

Risk Factors Comparison 2025-02-20 to 2024-02-22 Form: 10-K

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

Risks related to our business ~~Our~~ • **If we are unable to attract and retain new clients, particularly subscribers to our information, analytics, and online marketplace services, our revenues and financial position will be adversely affected.** • **Failure to develop and introduce new or upgraded information, analytics, and online marketplace services or to shift focus from current services with less demand could decrease our revenues and our profitability.** • **We operate in a highly competitive and rapidly changing market, and we may not be able to compete successfully against existing or future competitors in attracting advertisers, which could harm our business, results of operations, and financial condition.** • **Our operating and financial results are subject to fluctuations and market cyclicality, which could negatively affect our stock price.** • **Global economic uncertainties and downturns or a downturn or consolidation in the real estate industry may decrease customer demand for our services and adversely affect our business and results of operations.** • **If we are unable to hire qualified persons for, or retain and continue to develop our sales force, or if our sales force is unproductive, our revenues could be adversely affected.** • **Our business depends on retaining and attracting highly capable management and operating personnel.** • **Our internal and external investments may place downward pressure on our operating margins.** • **We may not be able to maintain or grow our current revenue and profit levels.** • **We may be unable to increase awareness of our brands, which could adversely affect our business.** • **If internet search engines do not prominently feature our websites on the search engine results page, traffic to our websites would decrease, and, if we are unable to maintain or increase traffic to our marketplaces, our business and operating results could be adversely affected.** • **If real estate professionals or other advertisers reduce or cancel their advertising spending with us and we are unable to attract new advertisers, our operating results would be harmed.** • **If we are unable to successfully identify, finance, integrate, and / or manage costs related to acquisitions, our business operations and financial position could be adversely affected.** • **Our strategic transactions, including the acquisition of Matterport, may be subject to regulatory approvals and may not be completed as contemplated.** • **We may be unable to complete the acquisition of Matterport or otherwise realize the benefits of the pending Matterport acquisition, which could have an adverse effect on us.** • **Cyberattacks and security vulnerabilities could result in serious harm to our reputation, business, and financial condition.** • **Technical problems or disruptions could damage our reputation and lead to reduced demand for our information, analytics, and online marketplace services, lower revenues and increased costs.** • **The significant costs associated with building our campus in Richmond, Virginia, have impacted and will continue to impact our financial condition and results of operations.** • **We may not be able to successfully expand geographically, which may negatively impact our business.** • **We are subject to a number of risks related to acceptance of credit cards and debit cards and facilitation of other customer payments.** • **Climate related events and other events beyond our control could harm our business.** • **Attention to ESG matters may require us to incur additional costs or otherwise adversely impact our business.** **Risks related to our data, intellectual property and listings** • **If we are not able to obtain and maintain accurate, comprehensive, or reliable data, we could experience reduced demand for our services.** • **If we are unable to enforce or defend our ownership and use of intellectual property, our business, brands, competitive position, and operating results could be harmed.** • **Use of new and evolving technologies, including AI, could impact our ability to protect our data and intellectual property from misappropriation by third parties.** • **We may be subject to legal liability for collecting, displaying, or distributing information.** • **Our services could be less attractive and our revenues may decrease if we fail to obtain or retain listings from third parties, to maintain or establish relationships with third- party listing providers, maintain stable data feeds, or to comply with the rules and compliance requirements of MLSs.** **Risks related to our international operations** • **We are exposed to additional business risks from our international operations, including volatility in foreign currency exchange rates.** **Risks related to our indebtedness** • **Our significant indebtedness could decrease our flexibility and adversely affect our business, financial condition, and results of operations.** • **A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs, reduce our access to capital, or result in the loss of certain covenant suspensions.** **Risks related to regulatory compliance and legal matters** • **Our actual or perceived failure to comply with privacy laws and standards could adversely affect our business, financial condition, and results of operations.** • **Changes in tax laws, regulations, or fiscal and tax policies, or the manner of their interpretation or enforcement could adversely impact our financial performance.** • **Third- party claims, litigation, regulatory proceedings, or government investigations to which we are subject or in which we become involved, regardless of their merit, may significantly increase our expenses and adversely affect our stock price.** • **We do not currently intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.** • **Stock repurchases under our stock repurchase program are discretionary, and we cannot guarantee that our stock repurchase program will achieve the desired objectives.** **Share repurchases diminish our cash reserves and could also increase the volatility of the trading price of our common stock** **We may not be able to attract and retain new clients, which could adversely affect our revenues and financial position.** **Our success and revenues depend on attracting and retaining subscribers to our information, analytics, and online marketplace services, which** ~~Our subscription-based services~~ **generate the largest portion of our revenues. Our renewal rate, net new booking and revenue revenues** ~~may not grow, or could decrease, if we cannot attract new customers, continue to keep our cancellation rate low, and continue to sell new services to our existing customers~~ ~~We, which~~ **may not be**

able to continue to grow our **occur** customer base, keep the cancellation rate low or sell new services to existing customers as a result of several factors, including, continuing global economic and geopolitical volatility, economic pressures, and the impact of inflation on our costs and on customer spending; the business failure of current clients; customer decisions that they do not need our services or to use alternative services; customers' and potential customers' budgetary constraints; consolidation in the real estate and / or financial services industries; data quality; technical problems; competitive pressures; or devaluation of the local currencies of international customers relative to the U. S. dollar which impairs the purchasing power of such customers. We compete against many other real estate information, analytics and marketing service providers for business. If clients cancel services or decide not to renew their subscription agreements and we do not sell new services to our existing clients or attract new clients, then our renewal rate, net new bookings and revenues may decline or fail to meet expectations. We may not be able to successfully develop and introduce new or upgraded information, analytics and online marketplace services, **information, and analytics** that are attractive to our users and advertisers or successfully combine or shift focus from current services with less demand, which could decrease our revenues and our profitability. Our future business and financial success will depend on our ability to continue to anticipate the needs of customers and potential customers and to successfully introduce new and upgraded services, including services that make our marketplaces useful for users and attractive to advertisers. To be successful, we must be able to quickly adapt to changes in the industry, as well as rapid technological changes, **including AI and machine learning**, by continually enhancing our information, analytics, and online marketplace services. **If we fail to introduce new and upgraded services in response to these changes in a timely and cost- efficient manner, or to adequately address the changing needs of our clients, our services could become less competitive or obsolete, which could adversely affect our business, results of operations, or financial condition**. As a result, we must continually invest resources in research and development, **both through internal investments and the acquisition of intellectual property from companies that we have acquired**, to improve the appeal and comprehensiveness of our services and effectively incorporate new technologies, **which could have an adverse effect on our financial results**. Developing new services and upgrades to services, as well as integrating and coordinating current services, imposes heavy burdens on our systems department, product development team, management, and researchers. The processes are costly, and our efforts to develop, integrate, and enhance our services may not be successful. In addition, launching and selling a new or upgraded service puts additional strain on our sales and marketing resources. If we are unsuccessful in obtaining greater market share or in obtaining widespread adoption of new or upgraded services, we may not be able to offset the expenses associated with the development, launch, and marketing of the new or upgraded service, which could have a material adverse effect on our financial results. For example, we have and will continue to invest significantly in developing our marketplaces and content, and, to generate brand awareness and site traffic, we have and will continue to invest significant resources in multi- channel marketing campaigns for select marketplaces. If these development efforts and marketing campaigns do not increase brand awareness, site traffic, subscriptions for marketplaces services and / or revenues, the cost of these campaigns could have an adverse effect on our **financial results of operation**. In addition, as we integrate acquired businesses, we continue to assess which services we believe will best meet the needs of our customers. If we eliminate or phase out a service and are not able to offer and successfully market and sell an alternative service, our revenues may decrease, which could have **an a material** adverse effect on our results of operations. **We may not be able to** **Competition could render our services uncompetitive and reduce our profitability. The markets for information systems and services and for online marketplaces in general are highly competitive and rapidly changing. If we are able** **unable** to compete successfully against **our** existing or future competitors in attracting advertisers, which could harm our business, results of operations **and**, **or** financial condition **could be adversely affected**. **We marketplaces in general are highly competitive and rapidly changing. Competition in these markets may increase further if economic conditions or other circumstances cause customer bases and customer spending to decrease and service providers to compete for fewer customer resources.** Our existing or future competitors may have greater name recognition, larger customer bases, better technology or data, lower prices, easier access to data, greater user traffic or greater financial, technical, or marketing resources than we have to provide services that users might view as superior to our offerings. **Competition in these markets may increase if economic conditions or other circumstances cause customer bases and customer spending to decrease and service providers to compete for fewer customer resources**. Competitors may introduce different solutions that attract users away from our services or provide solutions similar to ours that have the advantage of better branding or marketing resources. Our competitors may be able to undertake more effective marketing campaigns, obtain more data, adopt more aggressive pricing policies, make more attractive offers to potential employees, subscribers, advertisers, distribution partners, and content providers, or may be able to respond more quickly to new or emerging technologies or changes in user requirements. Increased competition could result in lower revenues and higher expenses, which **would reduce our profitability. Also, we** compete to attract advertisers. **Our competitors may have greater brand recognition or more direct sales personnel than we have and may generate more web traffic than we do, which may provide them with competitive advantages.** To compete successfully for advertisers, we must continue to invest resources in developing our advertising platform and proving the effectiveness and relevance of our advertising services. Pressure from competitors seeking to acquire a greater share of our advertisers' overall marketing budget could adversely affect our pricing and margins, lower our revenue, and increase our research and development and marketing expenses. **If we are unable to compete..... expenses, which would reduce our profitability**. Our operating results and revenues are subject to fluctuations, and our quarterly financial results may be subject to market cyclicity, each of which could negatively affect our stock price. The real estate market may be influenced by general economic conditions, economic cycles, changes in interest rates, seasonality, and many other factors, which in turn may impact our financial results. The different sectors of the large and fragmented **real estate** industry, such as office, industrial, retail, multifamily, single family, and others, are influenced differently by different factors, and have historically moved through economic cycles with different timing. As such, it is difficult to estimate the potential impact of economic cycles and conditions or seasonality from year- to- year on our overall

operating results. For example, we generally see higher sales of Apartments.com listing services during the peak summer rental season and higher CoStar sales towards the end of the year; however, sales fluctuate from year-to-year and may fluctuate more widely when there are changes in general economic conditions or the industry. The timing of widely observed holidays and vacation periods, particularly slowdowns during the end-of-year holiday period, and availability of real estate agents and related service providers during these periods, could significantly affect our quarterly operating results during that period. If we are unable to adequately respond to economic, seasonal, or cyclical conditions, our revenues, expenses, and operating results may fluctuate from quarter to quarter. Our operating results, revenues, and expenses may fluctuate for many reasons, including those described in this paragraph and below:

- Rates of subscriber adoption and retention;
- Timing of our annual sales conference or significant marketing events;
- Changes in our pricing strategy and timing of changes;
- The timing and success of new service introductions and enhancements;
- The shift of focus from certain services we offer or the phase out of services that overlap or are redundant with other services we offer;
- The amount and timing of our expenses and capital expenditures;
- The amount and timing of non-cash stock-based charges;
- Acquisition-related costs or impairment charges associated with investments and acquisitions;
- Competition;
- Changes or consolidation in the real estate industry;
- Interest rate fluctuations;
- Execution of our expansion and integration plans;
- The development of our sales force;
- Foreign currency exchange rate fluctuations;
- Inflation; and
- Changes in client budgets.

These fluctuations could negatively affect our results of operations during the period in question and / or future periods or cause our stock price to decline. In addition, changes in accounting policies or practices may affect our level of net income. Fluctuations in our financial results, revenues, and expenses may cause the market price of our common stock to decline. Global economic uncertainties and downturns or a downturn or consolidation in the real estate industry may decrease customer demand for our services and adversely affect our business and results of operations. Global economic uncertainties or downturns could adversely affect our business and results of operations, including financial and credit market fluctuations, changes in economic policy, ~~increased~~ **elevated** inflation and responsive actions, ~~rising interest rates or a period of~~ **elevated interest rates**, labor shortages, supply chain disruptions, trade uncertainty, political unrest, geographical instability, **unanticipated disasters or global health events**, or other impacts from the macroeconomic environment. These macroeconomic conditions could cause a decrease in customer spending and negatively affect the rate of growth of our business. The real estate market may be adversely impacted by many different factors, including lower than expected job growth or job losses resulting in reduced real estate demand; reduced real estate demand due to continued remote work policies or a period of ~~or rising~~ **elevated interest rates**; ~~rising interest rates~~, **elevated** inflation, slowing transaction volumes, and other macroeconomic trends that negatively impact investment returns; excessive speculative new construction in localized markets resulting in increased vacancy rates and diminished rent growth; unanticipated disasters or global health events; and other adverse events such as decreased growth in the working age population resulting in reduced demand for all types of real estate. ~~In response to concerns over inflation, the U. S. Federal Reserve raised interest rates in each quarter of 2022 and the first, second and third quarters 2023.~~ A downturn in the real estate market, including as a result of increased interest rates or a decline in leasing activity and absorption rates may affect our ability to generate revenues and may lead to more cancellations by our current or future customers, either of which could cause our revenues or our revenue growth rate to decline and reduce our profitability. A depressed real estate market has a negative impact on our core customer base, which could decrease demand for our ~~information, analytics and~~ **information, and analytics**. Also, companies in this industry may consolidate, often in order to reduce expenses. Consolidation, or other cost-cutting measures by our customers, may lead to cancellations of our ~~information, analytics and~~ **information, and analytics** by our customers, reduce the number of our existing clients, reduce the size of our target market, or increase our clients' bargaining power, all of which could cause our revenues to decline and reduce our profitability. If cancellations, reductions of services, and failures to pay increase, and we are unable to offset the resulting decrease in revenues by increasing sales to new or existing customers, our revenues may decline or grow at lower rates. If we are unable to hire qualified persons for, or retain and continue to develop, our sales force, or if our sales force is unproductive, our revenues could be adversely affected. In order to support revenues and revenue growth, we need to continue to develop, train, and retain our sales force. Our ability to build and develop a strong sales force may be affected by a number of factors, including: our ability to attract, integrate, and motivate sales personnel; our ability to effectively train our sales force; the ability of our sales force to sell an increased number and different types of services; our ability to manage effectively an outbound telesales group; the length of time it takes new sales personnel to become productive; the competition we face from other companies in hiring and retaining sales personnel; our ability to effectively structure our sales force; and our ability to effectively manage a multi-location sales organization, including field sales personnel. If we **shift our sales force from their specialized positions to tackle a certain product or service with higher priority or long-term potential, our revenue growth from other products or services may decline, and we may experience decreased sales force productivity and increased sales force turnover and incur additional retention or hiring costs related to our sales force.** If we are unable to hire qualified sales personnel and develop and retain our sales force, including sales force management, or if our sales force is unproductive, our revenues or growth rate could decline and our expenses could increase. We may face additional challenges in hiring employees in an increasingly competitive job market. Our business depends on retaining and attracting highly capable management and operating personnel. Our success depends in large part on our ability to retain and attract management and operating personnel, including our President and Chief Executive Officer, Andrew Florance, and our other officers, and key employees. Our business requires highly skilled technical, sales, management, web product and development, marketing, and research personnel, who are in high demand and are often subject to competing offers. The measures we use to attract and retain key personnel may not be enough to attract and retain the personnel we need or to offset the impact on our business of the loss of the services of Mr. Florance or other key officers or employees. If **we were to lose the services of** Mr. Florance ~~were to become unavailable~~ for any reason, there could be a material adverse impact on our operations. The loss of other key personnel, including members of management, as well as key

technology, product development, and marketing personnel, could also disrupt our operations and have an adverse effect on our business. Our internal and external investments may place downward pressure on our operating margins. To increase our revenue growth, we continue to invest significantly in our business, including internal investments in product and content development to expand the breadth and depth of services we provide to our customers and external investments in sales and marketing to generate brand awareness and traffic to our websites. Our operating margins may experience downward pressure in the short term as a result of these investments. Furthermore, our investments may not produce the expected results. If we are unable to successfully execute our investment strategy, we may experience decreases in our revenues, or revenue growth rate, and operating margins. Introducing new products may be difficult and expensive. If we are unable to do so successfully, our brands may be adversely affected, and we may not be able to maintain or grow our current revenue and profit levels. **To remain competitive and stimulate consumer and business demand, we must successfully manage new product introductions and transitions of products and services. Our future success will depend in large part upon our ability to identify demand trends in our markets, and to quickly develop or acquire, market and sell products and services that satisfy these demands in a cost- effective manner. In order to differentiate our products from our competitors' products, we must continue to increase our focus and capital investment in research and development and marketing and sales. For example, in February 2024,** we launched our Homes. com monetization strategy. We have incurred, and expect to continue to incur, significant costs to develop and market Homes. com. If we are unable to attract and retain agent subscribers and consumers, we may not be able to execute our growth plans or recognize a return on the investments we have made into Homes. com. Failure to gain market acceptance for Homes. com **or any other new product** could impede our ability to maintain or grow current revenue levels or reduce profits for our other brands, adversely affect the image of our brands, erode our competitive position, and result in long- term harm to our business, and financial results. Extrapolations annualizing initial sales results may differ materially from actual results realized in future periods and may not take into account other future market conditions that may negatively affect those results. We may be unable to increase awareness of our brands, including CoStar, LoopNet, Apartments. com, Homes. com, Land. com, BizBuySell, STR, Ten- X, and OnTheMarket, which could adversely affect our business. We rely heavily on our brands, which we believe are key assets of our company. Awareness and differentiation of our brands are important for attracting and expanding the number of users of, and subscribers to, our online marketplaces, such as the LoopNet Network, the Apartments. com Network, ~~our the~~ Homes. com and OnTheMarket residential marketplaces, **and** the Land. com Network ~~and our CoStar Showcase~~. We continue to invest significantly in sales and marketing as we seek to grow the numbers of users of, subscribers to and advertisers on, our marketplaces. Our methods of advertising may not be successful in increasing brand awareness or, ultimately, be cost- effective. If we are unable to maintain or enhance user and advertiser awareness of our brands, or if we are unable to recover our marketing and advertising costs through increased usage of our services and increased advertising on our websites, our business, results of operations, and financial condition could be adversely affected. If internet search engines do not prominently feature our websites on the search engine results page, traffic to our websites would decrease, and, if we are unable to maintain or increase traffic to our marketplaces, our business and operating results could be adversely affected. Our ability to generate revenues from our marketplace business depends, in part, on our ability to attract users to our websites. Google, Bing, DuckDuckGo and other internet search engines drive traffic to our websites, including CoStar. com, the LoopNet Network, the Apartments. com Network, our Homes. com and OnTheMarket residential marketplaces, the Land. com Network, Ten- X. com, and BizBuySell. For example, when a user enters in a search query for an apartment building name or address into an internet search engine, the internet search engine' s ranking of our Apartments. com or Homes. com webpages will determine how prominently such webpages are displayed on the search engine results page. Our ability to maintain prominent search result rankings and positioning is not entirely within our control. Our competitors' SEO and SEM efforts may result in webpages from their websites receiving higher rankings than the webpages from our websites. Internet search engines could revise their algorithms and methodologies in ways that would adversely affect our search result rankings. Internet search engine providers could form partnerships or enter into other business relationships with our competitors resulting in competitors' sites receiving higher search result rankings. Internet search engines are increasingly placing alternative search features (such as featured snippets, local map results, and other immersive experiences) on the search engine results page above or more prominently than search engine results. If our search result rankings are not prominently displayed, traffic to our websites may decline which could slow the growth of our user base. Our websites have experienced fluctuations in search result rankings in the past, and we anticipate similar fluctuations will occur in the future. If we experience a material reduction in the number of users directed to our websites through internet search engines or otherwise fail to maintain or increase traffic to our marketplaces, our ability to acquire additional subscribers or advertisers and deliver leads to and retain existing subscribers and advertisers could be adversely affected. As a result, our business, results of operations, and financial condition could be adversely affected. Increases in our operating expenses could negatively impact our operating results if we are unable to generate more revenues through increased sales of subscriptions to our marketplace products. Additionally, the methods, including Google Analytics, that we use to measure **average monthly** unique visitors to our portals may misstate the actual number of unique persons who visit our network of mobile applications and websites for a given month or may differ from the methods used by competitors, which may impact the comparability of unique visitors between companies. ~~Additionally~~ **For example, the methods starting on July 1, including 2024, Universal Analytics (UA), Google' s legacy analytics platform on which we historically relied for calculating monthly average unique visitors, was discontinued by Google. Prior to June 1, 2024, we measured average monthly unique visitors for all CoStar Group sites using Google' s Universal Analytics. Beginning June 1, 2024, average monthly unique visitors are measured using Google Analytics 4 (GA4), that we use the replacement for Universal Analytics. Due to measure the change in methodologies, unique visitors reported prior to our portals June 1, 2024 may not provide** misstate the actual number of unique persons who visit our network of mobile applications and websites for a

meaningful comparison to given month or may differ from the methods used by competitors, which may impact the comparability of unique visitors between companies in subsequent periods. If real estate professionals or other advertisers reduce or cancel their advertising spending with us and we are unable to attract new advertisers, our operating results would be harmed. Our marketplace businesses, including the LoopNet Network, the Apartments.com Network, ~~our the~~ Homes.com and OnTheMarket residential marketplaces, ~~CoStar Showcase~~ and the Land.com Network, depend on advertising revenues generated primarily through sales to persons in the real estate industry, including broker, agents, property managers and owners, real estate agents, and other advertisers. Our ability to attract and retain advertisers, and ultimately to generate advertising revenue, depends on a number of factors, including: • Increasing the number of unique visitors to, and users of, our websites and mobile applications; • The quantity and quality of the leads that we provide to our advertisers; • The success of any marketing and product development efforts directed at attracting additional users and advertisers to our marketplaces; • Keeping pace with changes in technology and with our competitors; and • Offering an attractive return on investment to our advertisers for their advertising dollars spent with us. Further, with respect to the Apartments.com Network and LoopNet ~~Networks~~ **Network**, our ability to attract and retain advertisers also depends on the current apartment rental market and apartment vacancy rates and commercial rental market and vacancy rates, respectively. If vacancy rates are too high or too low, advertisers may not need to utilize our marketplace services. Many of the advertisers who advertise on our marketplaces do not have long-term contracts. These advertisers could choose to modify or discontinue their relationships with us with little or no advance notice. As existing subscriptions for advertising expire, we may not be successful in renewing these subscriptions or securing new subscriptions. We may not succeed in retaining existing advertisers' spending or capturing a greater share of such spending if we are unable to convince advertisers of the effectiveness of our services as compared to alternatives. In addition, future changes to our pricing methodology for advertising services may cause advertisers to reduce or discontinue their advertising with us. If current advertisers reduce or end their advertising spending with us and we are unable to attract new advertisers, our advertising revenues and business, results of operations, and financial condition could be adversely affected. If we are not able to successfully identify, finance, integrate, and / or manage costs related to acquisitions, our business operations and financial position could be adversely affected. We have expanded our markets and services in part through acquisitions of complementary businesses, services, databases, and technologies, and expect to continue to do so in the future. Our acquisition strategy depends on our ability to identify, and the availability of, suitable acquisition candidates. We are likely to incur costs in connection with proposed acquisitions, but may ultimately be unable or unwilling to consummate any particular proposed transaction for various reasons. For example, in 2021, the FTC withheld approval for our proposed acquisition of RentPath, the purchase agreement was subsequently terminated and we incurred a termination fee of \$ 52 million. We are also likely to incur severance costs and other integration costs post-acquisition. Costs in connection with acquisitions and integrations may be higher than expected and could adversely affect our financial condition, results of operations, or prospects of the combined business. In addition, acquisitions involve numerous risks, including risks that we will not be able to realize or capitalize on synergies created through combinations; manage the integration of personnel and products or services; manage the integration of acquired infrastructure and controls; control potential increases in operating costs; manage geographically remote operations; maintain management's attention on other business concerns and avoid potential disruptions in ongoing operations during an acquisition process or integration efforts; successfully enter markets and sectors in which we have either limited or no direct experience, including foreign markets whose practices, regulations, or laws may pose increased risk; and retain key employees, clients, or vendors, and other business partners of the acquired companies. We may not successfully integrate acquired businesses or assets and may not achieve anticipated benefits of an acquisition, including expected synergies. For example, we may be unable to fully integrate ~~BureauxLocaux, Business Immo and~~ **and Visual Lease** with CoStar Group when and as expected. We were previously subject to a consent order agreed to among the FTC staff, CoStar Group, and LoopNet on April 17, 2012 in connection with the LoopNet merger. This consent order expired in August 2022, but if we become subject to similar orders in the future, compliance with such orders could prevent us from closing certain acquisitions or add significant time and cost to such acquisitions, ultimately making an acquisition prohibitive or preventing us from realizing its anticipated benefits. External factors, such as compliance with laws and regulations and shifting market preferences, may also impact the successful integration of an acquired business. An acquired business could strain our system of internal controls and diminish its effectiveness. Acquisitions could result in dilutive issuances of equity securities, the incurrence of debt and substantial amortization expenses of other intangible assets. We may be unable to obtain financing on favorable terms, or at all, if necessary to finance future acquisitions, making it impossible or more costly to complete future acquisitions. If we are able to obtain financing, the terms may be onerous and restrict our operations. Further, certain acquisitions may be subject to regulatory approval, which can be time-consuming and costly to obtain or may be denied, ~~as in the case of RentPath~~. If regulatory approval is obtained, the terms of any such approval may impose limitations on our ongoing operations or require us to divest assets or lines of business. If regulatory approval is denied, we may incur significant, additional costs payable to an acquisition target as a result of failure to close the transaction. ~~For example, we incurred a termination fee of \$ 52 million in connection with termination of the RentPath purchase agreement.~~ Significant break-up fees incurred in the future may adversely affect our results of operations and financial condition. As a result of our acquisitions, we had approximately \$ ~~2.3~~ **7.0** billion of goodwill and intangibles as of December 31, ~~2023~~ **2024**. Future acquisitions may increase this amount. If we are required to recognize goodwill and intangibles impairment charges in the future, this would negatively affect our financial results in the periods of such charges, which may reduce our profitability. **We may not be able to complete certain strategic transactions if a proposed transaction is subject to review or approval by regulatory authorities pursuant to applicable laws or regulations. Certain potential acquisitions, divestitures or other business combinations that we may pursue could be subject to review or approval by regulatory authorities pursuant to applicable laws or regulations. In particular, in the U. S., mergers may require certain filings and review by the Department of Justice or the FTC. In recent years, there has**

been enhanced regulatory scrutiny over certain of these transactions. In the event that we were to make an investment, acquisition, or disposition that was determined to be subject to regulatory review, and such regulatory approval or clearance is not obtained, or the review process is extended beyond the period of time that would permit such strategic transactions to be consummated, we may not be able to consummate such strategic transactions or counterparties may be deterred from pursuing potential strategic transactions with us. This may impair our ability to raise capital when needed and to pursue accretive transactions, which is an important part of our business model, and have an adverse effect on our business, results of operations, and financial condition. This may also subject us to significant and increased costs, expenses and fees, including, without limitation, legal, accounting, and financial advisory fees, as well as fees and expenses related to potential litigation costs or financing commitments. We may be unable to complete the acquisition of Matterport or otherwise realize the benefits of the pending Matterport acquisition, which could have an adverse effect on us. On April 22, 2024, we announced that we had entered into the Matterport Merger Agreement to acquire Matterport. Pursuant to the Matterport Merger Agreement, and subject to the terms and conditions contained therein, at the closing of the acquisition, we will acquire all of the outstanding shares of Matterport Common Stock in a cash and stock transaction. The closing of the acquisition is subject to customary conditions, including: expiration or termination of the applicable waiting periods under applicable antitrust laws; no injunction, award, law or order restraining, enjoining or otherwise prohibiting or making illegal the consummation of the Mergers; accuracy of each party's representations and warranties, subject in most cases to materiality or material adverse effect qualifications; compliance by each party with its obligations under the Matterport Merger Agreement in all material respects; and with respect to the other party, there not having occurred since the date of the Merger Agreement any event, development, change or occurrence that has had or would reasonably be expected to have had, individually or in the aggregate, a material adverse effect. On July 3, 2024, Matterport and CoStar Group each received a request for additional information and documentary materials (the "Second Request") from the FTC in connection with the FTC's review of the transaction. The effect of the Second Request is to extend the waiting period imposed by the HSR Act until 30 days after Matterport and CoStar Group have each substantially complied with their respective Second Requests, unless that period is extended or terminated sooner by the FTC. Matterport and CoStar Group certified they were in substantial compliance with the Second Request in November 2024 and January 2025, respectively. Each of Matterport and CoStar Group continue to work cooperatively with the FTC in its review of the Transaction and expect that the Transaction will be completed in the first quarter of 2025, subject to the expiration or termination of the waiting period under the HSR Act and the satisfaction or waiver of the other closing conditions specified in the Matterport Merger Agreement. Until the completion of the acquisition, we will operate independently of Matterport. It is possible that the pendency of the acquisition could result in the loss of key employees, higher than expected costs, diversion of management attention, or the disruption of our ongoing businesses, which may adversely affect the combined company's ability to maintain relationships with customers, vendors and employees or to achieve the anticipated benefits of the acquisition. In addition, the amount of stock consideration offered per share of Matterport Common Stock is based on an exchange ratio that will be fixed prior to closing, subject to a collar, based on our share price, and will not be adjusted to account for changes in Matterport's business, assets, liabilities, prospects, outlook, financial condition, or results of operations, or any other changes during the pendency of the acquisition, including any change in the market price of, analyst estimates of or projections relating to Matterport Common Stock, which could adversely affect our business, results of operations, and financial condition. We have incurred, and we will continue to incur, transaction fees, including legal, regulatory, and other costs associated with closing the transaction, as well as expenses related to formulating and implementing integration plans, including systems consolidation costs and employment-related costs. We may be unable to offset transaction and integration-related costs with the realization of other efficiencies related to the integration of the business. The success of the Matterport acquisition, if completed, will depend in part on our ability to realize the anticipated business opportunities and growth prospects from combining our business with that of Matterport. We may never realize these business opportunities and growth prospects. We do not have experience in Matterport's business in 3D digital technology or in manufacturing cameras. Matterport's business is also subject to risks and uncertainties. There can be no assurances we will have success in these industries. Integrating operations will require significant efforts and expenditures. If we are unable to successfully or timely acquire and integrate Matterport's business with ours, we may be unable to realize the growth, synergies, and other anticipated benefits resulting from the acquisition and our business could be adversely affected.

Cyberattacks and security vulnerabilities could result in serious material harm to our reputation, business, and financial condition. Our business relies on IT Systems and involves the generation, collection, storage, processing, and transmission of Confidential Information, including personal information and proprietary business information, by us and by third-party providers we rely on. We own and manage IT Systems but also rely on third-party managed IT Systems and a broad array of third-party products and services to support our business operations. An increasing number of organizations, including large merchants, businesses, technology companies, and financial institutions, as well as government institutions, have disclosed security incidents, disruptions to, and breaches of their or third-party providers' IT Systems, some of which have involved sophisticated and highly targeted attacks, including on websites, mobile applications, and infrastructure, following a trend of cyberattacks increasing in frequency and magnitude on a global basis. Our IT Systems, or those of third parties on which we rely, may be disrupted or damaged and our Confidential Information may be compromised, corrupted, lost, or stolen. The tools and techniques (including AI artificial intelligence) used to obtain unauthorized, improper, or illegal access to a target's systems, data, or customers' data, disable or degrade services, or sabotage systems are constantly evolving and have become increasingly complex and sophisticated. It is may be difficult to detect, investigate or, and remediate such cyber attacks quickly and such attacks often are not recognized or detected until after they have been launched against a target. We expect that

unauthorized parties will continue to attempt to gain access to or disrupt our IT systems or facilities through various means, including hacking into IT Systems or facilities or those of our customers or vendors, **installing** malware (including ransomware) or attempting to fraudulently induce (for example, through spear phishing attacks or social engineering) our employees, customers, vendors, or other users of IT Systems into disclosing access credentials or other sensitive information, **which may in turn be used** to access our IT Systems. Numerous and evolving cybersecurity **threats-risks**, including from diverse threat actors, such as state-sponsored organizations, opportunistic hackers and hacktivists, as well as through diverse attack vectors, such as advanced cyberattacks, phishing, social engineering schemes, malware (including ransomware), malfeasance by insiders, human or technological error, and as a result of bugs, misconfigurations, or exploited vulnerabilities in software or hardware, could **compromise-threaten** the confidentiality, availability, and integrity of Confidential Information and our IT systems. **Our efforts-Efforts by us, our customers, our vendors and other users of our IT Systems** to prevent, detect, and respond to data security incidents **cannot guarantee protection**, may not be effective due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. **Further, the security measures and procedures our customers, vendors and other users of our systems have in place to protect IT Systems and Confidential Information may not be successful or sufficient to counter all data breaches, cyberattacks or system failures.** There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls, or procedures, will be fully implemented, complied with or effective in protecting our IT Systems and Confidential Information. Our IT Systems **are may be** vulnerable to cyberattacks **or-and** security breaches **involving**, and third parties may be able to access our, our customers' or our employees' Confidential Information, including personal or proprietary information, that is stored on or accessible through those systems. We have experienced and expect to continue to experience in the future, cyberattacks as well as breaches of our security measures due to human error, malfeasance, system errors or vulnerabilities, or other irregularities. In the past, **for example**, one of our vendors providing IT infrastructure management software was compromised by cyberattacks. We are **also** regularly exposed to vulnerabilities in widely deployed third-party software that we use in the ordinary course of business, such as the Log4J vulnerability. **Moreover, given the nature of complex software and services like ours, and the scanning tools that we deploy across our networks, infrastructure, and products, we regularly identify and track security vulnerabilities. We are unable to comprehensively apply patches or confirm that measures are in place to mitigate all such vulnerabilities, or that patches will be applied before vulnerabilities are exploited by a threat actor.** While these **cyberattacks and** vulnerabilities **did have** not **have had** a material adverse effect on our operations, they and similar incidents require us to devote time and resources to monitoring and remediation on a regular basis, **and there can be no guarantee that future attacks or incidents will not be material**. In the past three years, we have not experienced a material cybersecurity incident, but any actual or perceived cybersecurity incidents or breaches of our security could result in any or all of the following, among other things, any of which could adversely affect our business and results of operations: • **Interrupt-Interruption of** our operations; • **Result in-Unavailability of** our systems or services **being unavailable**; • **Result in improper-Improper** disclosures of data; • **Result in improper-Improper** payments; • **Materially harm-Harm to** our reputation and brands; • **Result in significant regulatory-Regulatory** scrutiny, enforcement actions, legal proceedings and claims, (including class action lawsuits), and other legal and financial exposure; • **Cause us to incur significant remediation-Remediation**, system restoration, incident response, and compliance costs; • **Lead to loss-Loss** of customer confidence in, or decreased use of, our products and services; • **Divert-Diversion of** the attention of management from the operation of our business; and • **Result in significant contractual-Contractual** penalties or other payments as a result of third-party losses or claims. In addition, any cyberattacks or data security breaches affecting companies that we acquire **and / our- or customers or vendors-that provide us services** (including data center and cloud computing providers) could **materially impact** have similar negative effects on our business. Further, we may not be able to recover any or all damages suffered as a result of such security breach **breaches** or other security **incident-incidents** from such third-party providers. **Notwithstanding our efforts, there can be no assurance that vulnerabilities in widely deployed software will not materially harm our business. Any breach of our security measures or the loss, inadvertent disclosure or unapproved dissemination of Confidential Information about us or our customers, including the potential loss or disclosure of such information or data, could result in litigation, regulatory enforcement and potential liability for us, damage our brand and reputation or otherwise materially harm our business, financial condition or competitive position.** The coverage under our insurance policies for cybersecurity and related issues may not be adequate to reimburse us for losses caused by cyberattacks or other security incidents or be available on economically reasonable terms or at all. Technical problems or disruptions that affect either our customers' ability to access our services, or the software, internal applications, database, and network systems underlying our services, could damage our reputation and lead to reduced demand for our **information, analytics and** online marketplace services, **information, and analytics**, lower revenues and **increased-increase** costs. Our business, brands, and reputation depend upon the satisfactory performance, reliability, and availability of our websites, the internet and our service providers. Interruptions in these systems, whether due to system failures, computer viruses, software errors, physical or electronic break-ins, or malicious hacks or attacks on our systems (such as denial of service attacks or use of malware such as ransomware) could affect the security and availability of our services on our mobile applications and our websites and prevent or inhibit users' access to our services. Our operations also depend on our ability to protect our databases, computers, and software, telecommunications equipment, and facilities against damage from potential dangers such as fire, flood, power loss, security breaches, computer viruses, telecommunications failures, terrorist attacks, acts of war, electronic and physical break-ins, computer viruses, earthquakes, and similar events. In addition, the software, internal applications, and systems underlying our services are complex and may not be error-free. We may encounter technical problems when we attempt to enhance our software, internal applications, and systems. Our users rely on our services to conduct their own businesses. Disruptions in, technical problems with, or reductions in ability to access our services for any reason could damage our users' businesses, harm our reputation, result in additional costs, or reduce demand for our

information, analytics and online marketplace services, information, and analytics, any of which could harm our business, results of operations, and financial condition. Amazon Web Services (“AWS”) and Akamai Connected Cloud (“ACC”) are distributed computing infrastructure platforms for business operations, commonly referred to as “cloud” computing services. We currently run a majority of our computing on AWS and ACC and have built our software and computer systems to use computing, storage capabilities, bandwidth, and other services provided by AWS and ACC. Given this, any significant disruption of or interference with AWS or ACC, whether temporary, regular, or prolonged, would negatively impact our operations and our business. We also maintain communications, network, and computer hardware used to operate some of our mobile applications and websites at facilities in Virginia and California. We do not own or control the operation of certain of these facilities. Our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, security breaches, computer viruses, telecommunications failure, terrorist attacks, acts of war, electronic and physical break-ins, earthquakes, and similar events. These risks may be increased with respect to operations housed at facilities we do not own or control. The occurrence of any of the foregoing events could result in damage to our systems and hardware or could cause them to fail completely, and our insurance may not cover such events or may be insufficient to compensate us for losses that may occur. A failure of our systems at any site could result in reduced functionality for our users, and a total failure of our systems could cause our mobile applications or websites to be inaccessible. Problems faced or caused by our information technology service providers, including content distribution network providers, private network providers, internet service providers, and third-party web-hosting providers, or with the systems by which they allocate capacity among their customers (as applicable), could adversely affect the experience of our users. Any financial difficulties, such as bankruptcy reorganization, faced by these third-party service providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. If our third-party service providers are unable to keep up with our growing needs for capacity, our business could be harmed. In addition, if distribution channels for our mobile applications experience disruptions, such disruptions could adversely affect the ability of users and potential users to access or update our mobile applications, which could harm our business. Our business interruption insurance may not cover certain events or may be insufficient to compensate us for the potentially significant losses, including the potential harm to the future growth of our business, which may result from interruptions in our service as a result of system failures or malicious attacks. Any errors, defects, disruptions, or other performance problems with our services could harm our reputation, business, results of operations, and financial condition. The significant costs associated with undertaking a large infrastructure project to build out our campus in Richmond, Virginia, have impacted and will continue to impact our financial condition and results of operations. In December 2021, we announced our plans to expand our research and technology center in Richmond, Virginia. These plans have required and will continue to require significant capital expenditures over the next several years and our business plans may change. Future changes in growth or fluctuations in cash flow may also negatively impact our ability to finance this project. Additionally, actual capital expenditures could vary materially from our projected capital expenditures, which could negatively impact our business, operating results, and financial condition. If we are provided with any grants, tax credits, abatements, or other incentives related to this expansion effort and do not meet requirements associated with those incentives, we may not be able to benefit from those incentives, which could cause the cost of the project to be significantly more than anticipated or significantly increase our taxes above what we currently expect. To date, we have financed construction with cash on hand and plan to finance the remainder of construction in the same way. Use of cash on hand to finance construction has and will continue to reduce the amount of cash available for other corporate uses and could also reduce our ability to meet our scheduled debt service obligations or to meet the covenants required to borrow additional funds under our 2020-2024 Credit Agreement. Any of the foregoing may adversely affect our financial position and results of operations. Our current or future geographic expansion plans may not result in increased revenues, which may negatively impact our business, results of operations, and financial position. Expanding into new markets and increasing the depth of our coverage in existing markets imposes additional burdens on our research, systems development, sales, marketing, and general managerial resources. If we are unable to manage our expansion efforts effectively, if our expansion efforts take longer or are more expensive than planned, or we are not successful in marketing and selling our services in existing or new markets, our expansion may have a material adverse effect on our financial position by increasing our expenses without increasing our revenues. Our business and results of operations may be, and our financial condition may be, impacted by the lasting effects of the COVID-19 pandemic on the global economy, the real estate industry, and our customers and such impact could be materially adverse and continue for an unknown period of time. The COVID-19 pandemic created significant economic volatility, uncertainty and disruption around the world, including in the real estate industry. The demand for office space decreased during and following the COVID-19 pandemic as businesses implemented hybrid or all work-from-home arrangements in response to employee desire for more flexibility, which may lead to a downturn in the commercial real estate market. A depressed commercial real estate market would have a negative impact on our core customer base, which could impact our customers’ ability to subscribe and pay for our services and reduce demand for our services. Reduced demand and increased cancellations could cause our revenues or our revenue growth rates to decline and reduce our profitability. The extent and duration of any future weakening of the economy or future downturns in the commercial real estate market as a lasting result of the COVID-19 pandemic is unknown, and there can be no assurance that any of the governmental or private sector initiatives designed to strengthen the economy will be successful or available to us and our customers and, if successful, when the benefits will be seen. We are subject to a number of risks related to acceptance of credit cards and debit cards and facilitation of other customer payments. We depend on processing vendors to process a significant number of credit and debit card transactions and ACH payments, for payments made to us directly for our services, by renters to landlords using our online leasing services, or by real estate agents to purchase our Homes.com services. If we or any one or more of these service providers fail to maintain adequate systems to authorize and process credit card transactions, one or more of the major credit card companies could disallow our continued use of their payment products. If we are unable to maintain our

chargeback rate or refund rates at acceptable levels, our processing vendors may increase our transaction fees or terminate their relationships with us. We could lose customers if we are not able to continue to use payment products of the major credit card companies. Further, if we or any one or more of these service providers fail to maintain adequate systems for authorization and processing of credit, debit, ACH or similar payments, or if any such service provider were to terminate or modify its relationship with us unexpectedly, our ability to process those customer transactions would be adversely affected, which could decrease sales, discourage customers away from our marketplace services, result in potential legal liability, and harm our business and reputation. In addition, if the systems for the authorization and processing of credit card transactions fail to work properly and, as a result, we do not charge our customers' credit cards on a timely basis or at all, our business, revenue, results of operations, and financial condition could be harmed. We are also subject to payment card association operating rules, certification requirements, and rules governing electronic funds transfers, which could change or be reinterpreted in ways that make it more difficult for us to comply. We are required to comply with payment card industry security standards. Failing to comply with those standards may violate payment card association operating rules, federal and state laws and regulations, and the terms of our contracts with payment processors. Any failure to comply also may subject us to fines, penalties, damages, and civil liability, and may result in the loss of our ability to accept credit and debit card payments. Further, there is no guarantee that such compliance will prevent illegal or improper use of our payment systems or the theft, loss, or misuse of data pertaining to credit and debit cards, cardholders, and transactions. The payment methods that we offer also subject us to potential fraud and theft by criminals, who are becoming increasingly sophisticated, seeking to obtain unauthorized access to or exploit weaknesses that may exist in the payment systems. If we fail to comply with applicable rules or requirements for the payment methods we accept, or if payment-related data are compromised due to a breach of data, we may be liable for significant costs incurred by payment card issuing banks and other third parties or subject to fines and higher transaction fees, or our ability to accept or facilitate certain types of payments may be impaired. In addition, our customers could lose confidence in certain payment types, which may result in a shift to other payment types or potential changes to our payment systems that may result in higher costs. If we fail to adequately control fraudulent payment transactions, we may face civil liability, diminished public perception of our security measures, and higher costs, each of which could harm our business, results of operations, and financial condition. If we are unable to maintain our chargeback rate or refund rates at acceptable levels, our processing vendors may increase our transaction fees or terminate their relationships with us. Any increases in our credit and debit card fees could harm our results of operations, particularly if we elect not to raise our rates for our services to offset the increase. The termination of our ability to process payments on any major credit or debit card would significantly impair our ability to operate our business.

Climate change-related events and other events beyond our control could harm our business. Natural disasters, disease outbreaks and pandemics, power shortages, terrorism, political unrest, telecommunications failure, vandalism, geopolitical instability, war, climate change-related events, and other events beyond our control could negatively impact our operations or otherwise harm our business. Such events may result in damage or loss of service to our data centers or other infrastructure that our operations rely on, potentially reduce the attractiveness of real estate in areas we provide services, cause delays in product development or availability, or result in losses of critical data, any of which may adversely impact our operations. In addition, the impacts of climate change-related events on the global economy and our industry are rapidly evolving. Physical impacts of climate change-related events (including, but not limited to, floods, droughts, more frequent and / or intense storms, and wildfires) may disrupt our operations, as well as the operations of our suppliers and customers. Longer-term physical impacts may also result in changing consumer preferences, which may adversely impact demand for certain of our products. Transition impacts of climate change-related events can also subject us to increased regulations, reporting requirements (such as the SEC State of California disclosure rules and the European Union's Corporate Sustainability Reporting Directive proposed climate change disclosure rule), standards, or expectations regarding the environmental and / or social impacts, risks, and opportunities of our business. Failure to disclose accurate information in a timely manner may also adversely affect our reputation, business, or financial performance. Increased attention to ESG matters may require us to incur additional costs or otherwise adversely impact our business. While we engage in voluntary initiatives (including diversity, equity, and inclusion and other disclosures) to improve our ESG profile and respond to stakeholder issues, as well as societal expectations regarding voluntary, such initiatives can be costly, be subject to conditions outside our control, and may not have the desired effect. For example, many ESG initiatives leverage methodologies and data disclosures, may result in increased costs (including, but not limited to, increased costs related to compliance, stakeholder engagement, and contracting), impact our reputation, or otherwise affect our business performance. In addition, organizations that provide information to investors on corporate governance and related matters have developed ratings processes for evaluating companies on ESG matters. Such ratings are used by some investors to inform their investment or voting decisions. Unfavorable ESG ratings could lead to negative investor sentiment toward us and / or our industry, which could have a negative impact on our access to and costs of capital. To the extent ESG matters negatively impact our reputation, we may also not be able to compete as effectively to recruit or retain employees. We may take certain actions, including the establishment of ESG-related goals or targets, to improve the ESG profile of our Company and / or offerings and / or to respond to stakeholder demand; however, such actions may be costly or be subject to numerous conditions that are outside our control and continue to evolve. As with other companies, our control approach to such matters also evolves, and we cannot guarantee that such our approach will align with any particular stakeholder's expectations or preferences. Moreover, various stakeholders have different, and at times conflicting expectations. For example, while some policymakers have adopted requirements for various disclosures or actions will have on climate or the other desired effect. Moreover, while we may create and publish voluntary disclosures regarding ESG matters from time to time, many of policymakers in the other jurisdictions have adopted laws statements in those voluntary disclosures are based on hypothetical expectations and assumptions that may or may not be representative of current or actual risks or events or forecasts of expected risks or events,

including the costs associated therewith. Such expectations and assumptions are necessarily uncertain and may be prone to **constrain consideration** error or subject to misinterpretation given the long timelines involved and the lack of an established single approach to identifying, measuring and reporting on many ESG matters **in certain circumstances**. Such disclosures **Additional actions** may also be **taken by both proponents** at least partially reliant on third-party information that we have not independently verified or cannot be independently verified. In addition, we expect there will likely be increasing levels of regulation, disclosure related and **opponents of otherwise**, with respect to ESG matters, and increased regulation will likely lead to increased compliance **advance their expectations. Any failure to successfully navigate such expectations may result in adverse impacts. Responding to such matters entails inherent** costs as well as scrutiny that, **and any failure to successfully navigate such expectations** could heighten all of the risks identified in this risk factor. Such ESG matters may also impact our suppliers or customers, which may adversely impact our business. **Various of**, financial condition, or **our customers, suppliers, and other stakeholders are also subject to such expectations, which may results- result of operations in additional or augmented risks to our business**. Risks related to our data, intellectual property, and listings If we are not able to obtain and maintain accurate, comprehensive, or reliable data, we could experience reduced demand for our information, analytics and online marketplace services, **information, and analytics**. Our success depends on our clients' confidence in the comprehensiveness, accuracy, and reliability of the data and analysis we provide. Establishing and maintaining accurate and reliable data and analysis is challenging. If our data, including the data we obtain from third parties or directly from brokers through the Marketing Center feature on CoStar and LoopNet, or analysis is not current, accurate, comprehensive, or reliable, we could experience reduced demand for our services or be subject to legal claims by our customers, either of which could result in lower revenues and higher expenses. If we are unable to enforce or defend our ownership and use of intellectual property, our business, brands, competitive position, and operating results could be harmed. The success of our business depends in large part on our intellectual property, including intellectual property involved in our methodologies, databases, services, and software. We rely on a combination of trademark, trade secret, patent, copyright, and other laws, nondisclosure and noncompetition provisions, license agreements, and other contractual provisions and technical measures to protect our intellectual property rights. However, current law may not provide for adequate protection of our databases and the actual data. In addition, legal standards relating to the validity, enforceability, and scope of protection of proprietary rights in internet-related businesses are uncertain and evolving, and changes in these standards may adversely impact the viability or value of our proprietary rights. We find our proprietary content on competitors' sites. If we are not successful in protecting our intellectual property, including our content, our brands and our business, results of operations, and financial condition could be harmed. The same would be true if a court found that our services infringe other persons' intellectual property rights. Any intellectual property lawsuits or threatened lawsuits in which we are involved, either as a plaintiff or as a defendant, have cost us and could continue to cost us a significant amount of time and money and distract management's attention from operating our business. In addition, if we do not prevail on an intellectual property claim, this could result in a change to our methodology or information, analytics and online marketplace services, **information, and analytics**, and could reduce our profitability. Effective trademark, trade secret, patent, and copyright protection may not be available in every country in which we provide our services. The laws of certain countries do not protect proprietary rights to the same extent as the laws of the U. S. and, therefore, in certain jurisdictions, we may be unable to protect our intellectual property and our proprietary technology adequately against unauthorized third-party copying or use, which could harm our competitive position. This risk will increase as we continue to expand our business into new international jurisdictions. **Use We may not be able to successfully halt the operation of websites that aggregate new and evolving technologies, including AI, could impact our ability to protect our data and intellectual property**, as well as data from other companies, or "copycat" websites that may misappropriate **misappropriation** our data by third parties. We have expended significant resources to develop proprietary content and any misappropriation of our data could reduce ~~that the~~ value of that content or our return on investment related to that content, which could harm our competitive position and results of operations. Third parties may misappropriate our data through website scraping, robots, or other means, and aggregate and display this data on their websites. **Artificial intelligence** **In addition, "copycat" websites may misappropriate data on our website and attempt to imitate our brands or the functionality of our website. We may not be able to detect all such websites in a timely manner and, even if we could, technological and legal measures available to us may be insufficient to stop their operations and the misappropriation of our data. Any measures that we may take to enforce our rights could require us to expend significant financial or other resources. AI** is becoming increasingly powerful and sophisticated, and third parties **(including our competitors) and "copycat" websites** may utilize **AI artificial intelligence** to misappropriate our data more quickly and at a larger scale than in the past. **In addition, "copycat" websites may misappropriate Use of AI also increases the risk of cyberattacks and data breaches, which can occur more quickly and evolve more rapidly when AI is used. Further, the use of AI, whether by us or by third parties, may increase the risk that our data, intellectual property or confidential information will be inadvertently disclosed, which may result in reputational harm, competitive harm, or legal liability and adversely affect** on our **business** website and attempt to imitate our brands or the functionality of our website. We may not be able to detect all such websites in a timely manner and, **results of** even if we could, technological and legal measures available to us may be insufficient to stop their operations, and the misappropriation of our **or** data. Any measures that we may take to enforce our rights could require us to expend significant financial **condition** or other resources. We may be subject to legal liability for collecting, displaying, or distributing information. Because the content in our database is collected from various sources and distributed to others, we may be subject to claims for breach of contract, defamation, negligence, unfair competition, or copyright or trademark infringement or claims based on other theories, such as breach of laws related to privacy and data protection. We could also be subject to claims based upon the content that is accessible from our website through links to other websites or information on our website supplied by third parties. Even if these claims do not result in liability to us, we

could incur significant costs in investigating and defending against any claims, and we could be subject to public notice requirements that may affect our reputation. Our potential liability for information distributed by us to others could require us to implement measures to reduce our exposure to such liability, which may require us to expend substantial resources and limit the attractiveness of our ~~information, analytics and~~ **information, and analytics** to users. These risks may be exacerbated from impacts, or perceived impacts, of emerging technologies (including, but not limited to, machine learning) on human rights, privacy, or other social considerations, which may result in reputational harm, compliance costs for any new rules or interpretations, or other adverse impacts on our operations and financial performance. If we are unable to obtain or retain listings from real estate brokers, agents, property owners, and apartment property managers, our marketplace services could be less attractive to current or potential customers, which could reduce our revenues. The value of our real estate marketplace services to our customers depends on our ability to increase the number of property listings provided and searches conducted. As the number of listings increases, so does the utility of a marketplace's search, listing, and marketing services. We depend substantially on brokers, agents, property owners and, in the case of apartment rentals, property managers to submit listings to our marketplaces. If these parties choose not to continue their listings with us, or choose to list them with a competitor, our marketplace services could be less attractive to other real estate industry transaction participants, resulting in reduced revenue. We may not be able to maintain or establish relationships with third-party listing providers, which could limit the information we have to power our products and services and impair our ability to **maintain stable data feeds and** attract or retain customers. Our ability to attract agents and consumers to ~~our-Homes.com Network~~, its websites, and mobile applications, and other residential real estate tools depends, to some degree, on us providing timely access to comprehensive and accurate real estate listings and information. We get listings data primarily from MLSs in the markets we serve. We also source listings data from public records, other third-party listing providers, and other sources. Many of our agreements with real estate listing providers may be terminated with limited notice or cause. Many of our competitors and other real estate websites have similar access to MLSs and listing data and may be able to source certain real estate information faster or more efficiently than we can. Because MLS participation is voluntary, brokers and homeowners may decline to post their listings data to their local MLS or may seek to change or limit the way that data is distributed. Another industry participant or group could create a new listings data service, which could impact the relative quality or quantity of information of our listing providers. The loss of existing relationships with MLSs and other listing providers, whether due to termination of agreements, loss of MLS memberships, or otherwise, changes to our rights to use or timely access listing data or an inability to continue to add new listing providers or changes to the way real estate information is shared, may negatively impact our listing data quality **and our ability to maintain stable data feeds.** **Data feeds could also be disrupted as a result of class action lawsuits, settlements, or governmental investigations involving the MLSs or other industry organizations, regardless of whether we are involved.** This could markedly decrease the quantity and quality of the sale and rental data we provide, reduce customer confidence in our products and services, and cause customers to go elsewhere for real estate listings and information, which could severely harm our business, results of operations, and financial condition. If we fail to comply with the rules and compliance requirements of MLSs, our access to and use of listings data may be restricted or terminated **and we may be unable to maintain stable data feeds.** Our products and services access and use listings data through MLS memberships and must comply with each MLS's rules and compliance requirements to maintain their access to listings data and remain a member in good standing. Each MLS has adopted its own rules, policies, and agreement terms governing, among other things, how MLS data may be used and how listings data must be displayed on our websites and mobile applications. MLS members are also subject to compliance operations requirements and, as a result, must respond to complaints lodged by the MLS or other MLS participants on required timelines. MLS rules vary among markets and are in some cases inconsistent between MLSs, such that we are required to customize our websites, mobile applications, or services to accommodate differences between MLS rules. Handling complaints received by MLS members across markets may create heightened operational or financial risks with short response and resolution deadlines. Complying with the rules and compliance requirements of each MLS requires significant investment, including personnel, technology, and development resources, and the exercise of considerable judgment. Rules and compliance requirements of MLSs may be changed across markets, including potential for targeted changes in response to our operations. If we are deemed to be noncompliant with an MLS's rules or to have provided improper responses to or resolution of complaints, we may face disciplinary sanctions by that MLS, which could include monetary fines, restricting, or terminating our access to that MLS's data, or other disciplinary measures. **Data feeds could also be disrupted as a result of class action lawsuits, settlements, or governmental investigations involving the MLSs or other industry organizations, regardless of whether we are involved.** The loss or degradation of this listings data could materially and adversely affect traffic to our websites and mobile applications, which could severely harm our business, results of operations, and financial condition. ~~Risks related to our international operations~~ International operations expose us to additional business risks, which may reduce our profitability. Our international operations and expansion subject us to additional business risks, including: currency exchange rate fluctuations; difficulty in adapting to the differing business practices and laws in foreign countries, including differing laws regarding privacy and data protection; difficulty in managing foreign operations; limited protection for intellectual property rights in some countries; difficulty in collecting accounts receivable and longer collection periods; costs of enforcing contractual obligations; impact of recessions in economies outside the U. S.; geopolitical instability, terrorism, and war; and potentially adverse tax consequences. In addition, international expansion imposes additional burdens on our executive and administrative personnel, systems development, research, and sales departments, and general managerial resources. If we are not able to manage our international operations successfully, we may incur higher expenses and our profitability may be reduced. Finally, the investment required for additional international expansion sometimes exceeds the profit generated from such expansion, which reduces our profitability and may adversely affect our financial position. Fluctuating foreign currency exchange rates may negatively impact our business, results of operations, and financial position. A portion of our business is denominated in foreign currencies. We

translate sales and other results denominated in foreign currency into U. S. dollars for our financial statements. During periods of a strengthening U. S. dollar, our reported international sales and earnings could be reduced because foreign currencies may translate into fewer U. S. dollars. Foreign currency exchange rates have fluctuated and may continue to fluctuate. Significant foreign currency exchange rate fluctuations may negatively impact our international revenue, which in turn affects our consolidated revenue. Currently, we are not party to any hedging transactions intended to reduce our exposure to exchange rate fluctuations. We may seek to enter into hedging transactions in the future, but we may be unable to enter into these transactions successfully, on acceptable terms or at all. We cannot predict whether we will incur foreign exchange losses in the future. Further, significant foreign exchange rate fluctuations resulting in a decline in the respective local currency may decrease the value of our foreign assets, as well as decrease our revenues and earnings from our foreign subsidiaries, which would reduce our profitability and adversely affect our financial position.

~~Risks related to our indebtedness~~ We have a significant amount of indebtedness, which could decrease our flexibility and adversely affect our business, financial condition, and results of operations. As of December 31, ~~2023~~ **2024**, we had \$ ~~1.0~~ **1.1** billion of Senior Notes outstanding and an additional approximately \$ ~~750 million~~ **1.1 billion** available to be drawn under the ~~2020~~ **2024** Credit Agreement. Borrowings under the ~~2020~~ **2024** Credit Agreement bear interest at varying rates and expose us to interest rate risk. There can be no assurance that our future cash flows will be sufficient to make payments of interest or principal on the Senior Notes or any amounts due and payable under the ~~2020~~ **2024** Credit Agreement. If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital, or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures on commercially reasonable terms or at all, and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. Furthermore, we may incur substantial additional indebtedness, including secured indebtedness, and if we incur additional indebtedness or other liabilities, the related risks that we face could intensify. The ~~2020~~ **2024** Credit Agreement contains customary restrictive covenants imposing operating and financial restrictions on us, including restrictions that may limit our ability to engage in acts that we believe may be in our long-term best interests. These covenants restrict our ability and the ability of our domestic subsidiaries to, among other things, (i) incur additional indebtedness, (ii) incur liens, (iii) pay dividends or make certain other restricted payments, investments or acquisitions, (iv) merge or consolidate with another person, and (v) sell, assign, lease, or otherwise dispose of all or substantially all of our assets. In addition, the ~~2020~~ **2024** Credit Agreement requires us to comply with a maintenance covenant that we will not exceed a total net leverage ratio, calculated as total consolidated debt, net of up to \$ 1.0 billion of unrestricted cash and cash equivalents, to consolidated EBITDA, of 4.50 to 1.00. The operating restrictions and financial covenants in the ~~2020~~ **2024** Credit Agreement may limit our ability to finance future operations or capital needs, to engage in other business activities, or to respond to changes in market conditions. Our ability to comply with any financial covenants could be affected materially by events beyond our control, and we may be unable to satisfy any such requirements. If we fail to comply with these covenants, we may need to seek waivers or amendments of such covenants, seek alternative or additional sources of financing, or reduce our expenditures. We may be unable to obtain such waivers, amendments, or alternative or additional financing on a timely basis or at all, or on favorable terms. A breach of the covenants under the ~~2020~~ **2024** Credit Agreement or the indenture that governs the Senior Notes could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration provision applies. In the event the holders of the Senior Notes or our other debt accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. In May ~~2023~~ **2024**, we ~~amended~~ **entered into** the ~~2024 Credit Agreement which replaces the Company's 2020 Credit Agreement~~ **2024 Credit Agreement which replaces the Company's 2020 Credit Agreement**. ~~Borrowings under to replace LIBOR as the reference rate~~ **Borrowings under to replace LIBOR as the reference rate** ~~2024 Credit Agreement bear interest at a floating rate with, which can be, at the Company's option, either (a) an alternate base rate plus an applicable rate ranging from 0.125 % to 0.750 % or (b) a Term SOFR for U. S. dollar-denominated borrowings, SONIA rates rate, for or Sterling-denominated borrowings and EURIBOR for Euro-denominated borrowings the specified interest period plus an applicable rate ranging from 1.125 % to 1.750 %, in each case depending on the Company's Debt Rating (as defined in the 2024 Credit Agreement)~~ **2024 Credit Agreement bear interest at a floating rate with, which can be, at the Company's option, either (a) an alternate base rate plus an applicable rate ranging from 0.125 % to 0.750 % or (b) a Term SOFR for U. S. dollar-denominated borrowings, SONIA rates rate, for or Sterling-denominated borrowings and EURIBOR for Euro-denominated borrowings the specified interest period plus an applicable rate ranging from 1.125 % to 1.750 %, in each case depending on the Company's Debt Rating (as defined in the 2024 Credit Agreement)**. It is unclear, however, whether ~~Term SOFR, SONIA or EURIBOR will retain market acceptance as a LIBOR replacement tool, and we may need to renegotiate our the 2020-2024 Credit Agreement if other LIBOR alternatives are established and become more widely adopted. Each of Term SOFR, SONIA and EURIBOR differ from LIBOR, both in the actual rate and how it is calculated. It is not possible to predict what effect the change to Term SOFR, SONIA, and EURIBOR may have on our interest rates. Our indebtedness increases our vulnerability to general adverse economic and industry conditions; requires us to dedicate a portion of our cash flow from operations to payments on indebtedness, reducing the availability of cash flow to fund capital expenditures, marketing, and other general corporate activities; limits our ability to borrow additional funds; and may limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate. A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs, reduce our access to capital, or result in the loss of certain covenant suspensions. Our debt rating could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, warrant. Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. In addition, during a Covenant Suspension Period, certain customary negative and affirmative covenants contained in the 2020-2024 Credit Agreement are suspended, including the covenants restricting affiliate transactions, incurrence of indebtedness, investments, asset sales, and restricted payments. A lowering of one or both of our investment grade ratings would result in increased compliance costs and would impose certain operating restrictions, either of which could be materially adverse to our operations and financial results.~~ ~~Risks related to regulatory compliance and legal matters~~ Our actual or perceived failure to comply with privacy laws and standards could adversely affect our business, financial condition, and results of operations. We

depend on IT Systems. We own and manage some IT Systems but also rely on third- party service providers and vendors for a range of products and services, including cloud products / services, that are critical to internal and / or external customer- facing operations. In the course of our business, we and certain of our third- party providers collect, use, transmit , and disclose Confidential Information, including personal data about our employees, current and potential customers , and employees of third parties we work with. As a result, we are subject to a variety of state, national , and international laws and regulations that apply to the collection, use, retention, protection, disclosure, transfer , and other processing of personal information, including, but not limited to, the GDPR and CCPA. These laws and regulations are evolving, with new or modified laws and regulations proposed and implemented frequently and existing laws and regulations subject to new or different interpretations. For example, the GDPR creates data protection requirements in the EU and UK and imposes substantial fines for breaches of the data protection rules. The GDPR increased our responsibility and liability in relation to personal data that we process. The CCPA, among other things, provides the rights to California residents related to their personal information, places limitations on data uses , and creates new audit requirements for higher risk data. The CCPA also provides for civil penalties for violations, as well as a private right of action for data breaches that may increase data breach litigation. Other state privacy laws apply to operations, and similar laws have been proposed, and likely will continue to be proposed, in other states and at the federal level, and if passed, may have potentially conflicting requirements that would make compliance challenging. In addition to risks we face under applicable privacy laws, we are subject to evolving consumer protection and marketing laws and increased litigation and government enforcement by the Federal Trade Commission and state Attorneys General. These agencies are aggressively interpreting and enforcing federal and state consumer protection laws in relation to very broad sales and marketing and advertising contexts. There are also federal laws covering our activities that are a source of potential liability for our business, including the CAN- SPAM Act, the TCPA, and the FCRA. In particular, any claims that we have violated the TCPA could be costly to litigate and could expose us to substantial statutory damages or settlement costs. Any failure or alleged failure to comply with privacy, data protection , or consumer protection laws could lead to government enforcement actions and litigation and significant penalties against us, and could materially adversely affect our reputation, business, financial condition, cash flows , and results of operations. Compliance with any of the foregoing laws and regulations can be costly, can delay or impede the development of new products, and may require us to change the way we operate. The interpretation and application of many privacy and data protection laws are uncertain. These laws may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our products. If so, in addition to the possibility of negative publicity, fines, lawsuits , and other claims and penalties, we could be required to fundamentally change our business activities and practices or modify our products, which could harm our business. Changes in tax laws, regulations , or fiscal and tax policies , or the manner of their interpretation or enforcement could adversely impact our financial performance. New tax laws or regulations, or changes in existing laws or regulations, or the manner of their interpretation or enforcement, could increase our cost of doing business. In addition, from time to time, U. S. and foreign tax authorities, including state and local governments, consider legislation that could increase our effective tax rate. Further, the Organization for Economic Co- operation and Development has a framework to implement a global minimum corporate tax of 15 % for companies with global revenues and profits above certain thresholds (referred to as Pillar 2), with certain aspects of Pillar 2 effective January 1, 2024 and other aspects effective January 1, 2025. While it is uncertain whether the U. S. will enact legislation to adopt Pillar 2, certain countries in which we operate have adopted legislation, and other countries are in the process of introducing legislation to implement Pillar 2. Although we do not expect Pillar 2 to have a material impact on our effective tax rate or our consolidated results of operations, financial position, and cash flows at this time, certain implementation details have yet to be developed, and the enactment of certain of these changes has not yet taken effect in all jurisdictions in which we operate. As a result, these changes may have adverse consequences for us, may increase our compliance costs , and may increase the amount of tax we are required to pay in certain jurisdictions. Third- party claims, litigation, regulatory proceedings , or government investigations to which we are subject or in which we become involved, regardless of their merit, may significantly increase our expenses and adversely affect our stock price. From time to time we may be subject to third- party claims, lawsuits, regulatory proceedings , or government investigations into whether our business practices comport with applicable law, which may include claims with respect to intellectual property, cybersecurity, privacy, data protection, antitrust, breach of contract, employment, mergers and acquisitions , and other matters . **For example, on February 20, 2024, several individuals who allegedly rented “ luxury ” hotel rooms in metropolitan areas in the United States filed a putative antitrust class action alleging that through CoStar and STR’ s hospitality industry benchmarking products, the hotel defendants agreed to share competitively sensitive price and supply information regarding luxury hotel rooms, and that the sharing of that information has allowed the hotel defendants to increase prices for luxury hotel rooms. While we intend to vigorously defend against this lawsuit, we are unable to predict the outcome or estimate the amount of loss, if any, that may result. In addition, there has been increased scrutiny on the multifamily rental sector, and in particular on revenue management systems that allegedly employ algorithmic software and pricing recommendations. We do not offer price recommendations or employ algorithmic pricing software. Nonetheless, some of our customers or potential customers may be involved in litigation and regulatory investigations, and settlements in such cases could impact the multifamily industry in ways that have an adverse effect on us. Moreover, if state and / or federal legislation regulating the use of third- party algorithmic revenue management systems by multifamily apartment rental companies is passed with language that moves beyond the scope of the current cases and investigations, the impact to us is difficult to predict. Although changes arising from these lawsuits and investigations are uncertain and challenging to predict, they could result in outcomes that materially impact our business, financial condition, and results of operations. Lawsuits, government investigations and new legislation related to antitrust matters may, among other things, be costly to comply with, result in negative publicity, require significant management time and attention and subject us to remedies or burdensome requirements that adversely affect**

our business. Regardless of the merit of such claims, proceedings or investigations, defending against them could cost us a significant amount of time and money, result in negative publicity, and / or adversely affect our stock price. In addition, if any claims or proceedings are decided against us or if a settlement requires us to pay a large monetary amount or take other action that materially restricts or impedes our operations, our profitability could be significantly reduced and our financial position could be adversely affected. We do not currently intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock. We have never declared or paid any cash dividends on our common stock and do not intend to do so for the foreseeable future. We currently intend to invest our future earnings, if any, to finance our growth or share repurchases. In addition, provisions of the ~~2020-2024~~ Credit Agreement governing our credit facilities limit our ability to pay cash dividends. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future and the success of an investment in shares of our common stock will depend upon any future appreciation in their value. There is no guarantee that shares of our common stock will appreciate in value or even maintain the price at which our stockholders have purchased their shares. **Stock repurchases under our stock repurchase program are discretionary, and we cannot guarantee that our stock repurchase program will achieve the desired objectives. Share repurchases diminish our cash reserves and could also increase the volatility of the trading price of our common stock. In February 2025, the Board of Directors approved the Stock Repurchase Program which authorizes, but does not obligate, the repurchase of up to \$ 500 million of the Company' s common stock. Repurchases may be made from time to time at management' s discretion through open market purchases, privately negotiated transactions or other transactions in accordance with applicable securities laws. The timing and amount of any such repurchases will be determined based on share price, market conditions, legal requirements, and other relevant factors. The program has no time limit and can be discontinued at any time at the Company' s discretion. There can be no assurance as to the timing or number of shares of any repurchases in the future. We cannot guarantee that the program will be fully consummated, that it will enhance long- term stockholder value, or that it will successfully mitigate the dilutive effect of employee equity awards. Any repurchases will reduce the amount of cash we have available to fund working capital, capital expenditures, strategic acquisitions or business opportunities, and other general corporate requirements. In addition, the program could affect the trading price of our common stock and increase volatility, and any announcement of a termination of this program may result in a decrease in the trading price of our common stock.**