vested with relatively broad discretion to grant, renew and revoke licenses and approvals, to implement and interpret rules and regulations, levy fines and penalties, and bring enforcement actions. While we have implemented various programs, processes and controls focused on compliance with applicable laws and regulations throughout our business, there is no guarantee that we will not be subject to fines, penalties or other regulatory actions in one or more jurisdictions, or be required to adjust our business practices to accommodate future regulatory requirements. In the event that we are found to be in violation of our legal, ~~or~~ **regulatory or contractual** requirements, we may be subject to monetary fines or penalties, cease- and- desist orders, mandatory product changes, or other liabilities that could have an adverse effect on our business **(including damage to our reputation)** and operating results. We face risks in our electronic payment services business that could adversely affect our business and / or results of ~~operation~~ **operations**. Our electronic payment services business facilitates the processing of inbound and outbound payments for our customers. These payments are settled through our sponsoring clearing bank, **licensed money transmitters**, card payment processors and other third- party electronic payment services providers that we contract with from time to time. ~~Our electronic payment~~ **With respect to these services- service** subject us ~~providers, we have significantly less control over the systems and processes than if we were to maintain and operate those systems and processes ourselves. In some cases, functions necessary to our business are performed on proprietary third- party systems and software to which we have no access. We also generally do not have long- term contracts with these service providers. Moreover, we rely on a limited~~ number of risks, including liability for customer costs related to disputed transactions. Additionally, with respect to the processing of electronic payment transactions by our third- party electronic payment services providers **and**, we are exposed ~~in some instances, do not have a backup provider in place for a specific service. Accordingly, the failure of these service providers~~ to **renew their contracts with us or to fulfill their contractual obligations and**

perform satisfactorily could result in significant disruptions to our operations and adversely affect our operating results. Electronic We are and will continue to be subject to risks arising from or related to the settlement of payment transactions between, including with respect to prefunding and chargeback requests as well as human or processing errors. Users are ultimately responsible for fulfilling their obligations to fund transactions; however, in instances where there are returns or chargebacks, we attempt to collect these funds from our customers and another individual may be returned for various reasons such as insufficient funds or stop payment orders. If we or any of our electronic payment services providers are unable to collect such amounts from the our customer customers' s account, we bear the ultimate risk of loss for the transaction amount of the return or chargeback. While we have not experienced material losses resulting from payment returns or chargebacks in the past, there can be no assurance that we will not experience significant losses in the future. Any increase in returns or chargebacks that we are not able to recover from our customers may adversely affect our financial condition and results of operations. In addition, if transactions or settlement reconciliations are not performed timely or are inaccurate due to human or processing errors, we could experience significant financial loss that could have an adverse effect on our business and operating results. Our electronic payment services business also exposes us to risk in connection with theft, fraud and other malicious activity by on the part of our employees, our partners third- party service providers' employees, or third - parties who improperly gain access to our systems or our customers' systems. In the event of such activity, we may incur liability to compensate our customers, our customers' stakeholders, or third- party electronic payment partners service providers for losses incurred. While we take reasonable measures to secure our systems and payments infrastructure, it is not possible to entirely eliminate the risk of intentional wrongdoing. In the past, third- party bad actors have gained improper access to our systems and our customers' systems and we experienced financial loss as a result. If third - party bad actors again gain access to our systems or our customers' systems, or our employees or partners third- party service providers' employees misuse our payment systems for malicious purposes, we could experience significant material financial loss that may affect our operating results. Changes to payment card networks or bank fees, rules, or practices could harm our business. We do not directly access the payment card networks, such as Visa and MasterCard, that enable our acceptance of credit cards and debit cards, including some types of prepaid cards. Accordingly, we must rely on banks or other card payment processors to process transactions and must pay fees for the their services. From time to time, payment card networks have increased, and may increase in the future, the interchange fees and assessments that they charge for each transaction which accesses their networks. Our card payment card processors may have the right to pass any increases in interchange fees and assessments on to us and as well as increase their own fees for processing. Any changes in interchange fees and assessments could increase our operating costs and reduce our operating income. In addition the past, federal regulators have required Visa and MasterCard to reduce interchange fees, or have opened investigations as to whether Visa' s or MasterCard' s interchange fees and practices violate antitrust law. Any material change in credit or debit card interchange rates, including as a result of changes in interchange fee limitations, could significantly reduce our Value Added Services revenue and have an adverse effect on our business and operating results. Our card payment We are required by our processors require us to comply with payment card network operating rules, including special operating rules for electronic payment service providers to merchants, and we have agreed to reimburse our processors for any fines they are assessed by payment card networks as a result of any rule violations by us or our merchants. The payment card networks set and interpret the card operating rules. From time to time, the networks have alleged that various aspects of our business model violate these operating rules. If In the past, all such allegations have been resolved favorably, however, if such allegations are not resolved favorably in the future, they may result in material fines and penalties or require changes in our business practices that may be costly. In addition, the payment card networks could adopt new operating rules or interpret or re- interpret existing rules that we or our processors might find difficult or even impossible to follow, or costly to implement. As a result, we could lose our ability to give consumers customers and their residents the option of using payment cards to fund their payments. If we are unable to accept payment cards or are meaningfully limited in our ability to do so, our business and operating results would be adversely affected. We face risks in our tenant screening services business that could adversely affect our business and / or operating results. Our tenant screening services business is subject to a number of complex laws that are subject to varying interpretations, including the FCRA, the Fair Housing Act, and related federal and state regulations. The FCRA continues to be the subject of multiple class- based litigation proceedings, as well as numerous regulatory inquiries and enforcement actions. In addition, entities such as the FTC and the CFPB Consumer Financial Protection Bureau have the authority to promulgate rules and regulations that may impact our customers and our business and have made various public statements that tenant screening is an area of focus for such agencies. Although we attempt to structure our tenant screening services to comply with relevant laws and regulations, we are routinely accused of not complying with such laws and regulations and have been and may again in the future be found to be in violation of them. In addition, we have been and expect in the future to be subject to routine regulatory inquiries, enforcement actions, class- based litigation and / or indemnity demands. As previously disclosed, in January 2021, we entered into a settlement agreement with the FTC to resolve allegations that we failed to comply with certain sections of the FCRA. In connection with the settlement, we paid a fine and agreed to ongoing compliance and reporting obligations. Our failure to comply with these obligations could result in material additional penalties or other actions by the FTC or other agencies, including enjoining our ability to provide tenant screening services. In November 2023 we entered into a settlement, which is subject to court approval, in connection with certain allegations relating to the New Mexico Unfair Practices Act where we did not admit any liability. See the section of this Annual Report entitled "Legal Proceedings" for more information. Our potential liability in any enforcement action, a class action lawsuit, or a significant single plaintiff action could have a material impact on our business, especially given that certain applicable laws and regulations provide for fines or penalties on a per occurrence basis and we participate in a large number of tenant screening transactions. The existence of any such proceeding, whether meritorious or not, may adversely affect our ability to attract customers, result in the loss of existing customers, harm our

reputation and cause us to incur defense costs or other expenses. ~~If we are unable to deliver effective..... sell our solutions to prospective customers.~~ Errors, defects or other disruptions in our products, ~~or the products of our third- party service providers upon which certain of our products are dependent,~~ could harm our reputation, cause us to lose customers, and result in significant expenditures to correct the problem. Our customers use our products to manage critical aspects of their businesses. ~~Any, and any~~ errors, defects or other disruptions in the performance of our products, or the products of our third-party ~~partners~~ **service providers** upon which certain of our products are dependent, may result in loss of or damage to our customers' data and disruption to our customers' businesses, which could harm our reputation and subject us to potential liability. Such product problems could be caused by a variety of factors, including infrastructure changes, power or network outages, fire, flood or other natural disasters, human or software errors, viruses, security breaches, fraud or other malicious activity, spikes in customer usage or distributed denial of service attacks. In addition, we provide continuous updates to our products and these updates may contain undetected errors, **defects or other disruptions** when first introduced. In the past, we have discovered errors, ~~failures~~ **defects**, ~~vulnerabilities and bugs~~ **or other disruptions** in our updates after they have been released, and similar problems may arise in the future. Real or perceived errors, ~~failures~~ **defects**, ~~vulnerabilities or bugs~~ **other disruptions** in our products ~~or the products of our third- party service providers upon which certain of our products are dependent,~~ could result in negative publicity, reputational harm, loss of customers, delay in market acceptance of our products and solutions, loss of competitive position, withholding or delay of payment to us, claims by customers for losses sustained by them and potential litigation or regulatory action. In any such event, we may be required to expend additional resources to help correct the problem or we may choose to expend additional resources to take corrective action even ~~where~~ **when** not required. The costs incurred in correcting any material errors, defects or other disruptions could be substantial. In addition, we may not carry insurance sufficient to offset any losses that may result from claims arising from errors, defects or other disruptions in our products. ~~If we are unable to deliver effective customer service,~~ it could harm our relationships with our existing customers and adversely affect our ability to attract new customers and our operating results. Our business depends, in part, on our ability to satisfy our customers by providing onboarding services and ongoing customer service. Once our solutions are deployed, our customers depend on our customer service organization to resolve technical issues relating to their use of our solutions. Increased demand for our support services may increase our costs without corresponding revenue, which could adversely affect our operating results. Further, our sales process is highly dependent on the ease of use of our solutions, our reputation and positive recommendations from our existing customers. Any failure to maintain high- quality and responsive customer service, or a market perception that we do not maintain high- quality and responsive customer service, could harm our reputation, cause us to lose customers and adversely impact our ability to sell our solutions to prospective customers. ~~If our property management customers stop requiring insurance coverage for their units, if insurance premiums decline or if insureds experience greater than expected losses,~~ our operating results could be harmed. ~~Some~~ **We generate a portion of our revenue by offering property management customers require their renters to purchase rental insurance policies.** ~~related risk mitigation services through~~ **Through** wholly owned subsidiaries, ~~we make~~ **If demand for rental housing declines insurance policies available to these renters and**, or if our property management customers ~~so elect~~ believe that it may decline, these customers may stop requiring **add uncovered units to a qualifying liability to landlord insurance policy via a licensed insurance broker** coverage for their units to reduce the overall cost of renting and make their rental offerings more competitive. If our property management customers stop ~~tracking and~~ requiring **renters to purchase rental insurance coverage policies because of regulatory for** ~~or~~ **competitive pressures** their units or elect to use other methods of tracking and acquiring insurance coverage, demand for our insurance- related risk mitigation products may ~~drop~~ **decline** and our revenues ~~from such products~~ **and operating results** could be adversely affected. If we fail to maintain relationships with third- party ~~partners~~ **service providers** that enable certain functionality within our solutions or provide our customers with specialized technology and services, our business and operating results may be harmed. Certain functionality of our services is provided, supported or enhanced by third ~~parties~~ **- party service providers**, including without limitation functions related to customer relationship management, cloud computing, texting, emailing, electronic payments, tenant screening, and insurance related offerings. ~~Our~~ **In addition, our** customers are ~~also~~ able to integrate specialized, third- party technology and services through AppFolio Stack. If our third- party ~~partners~~ **service providers** cease providing their products or making them available through AppFolio Stack, ~~if such third parties are acquired by competitors or if we are otherwise unable to integrate with such third- party products,~~ our solutions and demand for our solutions ~~could~~ **would** be adversely impacted and our business and operating results would be harmed. In addition, our competitors may be more ~~effective~~ **successful** than us in ~~building~~ **cost- effectively** ~~effective~~ **building** relationships with third parties that enhance their products and services, allow them to provide more competitive pricing, or offer other benefits to their customers. Acquisitions of our ~~partners~~ **third- party service providers** by our competitors or others could result in a decrease in the number of current and potential strategic partners willing to establish or maintain relationships with us, and could increase the price at which products or services are available to us. If we are unsuccessful in establishing or maintaining our relationships with third ~~parties~~ **- party service providers**, our ability to compete in the marketplace or to grow our customer base and revenue could be impaired, which could negatively impact our operating results. The development and ~~use~~ **incorporation** of AI in ~~connection with~~ our products ~~services~~ may result in reputational harm or liability, which could adversely affect our business and operating results. ~~We~~ **Our company employs** ~~employ~~ machine learning and AI technologies, including generative AI, in our product and service offerings, ~~and research~~ **Research** into and continued development of such technologies remains ongoing. As AI represents a rapidly evolving field, it inherently carries a spectrum of risks typical to emerging technologies. We anticipate the enactment of new ~~laws and~~ **regulations and laws** pertaining to AI ~~usage~~ **use**, potentially placing us under increased regulatory oversight, escalating litigation risks, and augmenting our existing obligations regarding confidentiality and privacy. Such developments could negatively impact our business operations. Moreover, AI technologies introduce heightened cybersecurity risks and ethical considerations, potentially affecting our reputation and operational performance. Should we

introduce solutions that generate content that is misleading, biased, harmful or controversial due to perceived or actual societal impact, we may face potential harm to our brand and reputation, competitive disadvantages, or ~~even~~ legal liabilities. AI algorithms and training methodologies may be flawed, ineffective or inadequate. AI development or deployment practices by us or others could result in incidents that impair the acceptance of AI solutions or cause harm to individuals or society. Further, the legal landscape regarding intellectual property rights in AI technologies remains unsettled in the United States, both in legislation and judicial precedent. Consequently, our ~~engagement with~~ **employment of** AI technologies and features might lead to allegations of infringement or misappropriation of third- party intellectual property rights. This risk is intensified by the current trend of entities swiftly seeking patents and other intellectual property protections in AI to gain a competitive edge. Additionally, generative AI has the capacity to yield inaccurate or misleading results, promote discriminatory outcomes, or perpetuate unintended biases, **which risks are exacerbated by the speed and scale that AI has the ability to operate at across our customer base**. Despite our efforts to implement measures and develop our AI tools in a manner that enhances security and fairness, these issues may arise due to the direct interaction of users with generative AI models and the inherent unpredictability and power of these technologies. Litigation or government regulation related to the use of AI may also adversely impact our ability to develop and offer products that use AI, as well as increase the cost and complexity of doing so. ~~If we enable or offer solutions that draw controversy due to their perceived or actual impact on society, we may experience brand or reputational harm, competitive harm, or legal liability.~~ Potential government regulation related to AI use and ethics may also increase the burden and cost in this area, ~~and failure~~ **Failure** to properly remediate AI usage or ethics issues may cause public confidence in AI to be undermined. Such outcomes ~~can~~ **could** result in reputational damage, ~~legal liabilities,~~ and adverse effects on our operational results. ~~There may be risks in leveraging AI capabilities to improve internal operations and functions. Additionally, leveraging AI capabilities to potentially improve internal functions and operations presents further risks and challenges. While we aim to use AI ethically and attempt to identify and mitigate ethical or legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. The use of AI to support business operations carries inherent risks related to data privacy and security, such as intended, unintended, or inadvertent transmission of proprietary or sensitive information, as well as challenges related to implementing and maintaining AI tools, such as developing and maintaining appropriate datasets for such support. Further, dependence on AI without adequate safeguards to make certain business decisions may introduce additional operational vulnerabilities, such as the introduction of source code that could infringe the intellectual property rights of third parties.~~ If we are unable to ensure that our solutions ~~interoperate and~~ keep pace with other technology, our solutions may become less competitive and our operating results may be harmed. To remain competitive, we must continue to develop new product offerings, applications, features, and enhancements to our products. Maintaining adequate resources to meet the demands of our customers and the market is essential. If we are unable to develop our products and services, including through the development of emerging technologies, such as AI, we may miss market opportunities and our ~~product~~ **products** may become less attractive to users. Our competitors may have or expend a greater amount of resources on improvement of technology, and our failure to maintain adequate development programs or compete effectively could materially and adversely affect our business. ~~If~~ **In addition, we are unable to ensure that our solutions interoperate with other technology, our solutions may become less competitive and our operating results may be harmed.** ~~We~~ depend on the interoperability of our platform with web browsers, and in the case of our mobile applications- operating systems, that we do not control. Any changes in such web browsers or systems that degrade the functionality of our solutions or give preferential treatment to competitive services could adversely affect the adoption and ~~usage~~ **use** of our solutions. In addition, to deliver high quality solutions, we will need to continuously enhance and modify our functionality to keep pace with technical, contractual, and other changes in Internet- related hardware, mobile operating systems such as iOS and Android, browsers, communication, network and database technologies. We may not be successful in developing enhancements and modifications that operate effectively with these devices, operating systems, web browsers or other technologies or in bringing them to market in a timely manner. Furthermore, uncertainties regarding the timing or nature of new network platforms or technologies, and modifications to existing platforms or technologies, could increase our research and product development expenses. In the event that it is difficult for our customers to access and use our solutions, our solutions may become less competitive, and our operating results could be adversely affected. **We rely upon third- party service providers to host our platform and any disruption of such third- party services would impact our operations and our business could be adversely impacted. Third- party service providers provide the cloud computing infrastructure we use to host our platform. Any significant disruption of, limitation of our access to or other interference with our use of such third- party services would negatively impact our platform and operations and our business could be harmed. External factors impacting our third- party service providers could affect the availability or speed of our services. If our customers are unable to access our platform or encounter difficulties in doing so, we may lose customers, which could harm our business and results of operations.** Risks Related to Cybersecurity and Data Privacy Security vulnerabilities in our products, human error, or a breach of our security controls could result in the loss, theft, misuse, unauthorized disclosure, or unauthorized access to customer or employee data, or other confidential or sensitive information, which could harm our customer and / or employee relationships, ~~harm our~~ **competitiveness and reputation**, and expose us to litigation, fines, or penalties, ~~or harm our reputation~~. Our business involves the storage and transmission of sensitive and proprietary data and personal information collected by or on behalf of our customers, the personal information of our employees, customers, and prospective customers and our proprietary financial, operational and strategic information. Cyber ~~attacks,~~ malicious Internet- based activity, online and offline fraud, and other similar activities may threaten the confidentiality, integrity, and availability of our information technology systems, or those of the third parties upon which we rely, along with the proprietary, confidential, and sensitive data stored in or processed by such systems. As our business grows, the number of individuals using our products, as well as the amount of information we collect, store, and process is increasing, and our brands are becoming more widely recognized, which

makes us a greater target for malicious activity. We have incurred, and expect to continue to incur, significant expenses in connection with our efforts to keep our systems, products and networks protected and up to date. However, there can be no assurance that the security measures we employ will prevent malicious or unauthorized access to our systems or information. Furthermore, no security program can entirely eliminate the risk of human error, such as an employee or contractor's failure to follow one or more security protocols, which has previously occurred and we expect will occur again despite our efforts to train our employees and contractors on cybersecurity issues and enforce our security protocols. Additionally, with many of our employees continuing to work remotely, we face an increased risk of attempted security breaches and incidents. Therefore, despite our significant efforts to keep our systems, products and networks protected and up to date, we may be unable to anticipate new modes for cyber attacks, detect security incidents or react to them in a timely manner, or implement adequate preventive measures, any of which may expose us to a risk of loss, harm to our reputation, litigation, fines, penalties, and potential liability. Computer malware, ransomware, viruses, social engineering (**deepfakes**, phishing, smishing and vishing attacks), denial of service or other attacks, employee theft or misuse, and increasingly sophisticated network attacks have become more prevalent in our industry, particularly against cloud service providers. The ~~frequency and~~ sophistication of these malicious attacks has **also** increased, and it appears that cyber crimes and cyber criminal networks, some of which may be state-supported, have been provided substantial resources and may target U. S. enterprises or our customers and their use of our products. Furthermore, the risk of state- supported and geopolitical- related ~~cyberattacks~~ **cyber attacks** may increase in connection with ongoing global geopolitical tensions ~~, such as the war in Ukraine and any related political or economic responses and counter- responses~~. In the past, we have had to take corrective action against cyber attackers to protect our cloud environment. If our security measures are, or are believed to have been breached or otherwise to have failed as a result of third-party action, employee error, malfeasance or otherwise, our reputation could be damaged, our business may suffer, and we could incur significant liability. In addition, some of our third- party service providers ~~and partners~~ also collect, store or process our sensitive information and our customers' data on our behalf. These service providers ~~and partners~~ have been, and continue to be, subject to similar threats of cyber attacks and other malicious Internet- based activities. Our contracts with these third parties may not provide us with adequate remedies in the event of such an incident which could also expose us to risk of loss, litigation, fines, penalties, and potential liability **as well as reputational damage**. If our security measures, or the security measures of our third- party service providers ~~or partners~~, are breached as a result of wrongdoing or malicious activity on the part of our employees, our ~~partners'~~ **third- party service providers'** employees, our customers' employees, or any third party, or as a result of any human error or neglect, product defect or otherwise, and this results in the loss, theft, misuse, unauthorized disclosure, or unauthorized access to personal data or other sensitive information, we could incur liability to our customers, employees, and to individuals or organizations whose information was being stored by us or our customers, as well as due to fines, penalties, or actions from payment processing networks or by governmental bodies. If we experience a widespread security breach, our insurance coverage may not offset liabilities actually incurred and insurance may not continue to be available to us on reasonable terms, or at all. In addition, security breaches could result in reputational damage, adversely affect our ability to attract new customers and cause existing customers to reduce or discontinue the use of our products and solutions. Furthermore, the perception by our current or potential customers that our products could be vulnerable to exploitation or that our security measures are inadequate, even in the absence of a particular problem or threat, could reduce market acceptance of our products and solutions and cause us to lose customers. Privacy laws and regulations could impose additional costs and reduce demand for our ~~solutions~~ **services**. We collect, store, process, and transmit personal information relating to our employees, customers, prospective customers, and other individuals. ~~Our~~ ~~and our~~ customers use our ~~technology~~ platform to store and transmit a significant amount of personal information relating to their customers, vendors, employees and other industry participants. Federal, state, and foreign government bodies and agencies have adopted, and are increasingly adopting, laws and regulations regarding the collection, use, processing, security and transmission of personal information. For example, ~~in the California~~ **Consumer Privacy Act (" CCPA") requires certain privacy related disclosures and provides California consumers rights with respect to their personal information, including the right to request deletion of their personal information, the right to receive the personal information on record for the them United States, existing the right to know what categories of personal information generally are maintained about them, as well as the right to opt- out of certain sales of personal information and sharing personal information for certain advertising purposes. The CCPA also granted a new state agency, the California Privacy Protection Agency, powers to adopt and enforce regulations interpreting the CCPA. In addition, the CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. In addition to California, we are currently subject to comprehensive privacy laws across multiple states exist in California, Colorado, Connecticut, Utah, and Virginia. Further, in 2025 will be subject to new comprehensive privacy laws in Delaware, Iowa, Maryland, Minnesota, Nebraska, New Hampshire, New Jersey, and Tennessee. These laws and regulations have increased or will become effective in 2024 in Montana, Oregon, and Texas, and updates to existing regulations in California and Colorado affecting privacy operations are also expected in 2024. These obligations have and will likely continue to increase, the complexity of our data collection and processing practices and policies and the cost and complexity of compliance to delivering --- deliver our services**. Additionally, we may incur **substantial costs and expenses related to an increased exposure to regulatory enforcement and / or litigation**. Despite our efforts, we cannot guarantee that we will be able to maintain full compliance with constantly evolving, and sometimes conflicting, data privacy laws in the jurisdictions in which we operate. If our privacy or data security measures fail to comply with current or future laws and regulations, we may be subject to claims, legal proceedings or other actions by individuals or governmental authorities based on privacy or data protection regulations and our privacy commitments to customers or others. In addition to government regulation, privacy advocates and industry groups may propose various self- regulatory standards that

may legally or contractually apply to our business. As new laws, regulations and industry standards take effect, and as we offer new services, we will need to understand and comply with various new requirements, which may impede our plans for growth or result in significant additional costs. These laws, regulations and industry standards have had, and will likely continue to have, negative effects on our business, including by increasing our costs and operating expenses, and / or delaying or impeding our deployment of new or existing core functionality or Value Added Services. Failure to comply with these laws, regulations and industry standards could result in negative publicity, subject us to fines or penalties, expose us to litigation, or result in demands that we modify or cease existing business practices. Furthermore, privacy concerns may cause residents our customers' clients, vendors, employees and other industry participants to resist providing the personal information necessary to allow our customers to use our applications effectively, which could reduce overall demand for our solutions services. Any of these outcomes could adversely affect our business and operating results.

**Risks Related to Attracting and Retaining Talent** We depend on highly skilled personnel and, if we are unable to retain or hire additional qualified personnel or if we lose key members of our management team, we may not be able to achieve our strategic objectives and our business may be harmed. Our success and future growth depend, in part, upon the continued services of our executive officers and other key employees. To execute our growth plan and achieve our strategic objectives, we must continue to retain and hire highly qualified and motivated personnel across our organization. In particular, to continue to enhance our products and solutions, add new and innovative core functionality and / or Value Added Services, as well as develop new products, it will be critical for us to maintain and, over time, grow the current skill set and abilities of our research and product development organization. Further, for us to achieve broader market acceptance of our products and solutions, grow our customer base, and pursue new markets consistent with our strategic plan, we will need to maintain and, over time, grow the current skill set and abilities of our sales, marketing and customer service and support organizations. Competition for personnel is intense within our industry and there continues to be upward pressure on the compensation paid to these professionals. Retaining, identifying, recruiting, and training qualified personnel is difficult and requires a significant investment of time and resources. Many of the companies with which we compete for experienced personnel have greater name recognition and financial resources than we have. As a result, we may have greater difficulty retaining and hiring skilled personnel than our competitors. In addition, existing and prospective employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines, we are unable to offer equity awards in competitive amounts, or if the price of our Class A common stock experiences significant volatility, this may adversely affect our ability to retain and recruit highly skilled employees. If we are unable to retain and attract the personnel necessary to execute our growth plan, we may be unable to achieve our strategic objectives and our operating results may suffer. **In addition, from time- to- time there may be changes in our management team that may be disruptive to our business.** Our corporate culture has contributed to our success and, if we cannot continue to foster this culture, we could lose the passion, creativity, teamwork, focus and innovation fostered by our culture. We believe that our corporate culture has been and will continue to be a key contributor to our success. If we do not continue to develop preserve our corporate culture or maintain our core values as we grow and evolve, we may be unable to foster the passion, creativity, teamwork, focus and innovation we believe we need to support our growth. Any failure to preserve our culture could also negatively affect our ability to recruit and retain personnel and to effectively focus on and pursue our strategic objectives. As we grow, we may find it difficult to maintain our corporate culture. ~~This difficulty may be exacerbated by our current commitment to remote work, which makes it more challenging for employees to interact and connect.~~ **Risks Related to Our Industry** All of our revenues are presently generated by sales to customers in the real estate industry, and factors that adversely affect that industry, or our customers within it, could also adversely affect us. We expect that our real estate industry customers will continue to account for a significant portion or all of our revenue for the foreseeable future. Demand for our solutions and services could be affected by factors that are unique to and adversely affect the real estate industry and our customers within it. If the real estate industry itself declines, our customers may decide not to renew their subscriptions or they may cease using our Value Added Services to reduce costs to remain competitive. Higher interest rates may make it difficult or impossible for our customers to obtain financing and may increase their cost of capital, which could negatively impact the demand for our solutions and services, increase customer churn attrition, and impact our operating results. In addition, we could lose real estate customers as a result of acquisitions or consolidations, bankruptcies or other financial difficulties facing our real estate customers, new or enhanced legal or regulatory regimes that negatively impact the real estate industry, and conditions or trends specific to the real estate industry such as the economic factors that impact the rental market. Our estimates of market opportunity are subject to significant uncertainty. We determine the level of our investment in various aspects of our business, in part, based on our market opportunity estimates. Market opportunity estimates are subject to significant uncertainty, especially in a volatile economic environment, and are based on assumptions, including our internal analysis and industry experience. Assessing markets for cloud- based business management solutions in the real estate industry is particularly difficult due to a number of factors, including limited available information and rapid evolution of the industry and markets therein. If we do not accurately estimate our opportunities, we may fail to realize a return on our investment in various aspects of our business, which could lead to a failure to gain market share and negatively impact our long- term growth prospects. **Even if the market in We could face antitrust challenges, which could harm we compete meets our size estimates and forecasted growth, our business could fail and operating results. Algorithmic pricing tools in our industry have been subject to grow at antitrust challenges in the form of criminal and civil investigations, regulatory enforcement actions, and private class actions. Although we believe our services are compliant with antitrust laws, including because our services use only publicly available data, we may face similar rates challenges, if at which regardless of merit, could cause us to incur significant expenses, distract management, damage our reputation, and result in substantial fines, damages, and / or settlement costs all of which could adversely affected our business and operating results.** **Risks Related to Growing Our Business** Our inability to effectively maintain and enhance our brands could adversely affect our ability to attract new customers and

negatively affect our business and operating results. Maintaining and enhancing our brands is critical to achieving widespread awareness and acceptance of our solutions as well as maintaining and expanding our customer base, **which is a key component of our strategy**. We expect the importance of brand recognition will increase, as competition for our products and services increases. If we do not continue to build awareness of our brands, we will be at a competitive disadvantage compared to companies whose brands are, or become, more recognizable than ours. Maintaining and enhancing our brands requires us to make substantial investments, and these investments may not result in commensurate increases in our revenue. In addition, new and existing technologies, industry trends, and laws that restrict online advertising or that affect our ability to customize and target advertising may require us to significantly increase our marketing costs to generate and capture demand and maintain our brand awareness, level of sales, and operating results. **Moreover, our efforts to maintain and enhance our brands could be impacted by negative publicity or reputational harm from adverse events, such as lawsuits, customer or third-party-service provider disputes, or cybersecurity incidents**. If we fail to successfully maintain and enhance our brands, or if we make investments that are not offset by increased revenue, our operating results could be adversely affected. If we fail to manage our growth effectively, our costs and operating expenses may increase without corresponding increases in revenue, which would adversely affect our operating results. We have experienced, and anticipate that we will continue to experience, significant growth in the size, complexity, and diversity of our business. This growth has placed, and we expect that it will continue to place, a significant strain on our administrative, operational, and financial resources. Our future success depends, in part, on our ability to manage this growth effectively. For example, to grow our customer base and facilitate the continuous launch and refinement of our products and services we invest significantly in our sales, marketing, and product development organizations as well as software and systems to support the efficient operation of such organizations. There is no guarantee that these or similar ~~expenditures~~ **investments** to support our growth will be successful. If we are unable to manage our growth successfully and efficiently, it could result in increased costs and operating expenses without corresponding increases in revenue, which would adversely affect our operating results. If we do not accurately predict and respond promptly to rapidly evolving technological developments and customer needs, the demand for our products and our business and operating results may be harmed. Customer demands are constantly changing in response to new technology and other market factors. To compete effectively, we must identify and innovate in the right technologies, accurately predict our customers' evolving needs, and continually improve our own technology platform. If we fail to execute against any of the foregoing, our business, **financial condition**, and operating results may be harmed. In addition, the widespread adoption of quickly evolving disruptive technology products, **such as generative AI**, may significantly impact the real estate industry, even if such products are not specifically designed to apply directly to the real estate industry. The adoption of such new technologies could significantly reduce the number or demand of our customers, thereby reducing our revenue, which could materially impact our business, financial condition and operating results. We participate in an intensely competitive market and our business could be harmed if we do not compete effectively. The market for cloud- based business management solutions has relatively low barriers to entry and is global, highly competitive and continually evolving in response to a number of factors, including changes in technology, operational requirements, and laws and regulations. We compete with both other real estate industry cloud- based solution providers and providers of broad cloud- based solutions across multiple industries. We also face competition from numerous cloud- based solution providers that focus almost exclusively on one or more point solutions. Our competitors include established vendors, as well as newer entrants in the market. Our established competitors may have greater name recognition, longer operating histories, and significantly greater resources, which allows them to respond more quickly and effectively to new or changing opportunities or challenges, technologies, operational requirements and industry standards. Our competitors who are new entrants to the market, and generally smaller, may have more nimble operations due to having fewer products and less overhead and may be willing to take legal and operational risks, which allows them to launch products and meet customer demand more quickly and efficiently. Regardless of size, our current and potential competitors may develop, market and sell new technologies with comparable functionality to our solutions, which could cause us to lose customers, slow the rate of growth of new customers and / or cause us to decrease our prices to remain competitive. **If we are unable to differentiate ourselves from our competitors and drive value for our customers or otherwise compete effectively against any of these competitive threats**, ~~which could harm~~ our business, **financial condition and results of operations could be harmed**. In addition, we have introduced and expect to continue to introduce variations to our pricing model that are intended to provide broader usage and better align the cost of our services to the value they provide our customers. Although we believe that these pricing changes will increase customer adoption and revenue, it is possible that they will not and may make our services less appealing, which could negatively impact our business, revenue, and operating results. If we are unable to successfully expand sales of our solutions to new markets, our business, **financial condition**, and operating results may suffer. Our growth strategy requires expanding sales of our solutions to new markets within the real estate space. These new markets include larger **and mixed- use** customers ~~and housing types outside of multi- family and single- family residential~~. Acceptance of our current and future solutions in new markets will depend on numerous factors, including our ability to provide more sophisticated functionality and features, the pricing of our solutions relative to competitive products, perceptions about the security, privacy and availability of our solutions relative to competitive products, and the time- to- market of updates and enhancements to our **solutions** ~~services and products~~. There is no guarantee we will be successful in achieving all or any of the foregoing. Additionally, sales to new markets will involve risks that are not present, or are present to a lesser extent, in sales to the markets we currently serve, ~~and such~~ **Such** risks may include new regulatory regimes, longer sale cycles, increased chance of litigation with customers, increased risk and impact of reputational harm, and increased competition. We may not be able to sufficiently mitigate such risks, which would impact our ability to successfully expand our business. If we are unable to successfully expand sales of our solutions to new markets, our revenue may increase at a slower rate than we expect and may even decline, which could adversely affect our **business, financial condition and** operating results. Our business depends substantially on existing

customers renewing their subscriptions with us and expanding their use of our Value Added Services, and a decline in either could adversely affect our operating results. For us to maintain or increase our revenue and improve our operating results, it is important that our existing customers continue to use our core solutions, as well as **continue to use and** increase their adoption and utilization of our Value Added Services. Our customers may not renew their subscriptions with us, continue to **broaden expand** their adoption and utilization of our Value Added Services, or use our Value Added Services at all **for a variety of reasons, including macroeconomic pressures on the real estate market, competitive displacement, and reputational harm**. If our existing customers do not renew their subscriptions and increase their adoption and utilization of our existing or newly developed Value Added Services, our revenue may increase at a slower rate than we expect and may **even** decline, which could adversely affect our financial condition and operating results. A reduction in the number of our existing customers, even if offset by an increase in new customers, could reduce our revenue and operating margins. We manage our business to achieve long-term growth, which may not be consistent with the short- term expectations of some investors. We make product decisions and pursue opportunities that are consistent with our strategic objective to achieve long- term growth. These decisions **and opportunities** may not be consistent with the short- term expectations of some investors, and may cause significant fluctuations in our results of ~~operation~~ **operations** and our stock price from period to period. In addition, notwithstanding our intention to make strategic decisions **and pursue opportunities** that positively impact long- term value, the decisions we make **and opportunities we pursue** may not produce the long- term benefits we expect, which could materially affect our business, financial condition and results of operation. Our acquisition of other companies ~~or technologies~~ may subject us to risks. We have acquired, and may in the future acquire, other companies **(such as our acquisition of Move EZ, Inc. in 2024)** or technologies to complement or expand our products and solutions, optimize our technical capabilities, enhance our ability to compete, or otherwise **advance** ~~offer growth or our~~ strategic ~~opportunities~~ **objectives**. We have limited experience and success in acquiring other businesses and we may not be able to effectively integrate acquired assets, technologies, personnel and operations or achieve the anticipated synergies or other benefits from the acquired business due to the inherent risks associated with acquisitions. If an acquisition fails to meet our expectations in terms of its contribution to our overall business strategy or results of ~~operation~~ **operations**, or if the costs of acquiring or integrating the acquired business exceed our estimates, our business, results of ~~operation~~ **operations**, strategic objectives, and financial condition may suffer. **In addition, a significant portion of the purchase price of companies we acquire may be allocated to acquired goodwill and other intangible assets. We are required to test goodwill and any other intangible assets with an indefinite life for possible impairment on an annual basis, or more frequently, when circumstances indicate that impairment may have occurred. We are also required to evaluate amortizable intangible assets and fixed assets for impairment if there are indicators of a possible impairment. In the future, if our acquisitions do not yield expected returns, we may be required to take charges to our results of operations based on this impairment assessment process, which could adversely affect our results of operations.** Risks Related to Intellectual Property Matters Failure to protect our intellectual property rights could impair our ability to protect our proprietary technology and our brands, which could harm our business. We currently rely on patent, trademark, copyright and trade secret laws, trade secret protection, and confidentiality ~~or~~, **invention assignment, license and other** agreements with our employees, customers, ~~partners~~ **third- party service providers** and others to protect our intellectual property rights **which are important to our future success**. In addition, we utilize third- party platforms to host our code for version control and collaboration and rely on the security features made available by such platforms to prevent unauthorized access to our code. Our success and ability to compete depend, in part, on our ability to continue to protect our intellectual property, including our code, proprietary technology and brands. If we are unable to protect our ~~proprietary~~ **intellectual property** rights adequately or the security controls made available by our code hosting partners are compromised and our code is improperly accessed, which has previously occurred and could occur again in the future, our competitors could use the intellectual property we have developed to enhance their own products and services, which could harm our business. In addition, third parties may independently develop technologies or products that compete with ours, and we may be unable to prevent such competition. ~~To monitor and~~ **We cannot be certain that our means of protect protecting** our intellectual property rights **will be adequate or that our competitors will not independently develop similar technologies or products. To monitor and protect our intellectual property rights**, we may be required to expend significant resources. Litigation brought to protect and enforce our intellectual property rights could be costly, time- consuming and distracting to management, and ~~could~~ result in the impairment or loss of portions of our intellectual property or require us to pay costly royalties. ~~Accordingly, we may not be able to prevent third parties from infringing upon or misappropriating our intellectual property.~~ Our failure to secure, protect and enforce our intellectual property rights could adversely affect our business, **financial condition** and operating results. We may be sued by third parties for alleged infringement of their proprietary rights, which could cause us to incur significant expenses and require us to pay substantial damages. Our success depends, in part, on us refraining from infringing upon the intellectual property rights of others. Our competitors, as well as a number of other entities and individuals, may legally own or claim to own intellectual property relating to our technology or solutions, including without limitation technology we develop and build internally and / or acquire. From time to time, our competitors or other third parties may claim that we are infringing upon their intellectual property rights. Any claims or litigation, regardless of merit, could cause us to incur significant expenses, distract management, and, if successfully asserted against us, could require that we pay substantial damages, settlement costs or ongoing royalty payments, require that we comply with other unfavorable license and other terms, or prevent us from offering our solutions in their current form, including due to the unavailability of commercially ~~reasonable~~ **reasonable** licensing terms. ~~Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the attention of our management and key personnel from our business operations and harm our operating results.~~ Our solutions contain open source and third- party software, which may pose risks to our proprietary source code and / or introduce security vulnerabilities, and could have a material adverse impact on our business and operating results. We use open

source software in our solutions and expect to continue to do so in the future. The terms of many open source licenses to which we are subject have not been interpreted by United States or foreign courts, and there is a risk that open source licenses could be construed in a manner that imposes unanticipated conditions, restrictions or costs on our ability to provide or distribute our solutions. Additionally, we may from time to time face claims from third parties alleging ownership of, or demanding release of, the open source software or of derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license in a manner that would harm our business or competitive position. These claims could result in litigation, which could be costly for us to defend, and could require us to make our source code freely available, purchase a costly license or cease offering the implicated functionality unless and until we can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and product development resources, and we may not be able to complete it successfully or in a timely manner. In addition to risks related to license requirements, usage of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. We also use third-party commercial software in our solutions and expect to continue to do so in the future. Third-party commercial software or open source software is developed outside of our direct control and may introduce security vulnerabilities that may be difficult to anticipate or mitigate. Further, there is no guarantee that third-party software developers or open source software providers will continue to maintain and update the third-party software that we use. Should development of in-use third-party software or open source software cease, significant engineering effort may be required to create an in-house solution. These risks could also be difficult to eliminate or manage, and could have a material adverse impact on our business and operating results.

**Risks Related to Our Financial Results** **As our business grows, we expect our revenue growth rate to decline over the long term. You should not rely on our prior revenue growth as an indication of our future revenue growth. While we have experienced significant revenue growth in prior periods, we expect it to decline over the long term due to increasing competition, a decrease in the growth rate of our overall market or other reasons.** We expect to make substantial investments across our organization to grow our business, which may impact profitability. To implement our business and growth strategy, we have made and will continue to make substantial investments across our organization and, as a result, our expenses may increase significantly impacting profitability. For example, we intend to continue to make substantial investments in, among other things: our research and product development organization to enhance the ease of use and functionality of our solutions and develop new products; our sales and marketing organization, including expansion of our direct sales organization and marketing programs, to increase the size of our customer base and increase adoption and utilization of new and existing Value Added Services by our new and existing customers; and maintaining and expanding our technology infrastructure and operational support to promote the security and availability of our products and solutions. Even if we are successful in growing our customer base and increasing revenue from new and existing customers, we may not be able to generate additional revenue in an amount that is sufficient to **cover keep pace with** our expenses. Our quarterly results may fluctuate significantly and period-to-period comparisons of our results may not be meaningful. Our quarterly results, including the levels of our revenue, costs, operating expenses, and operating margins, may fluctuate significantly in the future, and period-to-period comparisons of our results may not be meaningful. For example, we **typically have historically experienced experience** seasonality in our Value Added Services revenue, primarily in our tenant screening services, due to seasonally higher leasing activities in the second quarter, which **results in a sequential increase tenant screening transactions in that period revenue in the first, second, and third quarters and a sequential decline in revenue in the fourth quarter**. Accordingly, the results of any one quarter should not be relied upon as an indication of our future performance. **In addition, we may experience significant fluctuations in our operating results from period to period, including significant losses. This may make it difficult for us to effectively allocate our resources to achieve our strategic goals. Furthermore, if our quarterly results fall below the expectations of investors or any securities analysts who follow our stock, or below any financial guidance we may provide, the price of our common stock could decline substantially. See Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional details regarding the seasonality of our revenue.** There are risks associated with potential future indebtedness that may adversely affect our financial condition and future financing agreements may contain restrictive operating and financial covenants. We may incur indebtedness in the future and/or enter into new financing arrangements. Our ability to meet expenses, to remain in compliance with the covenants under any future debt instruments, and to pay fees, interest and principal on our indebtedness will depend on, among other things, our operating performance and market conditions. Accordingly, our cash flow may not be sufficient to allow us to pay principal and interest on future indebtedness and meet our other business and customer obligations. In addition, increases in interest rates have increased the cost of borrowing and volatility in financial markets could impact our access to, or further increase the cost of, any new financing arrangements we may enter into. Past disruptions in the credit and equity markets made it more difficult for many businesses to obtain financing on acceptable terms. These conditions tended to increase the cost of borrowing in the past and if they recur, our borrowing costs could increase and it may be more difficult to obtain financing for our operations or investments. We may not be able to obtain financing on terms acceptable to us, if at all. Our ability to use our net operating loss carryforwards and certain other tax attributes may be limited. Under Section 382 of the Internal Revenue Code of 1986, as amended (the "Internal Revenue Code"), if a corporation undergoes an "ownership change," the corporation's ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes, such as research tax credits, to offset its post-change income and taxes may be limited. In general, an "ownership change" occurs if there is a cumulative change in our ownership by "5% shareholders" that exceeds 50% over a rolling three-year period. Similar rules may apply under state tax laws. It is possible that our existing net operating loss and/or credit carryforwards may be subject to limitations arising from previous ownership changes, and future issuances of our stock could cause an ownership change. Furthermore, our ability to utilize net operating loss and/or credit carryforwards of companies that we have acquired or may acquire in the future may be

subject to limitations. There is also a risk that due to legislative changes, such as suspensions on the use of net operating loss carryforwards, or other unforeseen reasons, our existing net operating loss carryforwards could expire or otherwise be unavailable to offset future income tax liabilities. Risks Related to Our Common Stock The market price of our Class A common stock may be volatile or may decline regardless of our operating performance, which could result in substantial losses for our stockholders. The market price of our Class A common stock has been, and is likely to continue to be, highly volatile, and fluctuations in the price of our Class A common stock could cause our stockholders to lose all or part of their investments. There are a wide variety of factors, many of which are outside our control, that could cause fluctuations in the market price of our Class A common stock could be subject to fluctuations in response to many of the risk factors discussed in this Annual Report and other factors beyond our control, including without limitation: • actual or anticipated fluctuations in our financial condition or results of operations; • changes in the estimates of our operating results; • changes in recommendations by securities analysts or the failure of securities analysts to maintain coverage of us; • announcements of new products, services, technologies, or pricing; • fluctuations in our valuation or the valuation of similarly situated companies; • changes to our management team; • trading activity by insiders or the market's perception that insiders intend to sell their shares; • the trading volume of our Class A common stock, including sales upon exercise of outstanding options or vesting of equity awards; and • the overall performance of the equity markets as well as general economic and market conditions. Such factors could cause the market price of our Class A common stock to decline or make it more difficult for you to sell your Class A common stock at a time and price that you deem appropriate. In addition, and could impair our ability to raise capital through the sale of additional equity securities, the stock market for technology companies has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of those companies. Broad market and industry factors may seriously affect the market price of our Class A common stock, regardless of our actual operating performance. The dual class structure of our common stock concentrates voting control with a limited number of stockholders, including our executive officers, directors and principal stockholders, effectively limiting your other stockholders' ability to influence corporate matters. Our Class B common stock has 10 ten votes per share, and our Class A common stock has one vote per share. As of December 31, 2023-2024, the holders of the outstanding shares of our Class B common stock, including our executive officers, directors, and principal stockholders, collectively held approximately 87-85% of the combined voting power of our outstanding capital stock. Because of the 10- to-1 voting ratio between our Class B common stock and Class A common stock, the holders of our Class B common stock collectively control a majority of the combined voting power of our outstanding capital stock and therefore control the election of a majority of our directors and thereby have the power to control our affairs and policies, including the appointment of management and strategic decisions, as well as matters that are submitted to a vote by our holders of our common stock. The interests of the holders of our principal stockholders Class B common stock may be inconsistent with or adverse to those of the holders of our Class A common stock. This concentrated control may also have the effect of delaying, deterring or preventing a change- in- control transaction, depriving our stockholders of an opportunity to receive a premium for their capital stock or negatively affecting the market price of our Class A common stock. In addition, transfers by holders of our Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions. The conversion of our Class B common stock to Class A common stock will have the effect, over time, of increasing the relative voting power of the holders of our Class B common stock who retain their shares over the long term. We cannot predict the impact that our capital structure may have on our stock price. Several shareholder advisory firms are opposed to the use of multiple class structures such as ours. As a result, shareholder advisory firms may publish negative commentary about our corporate governance practices or otherwise seek to cause us to change our capital structure. Any actions or publications by shareholder advisory firms critical of our corporate governance practices or capital structure could also adversely affect the value of our Class A common stock. Likewise In addition, certain institutional investors and certain investment funds may be precluded prohibited from investing in, or reluctant or unwilling to invest in entities with multiple class structures due to a lack of ability to meaningfully influence corporate affairs and policies through voting. Such restrictions prohibitions, reluctance and unwillingness may make our Class A common stock less attractive to investors and, as a result, the market price of our Class A common stock could be adversely affected. We do not expect to declare pay any dividends in the foreseeable future and may repurchase stock in accordance with our Share Repurchase Program. We have never declared, and we do not anticipate declaring or paying, any cash dividends to holders of our Class A common stock in the foreseeable future. In addition, the terms of our future borrowing arrangements we may enter into from time to time may restrict our ability to pay dividends. Consequently, investors may need to rely on sales of our Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Price appreciation, which may never occur, may be further impacted by repurchases of our shares in accordance with our Share Repurchase Program. Repurchases of our shares could increase the volatility of the trading price of our shares, which could have a material adverse impact on the trading price of our shares. Similarly, the future announcement of the termination or suspension of the Share Repurchase Program, or our decision not to utilize the full authorized repurchase amount under the Share Repurchase Program, could result in a decrease in the trading price of our shares. In addition, the Share Repurchase Program could have the impact of diminishing our cash reserves, which may impact our ability to finance our growth, complete acquisitions and execute our strategic plan. For additional information regarding our Share Repurchase Program, refer to Note 12, Stockholders' Equity. Anti- takeover provisions contained in our amended Amended and restated Restated certificate Certificate of incorporation Incorporation and amended Amended and restated Restated bylaws Bylaws, as well as provisions of Delaware law, could impair a takeover attempt. Our amended Amended and restated Restated certificate Certificate of incorporation Incorporation and our amended Amended and restated Restated bylaws Bylaws contain provisions that could have the effect of rendering more difficult hostile takeovers, change- in- control transactions or changes in our Board of Directors or management. Among other things, these

provisions authorize the issuance of preferred stock with powers, preferences and rights that may be senior to our common stock, provide for ~~the adoption of~~ a staggered three- class Board of Directors, prohibit our stockholders from filling vacancies on our Board of Directors or calling special stockholder meetings, require the vote of at least two- thirds of the combined voting power of our outstanding capital stock to approve amendments to our ~~Amended and Restated certificate~~ **Amended and Restated Certificate** of incorporation ~~Incorporation~~ or ~~bylaws~~ **Bylaws**, and require the approval of the holders of at least a majority of the outstanding shares of our Class B common stock voting as a separate class prior to consummating a change- in- control transaction. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law, which may delay, deter or prevent a change- in- control transaction. Section 203 imposes certain restrictions on mergers, business combinations and other transactions between us and holders of 15 % or more of our common stock. Any provision of Delaware law, our ~~amended~~ **Amended** and ~~restated~~ **Restated** ~~certificate~~ **Certificate** of incorporation ~~Incorporation~~, or our ~~or our~~ **Amended** and **Restated** ~~bylaws~~ **Bylaws** that has the effect of rendering more difficult, delaying, deterring or preventing a change- in- control transaction could limit the opportunity for our stockholders to receive a premium for their shares of our capital stock and could also affect the price that some investors are willing to pay for our Class A common stock. ~~We could be subject to securities class action litigation. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which could adversely affect our business, operating results, or financial condition. Additionally, the dramatic increase in the cost of directors' and officers' liability insurance may make it more expensive for us to obtain directors' and officers' liability insurance in the future and may require us to opt for lower overall policy limits and coverage or to forgo insurance that we may otherwise rely on to cover significant defense costs, settlements, and damages awarded to plaintiffs, or incur substantially higher costs to maintain the same or similar coverage. These factors could make it more difficult for us to attract and retain qualified executive officers and members of our board of directors.~~ Risks Related to Macroeconomic Conditions Global and regional economic conditions could harm our business. Adverse global and regional economic conditions ~~such as turmoil affecting the banking system or financial markets~~, including, but not limited to, recessionary or inflationary pressures, tightening in the credit markets, extreme volatility or distress in the financial markets, supply chain issues, reduced consumer confidence or economic activity, government fiscal and tax policies, geopolitical events, and other negative financial news or macroeconomic developments could have a material adverse impact on the demand for our products and services or cause us to experience increased costs that could negatively affect our operating results. Government regulations and laws are continuously evolving and unfavorable changes could adversely affect our operating results, subject us to litigation or governmental investigation, or otherwise harm our business. In addition to regulations and laws directly applicable to our products and services, we are subject to general business regulations and laws. Unfavorable regulations, laws, and administrative or judicial decisions interpreting or applying laws and regulations applicable to our business could subject us to litigation or governmental investigation and increase our cost of doing business, any of which may adversely affect our operating results. ~~For example, the Inflation Reduction Act of 2022 contains several revisions to the Internal Revenue Code, including a 15 % corporate minimum income tax on adjusted financial statement income for companies with profits greater than \$ 1. 0 billion and a nondeductible 1 % excise tax on corporate stock repurchases in tax years beginning after December 31, 2022. While the foregoing tax law changes have no immediate effect on our business, such changes or similar changes may adversely affect our operating results in the future.~~ In addition, the application of federal, state ~~and~~ local ~~and foreign~~ tax laws to services provided electronically is continuously evolving. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted or amended at any time, possibly with retroactive effect, and could be applied solely or disproportionately to services provided over the Internet. These enactments or amendments could adversely affect our sales activity due to the inherent cost increase such taxes would represent and could ultimately result in a negative impact on our operating results. In addition, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, modified or applied adversely to us, possibly with retroactive effect, which could require us or our customers to pay additional tax amounts, as well as require us or our customers to pay fines or penalties, as well as interest on past amounts. If we are unsuccessful in collecting such taxes due from our customers, we could be held liable for such costs, thereby adversely impacting our operating results. Audits and reviews by tax authorities may prove costly and a distraction to management. Our tax filings are subject to reviews and audits in various jurisdictions and the positions or assumptions we take may be challenged. Although we believe our tax positions are reasonable, it is possible that tax authorities may disagree with certain positions we have taken and an adverse outcome of such a review or audit could have a negative effect on our financial position and operating results. In addition, defending our tax positions or disputing the positions taken by tax authorities may be costly and a distraction to management, which may affect our operating results. Natural disasters, health epidemics, or other catastrophic events may cause damage or disruption to our operations, commerce and the global economy, and have a negative effect on our business and operations. Our business operations are subject to interruption by natural disasters, flooding, fire, power shortages, health epidemics, terrorism, political unrest, telecommunications failure, vandalism, cyber- attacks, geopolitical instability, war, the effects of climate change (such as drought, wildfires, hurricanes, and increased storm severity) and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers, ~~could~~ decrease demand for our services, and ~~could~~ cause us to incur substantial expense. Our insurance may not be sufficient to cover losses or additional expenses that we may sustain. The majority of our research and development activities, offices, information technology systems, and other critical business operations are located near major seismic faults in California. Customer data could be lost, significant recovery time could be required to resume operations and our financial condition and operating results could be adversely affected in the event of a major natural disaster or catastrophic event. In addition, the impacts of climate change on the global economy and our industry are rapidly evolving. We may be subject to increased regulations, reporting requirements,

standards or expectations regarding the environmental impacts of our business.