

Risk Factors Comparison 2025-02-19 to 2024-02-22 Form: 10-K

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

Investing in our securities involves a high degree of risk. You should consider carefully the risks and uncertainties described below, our Consolidated Financial Statements and related notes, and the other information in this Annual Report. If any of these risks actually occur, our business, financial condition, results of operations, and prospects could be adversely affected. As a result, the price of our securities could decline and you could lose part or all of your investment. In addition, factors other than those discussed below or in other of our reports filed with or furnished to the SEC also could adversely affect our business, financial condition, ~~or~~ results of operations, **or prospects**. We cannot assure you that the risk factors described below or elsewhere in our reports address all potential risks that we may face. These risk factors also serve to describe factors which may cause our results to differ materially from those described in forward- looking statements included herein or in other documents or statements that make reference to this Annual Report. For more information, see the “ Note Regarding Forward- Looking Statements.” Operational Risks Related to Our Business ~~While we~~ **Our quarterly operating results** have ~~experienced rapid growth in our business in the past, our revenue growth rate and financial performance may continue to fluctuate, which can cause significant stock price fluctuations. Our quarterly operating results, as well as our key metrics, have and may continue to~~ ~~fluctuated-~~ **fluctuate for a variety of reasons**, **many of which are** makes it difficult to predict the extent of demand for our services or the products sold in our marketplaces. During 2020 and 2021, we experienced rapid growth in our business, in the number of buyers and sellers, and purchase frequency. While our revenue growth continued more modestly in 2022 and 2023, our GMS declined slightly for the year ended December 31, 2022 as compared to the year ended December 31, 2021 and again declined slightly for the year ended December 31, 2023 as compared to the year ended December 31, 2022. Our business may continue to be impacted by macroeconomic factors beyond our control such as **, including: •** inflation, rising interest rates, ~~disruptions to the banking industry, potential~~ recessionary factors, foreign exchange rate volatility, **, tariffs and other trade barriers, disruptions to the banking industry**, changing consumer shopping preferences, continued pressure on consumer discretionary product spending, **weather, domestic and** global geopolitical uncertainties, **, various types of cultural events, public health crises**, supply- chain disruptions, an increasingly competitive retail environment, and employment levels, among others ~~-~~ **other factors** (collectively, “ Macroeconomic **Macro** Conditions ”). Even if **• fluctuations in our GMS our-** ~~or~~ revenue continues to grow, we may not be able to maintain profitability in the future. Our costs have and may continue to increase as we continue to invest in the development of our marketplaces, including our services and technological enhancements, and as we increase our marketing efforts and expand our operations. Further, the growth of our business places significant demands on our management team and pressure to expand our operational, compliance, payments, and financial infrastructure. For example, we may need to continue to develop and improve our operational, financial, compliance, payments, and management controls and enhance our reporting systems and procedures to support our recent and any future growth. If we do not continue to grow our business or manage our growth effectively, the increases in our cash operating expenses could outpace any increases in our revenue and our business could be harmed. For example, in December 2023, we implemented a Restructuring Plan, which was intended to reduce our operating expenses. In addition, our revenue may decline and our revenue growth rate has and may continue to decelerate for a number of reasons, including as a result of Macroeconomic **Macro** Conditions, **, the seasonality of market transactions, and our sellers’ use of services; • uncertainty regarding overall levels of consumer spending and e- commerce generally; • our success in attracting and retaining sellers and buyers; • our ability to** convert marketplace visits into sales for our sellers; **• our ability to manage** the amount and timing of our operating expenses and ~~the success of any cost- reduction activities-~~ **our Adjusted EBITDA margin as we continue to invest in our marketplaces**; **• our success in executing on our strategy and the impact of any changes in our strategy; • the timing and success of product launches, including new services and features we may introduce; • the success of our marketing efforts; • the success of our “ House of Brands ” strategy; • disruptions or defects in our marketplaces, such as privacy or data security breaches, errors in our software, or other incidents that impact the availability, reliability, or performance of our platforms; • the impact of competitive developments and our response to those developments; • the impact of the Restructuring Plan approved in December 2023- other **incidents that impact** factors described elsewhere in these ~~--~~ **the Risk Factors. availability, reliability, For-** ~~or~~ further information, see Part II, Item 7, “ Management **performance of our platforms; • the impact of competitive developments and our response to those developments; and • our ability to recruit and retain employees. These events may also impact our sellers’** ~~s-~~ ~~Discussion-~~ **ability to run their businesses on our marketplaces, which could negatively impact our business and Analysis of Financial-** financial performance. Fluctuations in our quarterly operating results, key metrics, and the price of our common stock may be particularly pronounced during periods of economic uncertainty, including uncertainty caused by ~~Macro Condition-~~ **Conditions**. Consumer purchases of discretionary items, including the goods that we offer, generally decline during recessionary periods or periods of economic uncertainty, when disposable income is reduced or when there is a reduction in consumer confidence. In the event of a prolonged economic downturn or acute recession, significant inflation, or increased supply chain disruptions impacting our communities of sellers and the economy as a whole, consumer spending habits could be materially and adversely affected, as could our business, financial condition, operating ~~Results-~~ **results** of Operations ~~—~~, and ability to execute and capitalize on our strategies. **We believe that our quarterly operating Results- **results and key metrics may vary in the future and that period- to- period comparisons** of Operations ~~—~~ ~~Revenue-~~ **our operating results may not be meaningful**. ~~”-~~ ~~You should not rely on prior~~ **quarter- to- quarter or any other periods-** ~~period-~~ **to- period comparisons of our results of operations** as an indication of****

our future performance any other period-to-period comparisons of our results of operations as an indication of future performance. We may fail to meet our publicly announced guidance or other expectations about our business and future operating results, which could cause our stock price to decline. Our guidance includes forward-looking statements based on projections prepared by our management. Projections are based upon a number of assumptions and estimates that are based on information known when they are issued, and while **While** presented with numerical specificity, **projections** are inherently subject to significant business, economic, and competitive uncertainties and contingencies relating to our business, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions **and developments**, some of which may prove incorrect and / or may change. Some of those key assumptions include the timing and impact of broad **Macroeconomic-Macro** Conditions, particularly in our core markets, and the resulting impact of these factors on future consumer spending patterns and our business. These assumptions are inherently difficult to predict, particularly in the long-term. We generally state possible outcomes as high and low ranges, which are intended to provide a sensitivity analysis as variables are changed, but are not intended to imply that actual results could not fall outside of the suggested ranges. Furthermore, analysts and investors may develop and publish their own projections of **for** our business, which may form a consensus about our future performance. Our actual business results may vary significantly from such guidance or consensus due to **Macroeconomic-Macro** Conditions or other factors, many of which are outside of our control, which could adversely affect our business and future operating results. Furthermore, if we make downward revisions of our previously announced guidance, or if our publicly announced guidance of future operating results fails to meet expectations of securities analysts, investors, or other interested parties **as it has in the past**, the price of our common stock could decline. Guidance is necessarily speculative in nature, and guidance offered in periods of significant **extreme** uncertainty is inherently more speculative in nature than guidance offered in periods of relative stability. It can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results may vary from our guidance and the variations may be material. In light of the foregoing, investors are urged to put **the our** guidance in context and not to place **undue reliance on it in making an investment decision regarding our common stock**. The trustworthiness of our marketplaces and the connections within our communities are important to our success. If we are unable to retain our existing buyers and sellers and activate new ones, our financial performance could decline. Creating trusted brands is one of the key elements of our strategy. We are focused on ensuring that our marketplaces embody our mission and values, and that we deliver trust and reliability throughout the buyer and seller experiences. Our reputation and brands depend, in part, upon our ability to maintain trustworthy marketplaces, and also upon our sellers, the quality of their offerings, their adherence to our policies, and their ability to deliver a trusted purchasing experience. We view the trustworthiness and reliability of our marketplaces, as well as the connections we foster in our buyer / seller communities, to be cornerstones of our business and key to our success. Many things could undermine these cornerstones, such as: • a failure to operate our business in a way that is consistent with our guiding principles and mission; • an inability to gain the trust of prospective buyers; • disruptions or defects in our marketplaces, privacy or data security incidents, website outages, payment disruptions, or other incidents that impact the reliability of our platforms; • lack of awareness of, or adherence to, our policies by our communities or confusion about how they are applied; • a failure to enforce our policies effectively, consistently, and transparently, including, for example, by allowing the repeated widespread listing of prohibited items in our marketplaces; • changes to our policies or fees that members of our communities perceive as inconsistent with their best interests or our mission, or that are not clearly articulated; • complaints or negative publicity about us, our platforms, or our policies and guidelines, even if factually incorrect or based on isolated incidents; • inadequacies in our House Rules, policies, and other terms of use; • frequent product launches, updates, and experiments that could deteriorate member trust and / or engagement; or • inadequate or unsatisfactory customer service experiences, failure to adequately respond to feedback from our communities, or **inability-failure** of our sellers to fulfill their orders in accordance with our policies, **including as a result of fraud**, their own shop-specific policies, or buyer expectations. We are and may continue to be an attractive target to bad actors and fraudsters targeting our marketplaces and our communities, **civil litigants, and those seeking to enforce alleged intellectual property rights and / or alleged contractual rights**. Additionally, there **There** have been and may continue to be attempts to **impersonate, exploit, misrepresent or mischaracterize us or our marketplaces, such as on social media, or via individual or coordinated spam or other** campaigns. We **may are not be always** successful in defending against these types of tactics which, **if-when** successful, could **cause buyers and sellers to lose trust in our marketplaces, and could lead to fewer active buyers and / or sellers or otherwise** damage our brands and our business. Even if we are successful in defending against these **tactics types of claims**, we may be required to spend significant resources in those efforts which may distract our management and otherwise negatively impact our results of operations. In addition, the recent increased scrutiny and regulation of marketplace platforms, though principally focused on other larger platforms, has and may continue to create burdens on both Etsy and its communities of buyers and sellers. This may lead to increased risks that shift more quickly than our policies, enforcement mechanisms, and systems can react. **Our controls over fraud and policy violations are important to maintaining user trust, but they may not be adequate and may not be sufficient to keep up with quickly- shifting techniques used by those attempting to undertake fraudulent activity on our platforms. The use of increasingly sophisticated techniques has made, and may continue to make, fraudulent activity by sellers and buyers increasingly difficult to combat and increase its impact. We take action against sellers who we are aware may have violated our policies or engage in fraud. The volume of enforcement actions against sellers for such activities has increased at times, and may increase again in the future. Furthermore, our actions may be insufficient, may not be timely, and may not be effective in creating a good purchase experience for our buyers or avoiding negative publicity. While we regularly update our processes for handling complaints and detecting policy violations and fraud, these processes are by their nature imperfect in a dynamic marketplace, and include risks to us, our sellers, and our buyers from both under- enforcement and over- enforcement,**

as well as potentially heightened friction on our marketplaces, which may reduce seller and buyer trust and engagement.

We continue to evolve our marketplaces and invest to improve our customer experience. If our efforts are unsuccessful, or if our customer service platforms or our trust and safety program fail to meet legal requirements or buyers' and sellers' expectations, we may need to invest **in** significant additional resources. If we are unable to maintain trusted brands and marketplaces, our ability to attract and retain buyers and sellers could be harmed. Our business, financial performance, and growth depends on our ability to attract and retain active and engaged communities of buyers and sellers. Our financial performance, specifically our **GMS**, revenue, and Adjusted EBITDA, has been and will continue to be significantly determined by our success in attracting and retaining active buyers and active sellers and increasing their engagement. We believe that many new buyers and sellers find us by word of mouth and other non- paid referrals from existing buyers and sellers. If existing buyers do not find our platforms appealing, for example, because of a negative experience, lack of competitive shipping **costs-charges**, delayed shipping times, inadequate customer service, **buyer fees or** lack of buyer- friendly features, declining interest in the goods offered by our sellers, **lack of desirable inventory**, or other factors, they may make fewer purchases and they may not refer others to us. Likewise, if existing sellers are dissatisfied with their experience on our platforms, or feel they have more attractive alternatives, they may stop listing items in our marketplaces and using our services and may stop referring others to us, which could negatively impact our financial performance. **Further** **In addition**, our **GMS** **if trends supporting self- employment** and revenue are concentrated in our most active buyers and **the desire for supplemental income were to reverse, the number of** sellers **offering**. The COVID-19 pandemic fueled an unprecedented increase in the **their goods in our marketplaces** growth of active buyers, and the number of active buyers remains significantly above pre- pandemic levels. If we lose a significant number of buyers or sellers, or our buyers or sellers do not maintain their level of activity, for any reason, including due to the pressure on or shifts in consumer discretionary spending, increased seller fees, our financial performance and growth could be harmed. Even if we are able to attract new buyers and sellers to replace the ones that we lose, we may not be able to do so at comparable levels, they may not maintain the same level of activity, and the **GMS** and revenue generated from new buyers and sellers may not be as high as the **GMS** and revenue generated from the ones who leave, or reduce their activity level on, our marketplaces. If we are unable to attract and retain buyers and sellers, or our buyers or sellers do not maintain their level of activity, our business, financial performance, and growth could be harmed. Additionally, the demand for the goods listed in our marketplaces is dependent on consumer preferences and available discretionary spending, which can and do change quickly and may differ across generations, genders, and cultures. If demand for the goods that our sellers offer declines, or if demand for goods falls and is not replaced by demand in new or different categories, we may not be able to attract and retain buyers and our business could **decline** be harmed. Further, a shift in trends away from unique or vintage goods, socially- conscious consumerism, second- hand fashion, or specialty items such as musical instruments, could also make it more difficult to attract new buyers and sellers. Under any of these circumstances, we may have difficulty attracting new buyers and sellers without incurring additional expense. We rely on our sellers to provide a fulfilling experience to our buyers. A small portion of buyers complain to us about their experience on our platforms. As a pure marketplace, our sellers manage their shops, certain shop policies, products and product descriptions, shipping, and returns. As a result, we do not have the ability to control important aspects of buyers' experiences on our platforms. For example, a buyer may report that they have not received the items that they purchased, that the items received were not as represented by a seller, or that a seller has not been responsive to their questions. While we have introduced new ways to protect buyers, negative publicity and sentiment generated as a result of these types of complaints, or any associated enforcement action taken against sellers, could reduce our ability to attract and retain our sellers and buyers or damage our reputation. Similarly, we rely on sellers to be responsive to buyers and to fulfill orders from buyers. Anything that prevents the timely processing of orders or delivery of goods to our buyers could harm our sellers. Service interruptions and delivery delays may be caused by events that are beyond the control of our sellers, such as interruptions in order or payment processing, interruptions in sellers' supply chains, transportation disruptions, customs delays, natural disasters, inclement weather, terrorism, public health crises, political unrest or geopolitical conflict. Additionally, popular or trending sellers may experience an influx of orders that may be beyond their ability to fulfill in a timely manner. While we have procedures designed to mitigate spikes in orders, we cannot guarantee those procedures will be effective. If buyers have a negative purchase experience, whether due to service interruptions or other reasons, or if sellers are unable to timely fulfill their orders from buyers, our reputation could be harmed. A perception that our levels of responsiveness and support for our sellers and buyers are inadequate could damage our reputation, and reduce our sellers' willingness to sell and buyers' willingness to shop on our marketplaces. In some situations, we may choose to reimburse our buyers for their purchases to help avoid harm to our reputation. For example, we offer Etsy Purchase Protection, a program that refunds buyers when a qualifying order is not received, is not as described, or arrives late or damaged. While we cover the reimbursement for qualifying orders under Etsy Purchase Protection, we also take steps to cover certain reimbursements that do not relate to qualified orders, such as requiring reserves from some sellers based on indications they may not be able to fulfill orders and other factors. **Depop and Reverb have similar programs.** Our cost to refund qualifying orders may exceed our expectations, and despite our efforts, we are not always, and in the future may not be, able to recover the funds we expend for reimbursements unrelated to qualified orders, both of which could impact our financial performance. When we do recover **funds used to reimburse buyers- buyer refund amounts** from sellers, it may increase general seller dissatisfaction and reduce their desire to continue selling using our platforms. Although we are focused on enhancing customer service, our efforts may be unsuccessful, and our sellers and buyers may be disappointed in their experience and not return. **In addition** As our marketplaces grow, our **GMS** controls over fraud and **revenue** policy violations are important to **concentrated in our most active buyers and sellers. If we lose a significant number of buyers or sellers, or our buyers or sellers do not maintaining--- maintain user trust their level of activity for any reason, but our financial performance could be harmed. Even if we are able to attract new buyers and sellers to replace they- the ones that we may lose, we** may not be adequate **able to do so at comparable levels, they may not maintain**

the same level of activity, and the GMS and revenue generated from new buyers and sellers may not be sufficient as high as the GMS and revenue generated from the ones who leave, or reduce their activity level on our marketplaces. If we are unable to keep up with attract and retain buyers and sellers, or our buyers or sellers do not maintain their level of activity, our business and financial performance could be harmed. Additionally, the demand for the goods listed in our marketplaces is dependent on consumer preferences and available discretionary spending, which can and do change quickly –shifting techniques used– and may differ across generations, genders, and cultures. If demand for the goods that our sellers offer declines, or if demand for goods falls and is not replaced by demand in new those attempting to undertake fraudulent activity on our– or different categories platforms. We take action against sellers who we are aware may have violated our policies, we and in recent periods the volume of enforcement actions against sellers for such violations has increased. However, our actions may be insufficient, may not be timely– able to attract and retain buyers and our business could be harmed. Further, a shift in trends away from unique or vintage goods, socially- conscious consumerism, second- and-hand fashion, or specialty items such as musical instruments, could also make it more difficult to attract new buyers and sellers. Under any of these circumstances, we may have difficulty attracting new buyers and sellers without incurring additional expense. We rely on our sellers to provide a fulfilling experience to our buyers. Our sellers manage their shops, certain shop policies, products and product descriptions, shipping, and returns. As a result, we do not have the ability to control important aspects of buyers’ experiences on our platforms. For example, buyers may report that they have not received the items they purchased, that the items received were not as represented by a seller, or that a seller has not been responsive to their questions. While we have introduced features designed to protect buyers, there can be no assurance that these measures will be effective in combating fraudulent transactions creating a good purchase experience for– or our improve overall buyers– buyer or avoiding satisfaction. Further, negative publicity –While we regularly update our processes for handling complaints and sentiment generated detecting policy violations, these processes are by their nature imperfect in a dynamic marketplace, and include risk to us, our sellers, and our buyers from both under-enforcement and over-enforcement. Our quarterly operating results may fluctuate, which could cause significant stock price fluctuations. Our quarterly operating results, as well as our key metrics, may fluctuate for a variety of reasons, many of which are beyond our control, including: • fluctuations in GMS or revenue, including as a result of uncertainty or changing spending patterns resulting from Macroeconomic Conditions, the these seasonality types of complaints market transactions, and our– or any associated enforcement action taken against sellers, could reduce our ability to attract and retain our sellers and buyers or damage our reputation. In addition, anything that prevents the timely processing of orders or delivery of goods to our buyers could harm our sellers. Service interruptions and delivery delays may be caused by events that are beyond the control of our sellers, such as interruptions in order or payment processing, interruptions in sellers’ use of services; • uncertainty regarding overall levels of consumer spending and e-commerce generally; • supply chains, transportation disruptions, customs delays, natural disasters, inclement weather, terrorism, public health crises, political unrest, our– or success in attracting and retaining geopolitical conflict. Additionally, popular or trending sellers may experience and– an buyers; • our influx of orders that may be beyond their ability to fulfill convert marketplace visits into sales for our..... or equity financing more difficult to obtain in a timely manner, or on favorable terms, more costly, or more dilutive. Increased inflation rates can adversely affect us by increasing While we have procedures designed to mitigate spikes in orders, we cannot guarantee those procedures will be effective. If buyers have a negative purchase experience, whether due to service interruptions our– or costs other reasons, including labor and employee benefit costs. In addition or if sellers are unable to timely fulfill their orders from buyers, our reputation higher inflation and macroeconomic turmoil and uncertainty could also adversely affect our buyers and sellers, which could reduce demand for the products sold in our marketplaces. Fluctuations in our quarterly operating results, key metrics, and the price of our common stock may be harmed particularly pronounced in the current economic environment..... the differences may be adverse and material. We track certain operational metrics with internal systems and tools or manual processes and do not independently verify such metrics. Certain of these metrics are subject to inherent challenges in measurement, and any real or perceived inaccuracies may adversely affect our business and reputation. We track certain operational metrics, including active buyers and active sellers, GMS, GMS from specific categories of goods or, classes of buyers or sellers, or specific platforms, and other information about our communities and the performance of our platforms, with internal systems and tools or manual processes and, these These metrics are not independently verified by a third –party. The methodologies used to measure certain of these metrics require significant judgment, are susceptible to errors, may change over time, and may differ from estimates or metrics published by third –parties due to differences in sources, methodologies, or the underlying assumptions on which we rely. We also use surveys to collect and track information about our buyers and sellers and rely on third- party data, which we do not independently verify, to evaluate and report on our opportunity. Our internal systems, tools, and processes and our surveys or data collection methodologies have a number of limitations, and our surveys or data collection methodologies may have errors or could change over time, any of which could result in unexpected changes to our metrics, including the metrics we publicly disclose. Similarly, our third- party data sources have in the past and may in the future revise the historical data provided as a result of adjustments to their prior estimates or for other reasons. If the internal systems and tools, processes, or surveys we use to track these metrics under count or over count performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics, there are inherent challenges in measuring this data. In addition, limitations or errors with respect to how we measure data or with respect to the data that we measure or obtain from third –parties may affect our understanding of certain details of our business or our opportunity, which could affect our long- term strategies. If our operating metrics are not accurate, or if investors do not perceive them to be accurate, investors may lose confidence in our operating metrics and business, and we expect that we could be subject to legal claims, and our business, reputation, financial condition, and results of operations would be adversely affected. If we experience

a technology disruption or failure that results in a loss of information, if personal data or sensitive information about members of our communities or employees is misused or disclosed, or if we or our third- party providers are unable to protect against software and hardware vulnerabilities, service interruptions, cyber- related events, ransomware, security incidents, or other security breaches, then members of our communities may curtail use of our platforms, we may be exposed to liability or incur additional expenses, and our reputation might suffer. Like all online services, we are vulnerable to power outages, telecommunications failures, and catastrophic events, as well as computer viruses, break- ins, intentional or accidental actions or inaction by employees or others with authorized access to our networks, phishing attacks, denial- of- service attacks, malicious or destructive code, malware, ransomware **or other extortion** attacks, and other cyber attacks, breaches and security incidents. We regularly experience cyber- related events that may result in technology disruptions and / or security breaches, including intentional, inadvertent, or social engineering breaches occurring through Etsy or third- party service provider technical issues, vulnerabilities, or employees. Any of these occurrences could lead to interruptions or shutdowns of one or more of our platforms, loss of data, unauthorized disclosure of personal or financial information of our members or employees, or theft of our intellectual property or user data. Furthermore, if our employees **or employees of, contractors, our- or** third- party service providers fail to comply with our internal security policies and practices, member or employee data may be improperly accessed, used, or disclosed. Additionally, employees **, contractors,** or service providers have and may inadvertently misconfigure resources or misdirect certain communications in manners that may lead to security incidents, which could be expensive and time- consuming to correct. As we **continue strive to reignite grow-growth in** our business, expand internationally, and gain greater public visibility, we may continue to face a higher risk of being targeted by cyber attacks. Although we have integrated a variety of processes, technologies, and controls to assist in our efforts to assess, identify, and manage material cybersecurity- related risks, these are not exhaustive, and we cannot assure that they will be adequate to prevent or detect service interruption, system failure, data loss or theft, or other material adverse consequences, directly or through our vendors. Additionally, these measures have not always been in the past, and in the future may not be, sufficient to prevent or detect a cyber attack, system failure, or security breach particularly given the increasingly sophisticated tools and methods used by hackers, state actors, organized cyber criminals, and cyber terrorists. The costs and effort to respond to a security breach and / or to mitigate any security vulnerabilities that may be identified could be significant, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service, negative publicity, **negative seller or buyer sentiment,** and other harm to our business and our competitive position. We could be required to fundamentally change our business activities and practices in response to a security breach or related regulatory actions or litigation, which would have an adverse effect on our business. Our production systems rely on internal technology, along with cloud services and software provided by our third- party service providers (and other entities in our supply chain). In the event of a cyber- related incident, even partial unavailability of our production systems could impair our ability to serve our customers, manage transactions, or operate our marketplaces. We have implemented disaster recovery mechanisms, including systems to back up key data and production systems, but these systems may be inadequate or incomplete. For example, these disaster recovery systems may be susceptible to cyber- related events if insufficiently distributed across locations, not sufficiently separated from primary systems, not comprehensive, or not at a scale sufficient to replace our primary systems. Insufficient production and disaster recovery systems could, in the event of a cyber- related incident, harm our growth prospects, our business, and our reputation for maintaining trusted marketplaces. Cyber attacks aimed at disrupting our and our third- party service providers' services regularly occur, and we expect they will continue to occur in the future. If we or our third- party service providers (and other entities in our supply chain) experience any cyber attacks or other security breaches or incidents that result in marketplace performance or availability problems or loss, compromise or unauthorized disclosure or use of personal data or other sensitive information, or if we fail to respond appropriately to any security breaches or incidents that we may experience, people may become unwilling to provide us the information necessary to set up an account with us. We also rely on the security practices of our third- party service providers, which may be outside of our direct control. Additionally, some of our third- party service providers, such as identity verification and payment processing providers, regularly have access to payment card information and other confidential and sensitive member data. We may have contractual and regulatory obligations to supervise the security and privacy practices of our third- party service providers. Despite our best efforts, if these third -parties fail to adhere to adequate security practices, or, as has occurred from time to time in the past, experience a cyber- related event or attack such as a breach of their networks, our members' data may be rendered unavailable, improperly accessed, used, or disclosed. More generally, our third- party service providers may not have adequate security and privacy controls, may not properly exercise their compliance, regulatory or notification requirements, including as to personal data, or may not have the resources to properly respond to an incident. Many of our service providers continue to operate in a partial or fully remote work environment and may, as a result, be more vulnerable to cyber attacks. Consequently, a security incident at any of such service providers or others in our supply chain could result in the loss, compromise, or unauthorized access to or disclosure of sensitive or personal data of our buyers or sellers. In addition, the industry has generally moved to online remote infrastructure for core work and, as a result, we and our partners may be more vulnerable to cyber attacks. If a natural disaster, power outage, connectivity issue, or other event that impacted our employees' ability to work remotely were to occur, it may be difficult or, in certain cases, impossible, for us to operate our business for a substantial period of time. The **increase in prevalence of** remote working for employees, vendors, or contractors may also result in increased consumer privacy, IT security, and fraud concerns or increased administrative costs. A successful cyber attack could occur and persist for an extended period of time before being detected. Because the techniques used by hackers change frequently, we may be unable to anticipate these techniques or implement adequate preventive measures. In addition, because any investigation of a cybersecurity incident would be inherently unpredictable, the extent of a particular cybersecurity incident and the path of investigating the incident may not be immediately clear. It may take a significant amount of time before an investigation can be completed and full and reliable information about the incident is

known. While an investigation is ongoing, we may not necessarily know the extent of the harm or how best to remediate it, certain errors or actions could be repeated or compounded before they are discovered and remediated, and communication to the public, regulators, members of our communities, and other stakeholders may be inaccurate or incomplete, any or all of which could further increase the costs and consequences of a cybersecurity incident. Applicable rules regarding how to respond, required notices to users, and reporting to regulators and investors vary by jurisdiction, and may subject **Etsy-us** to additional liability and reputational harm. If we experience, or are perceived to experience, security breaches that result in marketplace performance or availability problems or the loss, compromise or unauthorized disclosure of personal data or other sensitive information, or if we fail to respond appropriately to any security breaches that we may experience, or are perceived to do so, people may become unwilling to provide us the information necessary to set up an account with us **to become a new seller or buyer**. Existing sellers and buyers may also stop listing new items for sale, decrease their purchases, or close their accounts altogether. We could also face damage to our reputation, potential liability, regulatory investigations in multiple jurisdictions, and costly remediation efforts and litigation, which may not be adequately covered by, and which may impact our future access to, insurance. Any of these results could harm our growth prospects, our business, and our reputation for maintaining trusted marketplaces. Our software is highly complex and may contain undetected errors. The software underlying our platforms is highly interconnected and complex **. It contains vulnerabilities** and may contain undetected errors **that or vulnerabilities, some of which** may only be discovered after the code has been released. We rely heavily on a software engineering practice known as “continuous deployment,” meaning that we frequently release software code to our platforms. For the Etsy marketplace platform we typically release software code many times per day. This practice may result in the more frequent introduction of errors or vulnerabilities into the software underlying our platforms, which can impact the user experience and functionality of our marketplaces. Additionally, due to the interconnected nature of the software underlying our platforms, updates to parts of our code, third- party and open source code, and application programming interfaces, on which we rely and that maintain the functionality of our marketplaces and business, could have an unintended impact on other sections of our code, which may result in errors or vulnerabilities to our platforms that negatively impact the user experience, functionality or accessibility of our marketplaces. In some cases, such as our mobile apps, errors may only be correctable through updates distributed through slower, third- party mechanisms, such as app stores, and may need to comply with third- party policies and procedures to be made available, which may add additional delays due to app review and user delay in updating their mobile apps. In addition, our systems are increasingly reliant on artificial intelligence, machine learning systems, and large language models, which are complex, subject to increasing litigation and regulatory scrutiny, and may have errors or inadequacies that are not easily detectable. **In some instances, we may make use of third- party artificial intelligence models, including foundational models, that have been pre- trained on data which may be insufficient, erroneous, stale, contain biased information, or infringe intellectual property or other rights.** These ~~systems~~ **models** may inadvertently reduce our efficiency, or may cause unintentional or unexpected outputs that are incorrect, do not match our business goals, do not comply with our policies or applicable legal requirements **, including the E. U. Artificial Intelligence Act and similar U. S. state and international regulations**, or otherwise are inconsistent with our brands, guiding principles, and mission. Any errors or vulnerabilities discovered in our code after release could also result in damage to our reputation, loss of members of our communities, loss of revenue, or liability for damages, any of which could adversely affect our growth prospects and our business. We rely on Google Cloud for a substantial portion of the computing, storage, data processing, networking, and other services for the Etsy Marketplace. A significant disruption of or interference with our use of Google Cloud would negatively impact our operations and seriously harm our business. Google Cloud provides a distributed computing infrastructure as a service platform for the Etsy marketplace’s business operations. **Our We have migrated the Etsy marketplace’s primary production products environment and data centers services rely in significant part on continued access to , and the continued stability, reliability, and flexibility of Google Cloud ; increasing our reliance on cloud infrastructure.** Any significant disruption of, or interference with, our use of Google Cloud would negatively impact our operations, and our business would be seriously harmed. **In addition, if hosting costs increase over time, and if we require more computing or storage capacity, our costs could increase disproportionately. If we are unable to grow our revenues faster than the cost of utilizing the services of Google or similar providers, our business and financial condition could be adversely affected. Further, any** transition of the cloud services currently provided by Google Cloud to another cloud provider would be difficult to implement and would cause us to incur significant time and expense ~~. Our products and services rely in significant part on continued access to, and the continued stability, reliability, and flexibility of Google Cloud. Any significant disruption of, or interference with, our use of Google Cloud would negatively impact our operations, and our business would be seriously harmed. In addition, if hosting costs increase over time and if we require more computing or storage capacity, our costs could increase disproportionately. If we are unable to grow our revenues faster than the cost of utilizing the services of Google or similar providers, our business and financial condition could be adversely affected.~~ Reverb and Depop rely on Amazon Web Services for their primary production environment, and those marketplaces are thus subject to analogous risks. Our business depends on third- party services and technology ~~which that~~ we utilize to maintain and scale the technology underlying our platforms and our business operations. Our business operations depend upon a number of third- party service providers, such as cloud service providers, marketing platforms and providers, payments and shipping providers, contingent labor teams, and network and mobile infrastructure providers. Any disruption in the services provided by third -parties, any failure on their part to deliver their services in accordance with our scale and expectations, or any failure on our part to maintain appropriate oversight on these third- party providers during the course of our engagement with them, or appropriate redundancies, could significantly harm our business. **Our production systems rely on internal technology..... data of our buyers or sellers.** We are unable to exercise significant oversight over some of these providers, which increases our vulnerability to their financial conditions and to problems with the services they provide, such as technical failures, deprecation of key services, privacy and / or security concerns, and we have from time to time experienced

such problems with the services provided by one or more third parties. Our efforts to update our infrastructure or supply chain may not be successful as we may not sufficiently distribute our risk across providers or geographies or our efforts to do so may take longer than anticipated. If we experience failures in our technology infrastructure or supply chain or do not expand our technology infrastructure or supply chain successfully, then our ability to run our marketplaces could be significantly impacted, which could harm our business. In addition, our sellers rely on continued and unimpeded access to postal services and shipping carriers to deliver their goods reliably and timely to buyers. Our sellers have at times experienced transportation service disruptions and delays in the delivery of their goods. If these shipping delays continue or worsen, or if shipping rates increase significantly, our sellers may have increased costs, and / or our buyers may have a poor purchasing experience and may lose trust in our marketplaces, which could negatively impact our business, financial performance, and growth prospects. Our business depends on access to third-party services, platforms, and infrastructure that are critical to the successful operation of our business. Our sellers and buyers rely on access to the internet or mobile networks to access our marketplaces. We also depend on widely adopted third-party platforms to reach our customers, such as popular mobile, social, search, and advertising offerings. Internet service providers may choose to disrupt or degrade access to our platforms or increase the cost of such access. Mobile network operators or operating system providers could block or place onerous restrictions on the ability to download and use our mobile apps or deny or condition access to application programming interfaces or documentation, limiting the functionality of our products or services on the platform, including in ways that could require us to make significant changes to our marketplaces, websites, or mobile apps. If we are not able to deliver a rewarding experience on these platforms, if our or our sellers' access to these platforms is limited, if the cost or terms of accessing these platforms increases or changes, or if these large platforms implement features that compete with us or our sellers, then our business may suffer. Internet service providers, mobile network operators, operating system providers and / or app stores regularly place technical and policy restrictions on applications and platforms that use their services, which restrictions change over time. They have also and could in the future attempt to charge us for, or restrict our ability to access or provide access to, certain platforms, features, or functionality that we use in our business, and such changes may adversely affect our marketplaces. In addition, the success of our marketplaces has at times and could in the future also be harmed by factors outside our control, such as actions taken by providers of mobile and desktop operating systems, social networks, or search and advertising platforms, including:

- policy changes that interfere with, add tolls or costs to, or otherwise limit our ability to provide users with a full experience of our platforms, such as for our mobile apps or social network presence, including policy changes that effectively require us to use the provider's payment processing or other services for transactions on the provider's operating system, network, or platform;
- unfavorable treatment received by our platforms, especially as compared to competing platforms, such as the placement of our mobile apps in a mobile app download store;
- increased costs to distribute or use our platforms via mobile apps, social networks, or established search and advertising systems;
- changes in mobile operating systems, such as iOS and Android, that degrade the functionality of our mobile website or mobile apps, our understanding of the data and usage related to our services, or that give preferential treatment to competitive products;
- changes to social networks that degrade the e-commerce functionality, features, or marketing of our services or our sellers' shops and products; or
- implementation and interpretation of regulatory or industry standards by these widely adopted platforms that, as a side effect, degrade the e-commerce functionality, features, or marketing of our services or our sellers' shops and products.

Any of these events could materially and adversely affect our business, financial performance, and growth prospects. Our payments systems have both operational and compliance risks, including in-house execution risk and dependency on third-party providers. The payment offerings provided on each of our marketplaces differ and, as such, are subject to varying degrees and types of risk. In particular, each payment offering has a different level of reliance on third parties to perform certain aspects of its services. We have invested, and plan to continue to invest, in our payments tools and infrastructure, and have, or may in the future, add or change payment tools and third-party service providers to maintain existing availability, expand into additional markets, and offer new payment methods, offerings, and tools to our buyers and sellers. If we fail to invest adequate resources into our payments platforms, or if our investment efforts are unsuccessful or unreliable, our payments services may not function properly, keep pace with competitive offerings, or comply with applicable laws and regulatory requirements, any of which could negatively impact their usage and our marketplaces, as well as our trusted brands, which, in turn, could adversely affect our GMV and results of operations. We rely upon third-party service providers to perform key components of functions for our payments platforms, including payments processing and payments disbursing, compliance, currency exchange, identity verification, sanctions screening, tax collection, and fraud analysis. Failure by of these service providers to perform adequately, or changes to or termination of our relationships with these service providers, has and could again negatively affect our sellers' ability to receive payments. For example, in the first quarter of 2023, Silicon Valley Bank, one of our payment disbursement providers, collapsed and, as a result, approximately 0.5% of our active sellers experienced a delay (generally one business day) receiving their payments while we engineered a new process flow to enable those sellers to receive payments from another disbursement account. Disruptions related to our third-party service providers could also potentially affect our sellers' ability to receive orders, our buyers' ability to complete purchases, and our ability to operate our payments program, including maintaining certain compliance measures, including fraud prevention and detection tools. This could decrease revenue, increase costs, lead to potential legal liability, and negatively impact our brands and business. If we (or a third-party payment processor) suffer a security breach affecting payment card information, we could be subjected to fines, penalties, and assessments arising out of the major card brands' rules and regulations, contractual indemnification obligations or other obligations contained in merchant agreements and similar contracts, and we may lose our ability to accept payment cards as payment for our services and our sellers' goods and services. In addition, we and our third-party service providers may experience service outages from time to time that negatively impact payments on our platforms. We have in the past experienced, and may in the future experience, such payments-related service outages and, if we are unable to promptly remedy or provide an alternative payment solution, our business could be harmed. In addition, if our third-party

providers increase the fees they charge us, our operating expenses, or those of our sellers, could increase, and it could negatively impact our sellers' businesses **and** / or our business. Further, our ability to expand our payments services into additional countries is dependent upon the third-party providers we use to support these services. As we continue to expand the availability of our payments services to additional markets or offer new payment methods to our sellers and buyers in the future, we, along with our sellers may become subject to additional and evolving regulations, compliance requirements, and may be exposed to heightened operational and fraud risk, which could lead to an increase in our operating expenses. Our payments systems are subject to a complex landscape of evolving laws, regulations, rules, and standards. Various laws and regulations govern payments, and these laws are complex, evolving, and subject to change and vary across different jurisdictions in the United States and globally. Moreover, even in regions where such laws have been harmonized, regulatory interpretations of such laws may differ. As a result, we are required to spend significant time and effort determining whether various licensing and registration laws relating to payments apply to us as our business strategy and operations evolve. In addition, our payments activities and / or applicable laws and regulations **have evolved and may continue to evolve over time. For example, to require meet emerging regulatory requirements, among other reasons, our subsidiary, Etsy Payments Ireland Limited, received authorization from the Central Bank of Ireland to operate as a regulated payments institution to handle payments for sellers located in the European Economic Area. We also have applied, and may in the future apply, for registration / licensure as a payments service provider in additional jurisdictions one or more of our core regions. Should one- Each authorization as a regulated entity subjects us to additional regulation and oversight. If any** of our subsidiaries become licensed as a financial services provider in any **additional jurisdiction jurisdictions**, we would be subject to additional regulation and oversight of that subsidiary. Any failure or claim of our failure to comply, or any failure by our third-party service providers to comply, could cost us substantial resources, result in liabilities, cause us significant reputational damage, or force us to stop offering our payments services in certain markets. Additionally, changes in payment regulation may occur that could render our payments systems non-compliant and / or less profitable. Further, through our agreements with our third-party payments service providers, we are subject to evolving rules and certification requirements (including, for example, the Payment Card Industry Data Security Standard), and other contractual requirements or expectations that may materially negatively impact our payments business. Failure to comply with these rules or requirements could impact our ability to meet our contractual obligations with our third-party payment processors and could result in potential fines or negatively impact our relationship with our third-party payments processors. We are also subject to rules governing electronic funds transfers. Any change in these rules and requirements, including as a result of a change in our designation by major payment card providers, could make it difficult or impossible for us to comply and could require a change in our business operations. In addition, similar to a potential increase in costs from third-party providers described above, any increased costs associated with compliance with payment card association rules or payment card provider rules could lead to increased fees for us or our sellers, which may negatively impact payments on our platforms, usage of our payments services, and our marketplaces. **Our business could be adversely affected by economic downturns, inflation, natural disasters, public health crises, political crises, geopolitical events, or other macroeconomic conditions, which have in the past and may in the future negatively impact our business and financial performance. Macroeconomic Conditions have and may continue to adversely affect our business. If general economic conditions deteriorate in the United States or other markets where we operate, consumer discretionary product spending may decline and demand for the goods and services available on our platforms may be reduced. This would cause our Marketplace and Services revenue to decline and adversely impact our business. Global economic conditions have also generated pressure on consumer discretionary product spending. Consumer purchases of discretionary items, including the goods that we offer, generally decline during recessionary periods or periods of economic uncertainty, when disposable income is reduced or when there is a reduction in consumer confidence. Factors that could further affect consumers' willingness to make discretionary purchases include, among others: high levels of unemployment; higher consumer debt levels; global geopolitical uncertainties; reductions in net worth, declines in asset values, disruptions to the banking industry, and related market and macroeconomic uncertainty; home foreclosures and reductions in home values; fluctuating interest rates, increased inflationary pressures and lack of credit availability; rising fuel and energy costs; rising commodity prices; and other general uncertainty regarding the overall future political and economic environment. It is difficult to predict how our business might be impacted by changing consumer spending patterns. In the event of a prolonged economic downturn or acute recession, significant inflation, or increased supply chain disruptions impacting our communities of sellers and the economy as a whole, consumer spending habits could be materially and adversely affected, as could our business, financial condition, operating results, and ability to execute and capitalize on our strategies. If trends supporting self-employment, and the desire for supplemental income were to reverse, the number of sellers offering their goods in our marketplaces and the number of goods listed in our marketplaces could decline. In addition, currency exchange rates may directly and indirectly impact our business. If the U. S. dollar strengthens or weakens against foreign currencies, particularly if there is short-term volatility, our foreign currency denominated GMS and revenue, when translated into U. S. dollars, could fluctuate significantly. Currency exchange rates may also impact demand for cross-border purchases, which could impact GMS and revenue. For the year ended December 31, 2023, approximately 71 % of our GMS was denominated in U. S. dollars. Any events causing significant disruption or distraction to the public or to our workforce, or impacting overall macroeconomic conditions, such as natural disasters and other adverse weather and climate conditions, public health crises, supply chain disruptions, political instability or crises, terrorist attacks, war, social unrest, or other unexpected events, could disrupt our operations, or the operations of one or more of our third-party service providers. These events may also impact buyer demand for discretionary goods, impact sellers' ability to run their businesses on our marketplaces and ship their goods, and impact our ability to execute on our strategy, any of which could negatively impact our business and financial performance.** The global scope of our business subjects us to risks associated with operations abroad. Doing business outside of the United States subjects us to increased risks and burdens such as: • complying with different (and

sometimes conflicting) laws and regulatory standards (particularly including those related to the use and disclosure of personal information, online payments and money transmission, intellectual property, product **safety and** liability, consumer protection, online platform liability, **minors' online safety**, e-commerce marketplace regulation, **artificial intelligence**, labor and employment laws, business practices, including those related to corporate social responsibility **and sustainability**, and taxation of income, goods, and services) ~~sometimes with,~~ **including** attempts to apply these laws and regulatory standards extra-territorially; • defending our marketplaces against international litigation **and regulatory matters**, including in jurisdictions that may not offer judicial norms or protections similar to those found in the United States; • conforming to local business or cultural norms; • barriers to international trade, such as tariffs, customs, or other taxes, or, when applicable, cross-border limits placed on U. S. technology companies; • uncertainties around the continuing impact on operations of supply chain disruptions and geopolitical events such as natural disasters, pandemics, terrorism, and acts of war; • varying levels of internet, e-commerce, and mobile technology adoption and infrastructure; • potentially heightened risk of fraudulent or other illegal transactions; • limitations on the repatriation of funds; • exposure to liabilities under anti-corruption, anti-money laundering and export control laws, including the U. S. Foreign Corrupt Practices Act of 1977, as amended (the “FCPA”), the U. K. Bribery Act of 2010, trade controls and sanctions administered by the U. S. Office of Foreign Assets Control of the U. S. Treasury Department, and similar laws and regulations in other jurisdictions; • **limitations on** our ability to enforce contracts, our terms of use and policies, and intellectual property rights in jurisdictions outside the United States; • fluctuations of **foreign currency** exchange rates, **including the strengthening or weakening of the U. S. dollar against foreign currencies**; and • uncertainties and instability in U. K. and E. U. markets caused by ~~ongoing negotiations~~ **the patchwork** of cross-border service agreements triggered by Brexit. Our sellers face similar risks in conducting their businesses across borders. Even if we are successful in managing the risks of conducting our business across borders, if our sellers are not, our business could be adversely affected. Our ability to recruit and retain a **talented and broadly** diverse group of employees and retain key employees is important to our success. Significant attrition or turnover could impact our ability to grow our business. Our ability to attract, retain, and ~~motivate~~ **engage** a **talented and broadly** diverse group of employees, including our management team, is important to our success. We strive to attract, retain, and ~~motivate~~ **engage** employees who share our dedication to our **buyer and seller** communities and our mission to “Keep Commerce Human.” We cannot guarantee we will be able to continue to attract and retain the number or caliber of employees we need to maintain our competitive position, particularly given the uncertainty of the current macroeconomic environment, ~~and in light of the reduction in force as part of the Restructuring Plan approved in December 2023. While we made progress towards our impact goal of building a diverse and inclusive workforce that is broadly representative of our communities, we were not able to meet our target of doubling the percentage of U. S. employees at the Etsy marketplace who identify as Black, Latinx, or Native American by year end 2023 and recently extended the target year to 2025, which could impact our ability to attract and retain employees.~~ Some of the challenges we face in attracting and retaining employees include: • skepticism regarding our ability to ~~accelerate~~ **reignite** GMS growth in the future; • continuing ability to offer competitive compensation and benefits, including stock-based compensation, **for** and programs to support the well-being of our employees, as more external scrutiny is placed on stock-based compensation expenses ~~and the legal landscape in the United States evolves~~; • competition for talent in our industry **and our talent markets**, which could cause payroll costs, including stock-based compensation, to become a larger percentage of our total cost base; • evolving expectations **in our talent markets and our own policies** regarding **remote, hybrid or the other flexible** ability to work **modes** remotely; • enhancing engagement levels among existing employees and supporting their work-life balance; • attracting high quality talent in a timely fashion; • retaining qualified employees who support our mission and guiding principles, and continuing to do so in our hybrid work environment; • continuing to find promotion **and internal mobility** opportunities to retain key employees for leadership positions; • ~~hiring employees in multiple~~ **mitigating concerns around any potential cost-savings** ~~locations~~ **actions in light of past restructurings** globally, and building a diverse, equitable, and inclusive workforce; and • responding to competitive pressures and changing business conditions in ways that do not divert us from our guiding principles. Filling key strategic roles, including engineering and product management, can be challenging at times, particularly for more specialized positions. Qualified individuals may be limited and in high demand, and we may incur significant costs to attract, develop, retain and ~~motivate~~ **engage** them. Even if we were to offer higher compensation and other benefits, people with suitable technical skills may choose not to join us or to continue to work for us. In addition, job candidates and existing employees often consider the value of the stock awards they receive in connection with their employment. The value of our stock awards in a volatile macroeconomic environment may adversely affect our ability to recruit and retain highly - skilled employees. We operate in a **hybrid-flexible** work model in which a significant percentage of our workforce ~~remains works~~ **remote** ~~remotely~~ while others ~~work from~~ **have returned to** our offices ~~with on~~ **a flexible-hybrid** schedule. It is possible that these arrangements could have a negative impact on our **employee engagement and on the execution of our business plans and operations. We have structured our work modes to reinforce our** workplace culture, ~~and on the execution of our business plans and operations. We have recently revised and clarified our work modes to reinforce our workplace culture~~ and optimize the natural creativity and innovation that arises from live cross-functional and team gatherings in our offices. If our ~~needs~~ **work modes** are not aligned with our employees’ preferences, or if we are unsuccessful in optimizing our hybrid work environment, it may adversely affect our ability to recruit and retain employees. If we continue to operate with a significant portion of our employees located outside of our offices, and we are unable to adapt to new hybrid work modes, it could negatively impact our company culture. In general, our employees, including our management team, work for us on an at-will basis. The unexpected loss of or failure to retain one or more of our key employees, ~~such as our Chief Executive Officer, Chief Financial Officer, or Chief Technology Officer,~~ or unsuccessful succession planning, could adversely affect our business. Further, if members of our management and other key personnel in critical functions across our organization are unable to perform their duties, we may not be able to execute on our business strategy and / or our operations may be negatively impacted. Other companies, including our

competitors, may be successful in recruiting and hiring our employees, and it may be difficult for us to find suitable replacements on a timely basis or on competitive terms. If we experience increased voluntary attrition in the future, and / or if we are unable to attract and retain qualified employees in a timely fashion or on reasonable terms, particularly in critical areas of operations such as engineering, we may not achieve our strategic goals and our business and operations could be harmed. We may be unable to adequately protect our intellectual property. Our intellectual property is an essential asset of our business. To establish and protect our intellectual property rights, we rely on a combination of copyright, trademark, and patent laws, as well as confidentiality procedures and contractual provisions. We also rely on trade secret protection for parts of our technology and intellectual property. The efforts we have taken to protect our intellectual property may not be sufficient or effective. We generally do not elect to register our copyrights, relying instead on the laws protecting unregistered intellectual property, which may not be sufficient. We rely on both registered and unregistered trademarks, which may not always be comprehensive in scope. In addition, our copyrights ~~and~~, trademarks ~~, whether or not registered~~, and patents may be held invalid or unenforceable if challenged, and may be of limited territorial reach. While we have obtained or applied for patent protection with respect to some of our intellectual property, patent filings may not be adequate alone to protect our intellectual property, and may not be sufficiently broad to protect our proprietary technologies. Additionally, it is expensive to maintain these rights, both in terms of application and maintenance costs, and the time and cost required to defend such rights, if necessary ~~, could be substantial~~. From time to time, we acquire intellectual property from third ~~parties~~, but these acquired assets, like our internally developed intellectual property, may lapse, be abandoned, be challenged or circumvented by others, be held invalid, be unenforceable, or may otherwise not be effective in protecting our platforms. In addition, we may not be effective in policing unauthorized use of our intellectual property and authorized uses may not have the intended effect. Even when we do detect violations, enforcing our rights may require us to engage in litigation, use of takedowns and similar procedures, or licensing. Any enforcement efforts we undertake, including litigation, could be time- consuming and expensive and could divert our management's attention. In addition, our efforts may be met with defenses and counterclaims challenging the validity and enforceability of our intellectual property rights or may result in a court determining that our intellectual property rights are unenforceable. If we are unable to adequately prevent unauthorized use or misappropriation of our intellectual property by third parties, the value of our brand and other intangible assets may be diminished and customers may lose trust in Etsy. Any of these events could have an adverse effect on our business. We attempt to protect our intellectual property and confidential information in part through confidentiality, non- disclosure, and invention assignment agreements with employees, advisors, service providers and other third ~~parties~~ who develop intellectual property on our behalf, or with whom we share information. However, we cannot guarantee that we have entered into such agreements with each party that has developed intellectual property on our behalf or that has or may have had access to our confidential information, trade secrets and other intellectual property. These agreements may also be breached, or may not effectively prevent unauthorized use, disclosure, or misappropriation of our confidential information or intellectual property. Moreover, these agreements may not provide an adequate remedy for breaches or in the event of unauthorized use or disclosure of our confidential information or infringement of our intellectual property. The legal framework surrounding protection of intellectual property changes frequently throughout the world, particularly as to technologies used in e- commerce, and these changes may impact our ability to protect our intellectual property and defend against third- party claims. If we are unable to cost- effectively protect our intellectual property rights, our business could be harmed. We may experience fluctuations in our tax obligations and effective tax rate. We are subject to a variety of tax and tax collection obligations in the United States and in numerous other foreign jurisdictions. We record tax expense, including indirect taxes, based on current tax payments and our estimates of future tax payments, which may include reserves for estimates of probable or likely settlements of tax audits. We may recognize additional tax expense and be subject to additional tax liabilities, including tax collection obligations, due to changes in tax law, regulations, administrative practices, principles, and interpretations related to tax, including changes to the global tax framework, competition, and other laws and accounting rules in various jurisdictions. An increasing number of jurisdictions are considering or have adopted laws or administrative practices that impose new tax measures, including revenue- based taxes, such as digital services taxes or online sales taxes, targeting online commerce and the remote selling of goods and services. These include new obligations to withhold or collect sales, consumption, value added, or other taxes on online marketplaces and remote sellers, or other requirements that may result in liability for third- party obligations. For example, several jurisdictions have proposed or enacted taxes on online advertising and marketplace service revenues. Proliferation of these or similar unilateral tax measures may continue unless broader international tax reform is implemented. Our effective tax rate, results of operations and cash flows **have at times been, and could in the future be**, materially and adversely affected by additional taxes imposed on us prospectively or retroactively. We may also be subject to increased requirements for marketplaces to report, collect, remit, and hold liability for their customers' direct and indirect tax obligations, as a result of changes to regulations, administrative practices, outcomes of court cases, and changes to the global tax framework ~~. Over the last several years, the Organization for Economic Cooperation and Development ("OECD") has been developing its "two pillar" project to address the tax challenges arising from digitalization. The OECD project, if broadly implemented by participating countries, will result in significant changes to the international taxation system under which our current tax obligations are determined. The second pillar of the project ("Pillar Two") calls for a minimum tax rate on corporations of 15 % and is expected to be implemented by a significant number of countries starting in 2024. The OECD and implementing countries are expected to continue to make further revisions to the rules, however, we expect adverse consequences to our tax liabilities based on rules as currently drafted. We will continue to monitor developments to determine any potential impact of Pillar Two in the countries in which we operate.~~ Our effective tax rate and cash taxes paid in a given financial statement period may be adversely impacted by results of our business operations including changes in the mix of revenue among different jurisdictions, acquisitions, investments, entry into new geographies, the relative amount of foreign earnings, changes in foreign currency exchanges rates, changes in our stock price, intercompany transactions, changes to

accounting rules, expectation of future profits, changes in our deferred tax assets and liabilities and our assessment of their realizability, and changes to our ownership or capital structure. Fluctuations in our tax obligations and effective tax rate could adversely affect our business. In the ordinary course of our business, there are numerous transactions and calculations for which the ultimate tax determination is uncertain. Although we believe that our tax positions and related provisions reflected in the financial statements are fully supportable, we recognize that these tax positions and related provisions may be challenged by various tax authorities. These tax positions and related provisions are reviewed on an ongoing basis and are adjusted as additional facts and information become available, including progress on tax audits, changes in interpretation of tax laws, developments in case law, and closing of statute of limitations. To the extent that the ultimate results differ from our original or adjusted estimates, our effective tax rate can be adversely affected. The (provision) benefit for income taxes involves a significant amount of management judgment regarding interpretation of relevant facts and laws in the jurisdictions in which we operate. Future changes in applicable laws, **including any implementation of the Organization for Economic Cooperation and Development (“ OECD ”) “ two pillar ” project**, projected levels of taxable income, and tax planning could change the effective tax rate and tax balances recorded by us. In addition, tax authorities periodically review income tax returns filed by us and raise issues regarding filing positions, timing and amount of income and deductions, and the allocation of income among the jurisdictions in which we operate. A significant period of time may elapse between the filing of an income tax return and the ultimate resolution of an issue raised by a revenue authority with respect to that return. Any adjustments as a result of any examination may result in additional taxes or penalties against us. If the ultimate result of these audits differs from original or adjusted estimates, they could have a material impact on our effective tax rate and tax liabilities. At any one time, we typically have multiple tax years subject to audit by various taxing jurisdictions. As a result, we could be subject to higher than anticipated tax liabilities as well as ongoing variability in our quarterly tax rates as audits close and exposures are re-evaluated. The terms of our debt instruments may restrict our ability to pursue our business strategies. We do not currently have any outstanding borrowings under our credit facility. While the indentures governing our outstanding convertible notes do not include material restrictions on our ability to pursue our business strategy, our credit facility requires us to comply with, and future debt instruments may require us to comply with, various covenants that limit our ability to take actions such as: disposing of assets; completing mergers or acquisitions; incurring additional indebtedness; encumbering our properties or assets; paying dividends, making other distributions or repurchasing our common stock; making specified investments; and engaging in transactions with our affiliates. These restrictions could limit our ability to pursue our business strategies. If we default under our credit facility and if the default is not cured or waived, the lenders could terminate their commitments to lend to us and cause any amounts outstanding to be payable immediately. Such a default could also result in cross defaults under other debt instruments. Moreover, any such default would limit our ability to obtain additional financing, which may have an adverse effect on our cash flow and liquidity. Our insurance may not cover or mitigate all the risks facing our business. While we have insurance coverage for many aspects of our business risk, this insurance coverage may be incomplete or inadequate, or in some cases may not be available. Our business has evolving risks that may be unpredictable. We cannot be sure that our existing insurance coverage, including coverage for cyber events and errors and omissions, will continue to be available on acceptable terms or that our insurers will not deny coverage as to all or part of any future claim or loss. For certain risks we face, we may be required to, or may elect to, self-insure or rely on insurance held by third parties, legal defenses and immunities, indemnification agreements, or limits on liability, which may be insufficient. For example, we may not have adequate insurance coverage related to the actions of sellers on our platforms or for security incidents or data breaches. In evolving areas such as platform products liability, court decisions suggest that different jurisdictions may take differing positions on the scope of e-commerce platform liability for seller products. In some circumstances, a platform might be held liable for violations of applicable legal regimes by sellers and their products, such as intellectual property laws, privacy and security laws, product regulation, or consumer protection laws. Court decisions and regulatory changes in these areas may shift quickly, both in the United States and worldwide, and our insurance may be inadequate or unavailable to protect us from existing or newly developing legal risks. Finally, while some sellers on our platforms may be insured for some or all of these risks, many small businesses do not carry any or sufficient insurance, and, even if a seller is insured, the insurance may not cover the relevant loss. These factors may lead to increased costs for insurance, our increased liability, increased liability or requirements on sellers on our platforms, changes to our marketplaces or business model, or other damage to our brands and reputation.

Strategic Risks Related to Our Business and Industry We face intense competition and may not be able to compete effectively. Operating e-commerce marketplaces is highly competitive and we expect competition to increase in the future. We face competition from a wide range of online and offline competitors on both sides of our two-sided marketplace, which connects buyers and sellers to facilitate transactions. We compete for sellers with **many companies and venues, including** marketplaces, retailers, **and** social media commerce, **and companies that sell software and services to small businesses**. For example, in addition to listing her goods for sale on the Etsy or other “ House of Brands ” marketplaces, a seller can list her goods with online retailers or sell her goods through local consignment and vintage stores, as well as other venues or marketplaces, or through commerce channels on social networks. They may also sell wholesale directly to traditional retailers, including large national retailers, who discover her **their** goods in our marketplaces or otherwise. We also compete with companies that sell software and services to small businesses, enabling a seller to sell from her own website or otherwise run her business independently of our platforms, or enabling her to sell through multiple channels. Additionally, Reverb offers integrations with **some of** these **and other** companies to help sellers integrate their inventory across channels and otherwise power their businesses. Changes in the terms **and conditions** of those companies could make it more difficult or expensive for sellers to sell on Reverb. We compete to attract, engage, and retain sellers based on many factors, including: • the value, awareness, and perception of our brands; • our investments in product and marketing for the benefit **or of** our sellers; • the effectiveness of our **sealed** member support and trust and safety practices and policies; • the global scale of our marketplaces and the breadth of our online presence; • our tools,

education, and services, ~~which support a seller in running her business~~; • the number and engagement of buyers; • our policies and fees; • the ability of a seller to scale her business; • the effectiveness of our mobile apps; • the strength of our communities; and • our mission. We also face competition on the buyer side from both online and offline competitors. We compete ~~with both online and offline retailers~~ for the attention of buyers who have the choice of shopping with any online or offline ~~retailer venue~~, including large e-commerce marketplaces, national retail chains, local consignment and vintage stores, social commerce channels, event-driven platforms and vertical experiences, resale ~~ecommerce and marketplaces~~, streaming video commerce ~~sites and apps~~, and other venues or marketplaces. Many of these companies offer low-cost or free shipping, fast shipping times, favorable return policies, and other features that may be difficult or impossible for our sellers to match. We compete to attract, engage, and retain buyers based on many factors, including: • the breadth and quality of items that sellers list in our marketplaces; • the ease of finding items; • the value and awareness of our brands; • the effectiveness of our marketing; • the person-to-person commerce experience; • customer service; • our reputation for trustworthiness; • the availability of timely, fair, and free shipping offered by sellers to buyers; • ease of payment; • localization and experiences targeted based on regional preferences, and • the availability and reliability of our platforms. We also compete for media placements, including with retailers competing for the attention of our buyers, and increased competition can impact the cost we pay for media placements, including in dynamic auctions. Many of our competitors and potential competitors have longer operating histories, greater resources, better name recognition, or more customers than we do. They may invest more to develop and promote their services than we do, and they may offer lower fees to sellers than we do. Large, widely adopted platforms may benefit from significant user bases, access to user or industry-wide data, the ability to unilaterally set policies and standards, and control over complementary services such as fulfillment, advertising or on-platform apps or e-commerce transactions. To the extent Etsy and our sellers may rely on these competitors' services, such services may be integrated into site functionality, and these competitors may have access to substantial data about Etsy and its communities of buyers and sellers. As a result, they may be able to reduce our ability to service our users, ~~reduce and / or our ability~~ to obtain analytics or information to optimize advertising or intentionally seek to disintermediate Etsy. Local companies or more established companies based in markets where we operate outside of the United States may also have a better understanding of local customs, providing them a competitive advantage. For example, in certain markets outside the United States, we compete with smaller, but similar, local online marketplaces with a focus on unique goods that are attempting to attract sellers and buyers in those markets. If we are unable to compete successfully, or if competing successfully requires us to expend significant resources in response to our competitors' actions, our business and results of operations could be adversely affected. Our marketing efforts to help grow our business may not be effective. Maintaining and promoting awareness of our marketplaces and services is important to our ability to attract and retain sellers and buyers. One of the key parts of our strategy for the Etsy marketplace is to bring new buyers to the marketplace, reactivate lapsed buyers, and create more habitual buyers by inspiring more frequent purchases across multiple categories and purchase occasions. We continue to iterate on and invest in our marketing strategies for each of our marketplaces, which may not succeed for a variety of reasons, including our inability to execute and implement our plans. Our digital marketing efforts currently include, among others, search engine optimization, search engine marketing, affiliate marketing, and display advertising, as well as social media, mobile push notifications, and email marketing. If we fail to scale and deliver an effective return on investment in any of ~~these our~~ marketing efforts, it may harm our business. We also engage with celebrities and influencers as part of our marketing efforts, and our perceived affiliation with these individuals could cause us brand or reputational damage in the event they are perceived to be or take actions inconsistent with our brands and values. Additionally, we invest significantly in brand advertising via channels such as television and digital video advertising. If we do not produce effective content or purchase effective air time and placement for that content, it could fail to deliver a return on our investment, and damage our brands and / or business. Many of our marketing efforts include our sellers and products from their shops selected via automated systems. These automated systems may not always operate effectively. While both our manual and automated systems have tools and procedures designed to account for our and our partners' policies, despite our best efforts, we may inadvertently include in our marketing efforts sellers or their products inconsistent with our policies, brands, and values, which could result in failure to deliver a return on our investment, media or regulatory scrutiny, and damage to our brands and / or business. We obtain a significant number of visits via search engines such as Google. Search engines frequently change the algorithms that determine the ranking and display of results of a user's search, alter analytics or search engine optimization data available to us, ~~or make other changes to the way results are displayed, which periodically~~. **These changes have and may continue to** negatively ~~affects~~ ~~affect~~ the placement of links to our marketplaces and ~~reduces~~ ~~reduce~~ the number of visits ~~or otherwise negatively impacts~~ ~~we receive from search engines. We continue to adjust~~ our marketing efforts ~~strategies to account for these changes, but there can be no guarantee these adjustments will be effective~~. We also obtain a significant number of visits from social media platforms such as Facebook, Instagram, and Pinterest. Search engines, social networks, and other third ~~parties~~ typically require compliance with their policies and procedures, which may be subject to change or new interpretation with limited ability to negotiate, which from time to time negatively impacts our marketing capabilities (including marketing services for our sellers), GMS, and revenue. Etsy-provided controls for users to limit third-party advertising features, the growing use of online ad-blocking software and technological changes to browsers and mobile operating systems that, for example, limit access to usage information for advertisers like Etsy, impact the effectiveness of, or our visibility and insights into, our marketing efforts. As a result, we may fail to bring more buyers, or fail to increase frequency of visits, to our platforms. In addition, ongoing legal and regulatory changes in the data privacy, social media and technology spheres in U. S. states and countries throughout the world – and the interpretation of these laws by major search, social, and operating system providers – **have and may continue to** impact the scope and effectiveness of marketing and advertising services generally, including those used on our platforms. We also obtain a significant number of visits through email marketing. If we are unable to successfully deliver emails to our sellers and buyers, if our email subscription tools do not function correctly, or if our sellers

and buyers do not open our emails, whether by choice, because those emails are marked as low priority or spam, or for other reasons, our business could be adversely affected. As e-commerce, search, and social networking, as well as related regulatory regimes, evolve, we must continue to evolve our marketing tactics and technology accordingly and, if we are unable to do so, our business could be adversely affected. ~~Some~~ **Many** providers of consumer devices, mobile or desktop operating systems, and web browsers have ~~implemented blocked~~, or have announced ~~options plans to implement ways to block~~, **third-party** cookies and similar online tracking technologies, which ~~if widely adopted, could also result in~~ **has and may continue to reduce the effectiveness of traditional** online tracking methods ~~becoming significantly less effective~~. Similarly, our vendors, particularly those providing advertising and analytics products and services have ~~modified~~ and may continue to ~~modify~~ their products and services based on legal and technical changes relating to privacy in ways that could reduce the efficiency of our marketing efforts and our access to data about use of our platforms. Any reduction in our ability to make effective use of such technologies could harm our ability to personalize the experience of buyers, increase our costs, and limit our ability to attract and retain our sellers and buyers on cost-effective terms. As a result, our business and results of operations could be adversely affected. Enforcement of our marketplace policies may negatively impact our brands, reputation, and / or our financial performance. We maintain and enforce policies that outline expectations for users while they engage with our services, whether as a seller, a buyer, or a third-party. Additionally, we prohibit a range of items on our marketplaces, including (but not limited to): drugs, alcohol, tobacco, weapons, endangered animal products, hazardous materials, recalled items or those that create an unreasonable risk of harm, highly-regulated items, items violating intellectual property rights of others, illegal products, pornography, items from sanctioned jurisdictions, hateful content, and items that promote or glorify violence. We maintain and enforce these policies in order to uphold the safety and integrity of our marketplaces, **comply with laws and regulations**, engender trust in the use of our services, and encourage positive connections among members of our communities. We strive to enforce these policies in a consistent and principled manner that is transparent and explicable to stakeholders. However, even with a principled and objective approach, this work involves a combination of human judgment and technological and manual review. As a result, there could be errors or **inconsistencies in, or** disagreement with, our policy determinations; policy enforcement could be subject to different, inconsistent, or conflicting regional consensus or regulatory standards in different jurisdictions; and our policy decisions could be perceived to be arbitrary, unfair, unclear, or inconsistent. Similarly, the tools and processes in place at the other marketplaces that make up our "House of Brands" portfolio **are differ from those used by the Etsy marketplace, and our tools and processes may not be** as sophisticated or mature as those **of our competitors** used by the Etsy marketplace. Shortcomings and errors in our policy enforcement across our marketplaces could lead to negative public perception, distrust from our members, or lack of confidence in the use of our services, and could negatively impact the reputation of our brands. ~~In particular, certain enforcement~~ **Enforcement of decisions, even those these we deem necessary for policies has been in the past health and safety of our marketplaces, and may continue to be,** received negatively by stakeholders or the public **or negatively affect our financial performance. For example,** such as: ~~we have~~ **may choose to limit-limited** or **prohibit prohibited** the sale of items in our marketplaces based on our policies, **and will continue to do so**, even though we could benefit financially from the sale of those items ~~and~~. **Additionally,** from time to time, we ~~may~~ revise our policies in ways that we believe will enhance trust in our platforms, ~~but which even though the changes may be~~ **negatively** perceived ~~unfavorably, such as updates to~~ **by segments of our communities or the other way we define handmade stakeholders. As a result, enforcement of our policies may negatively impact our brands, reputation, and / or financial performance.** If we are unable to successfully execute on our business strategy or if our strategy proves to be ineffective, our business, financial performance, and growth could be adversely affected. Our ability to execute our strategy is dependent on a number of factors, including the ability of our senior management team and key team leaders to execute the strategy, our ability to iterate in a rapidly evolving e-commerce landscape, maintain our pace of product experiments coupled with the success of such initiatives, our ability to meet the changing needs of our sellers and buyers, and the ability of our employees to perform at a high level. If we are unable to execute our strategy ~~including our recent efforts to reduce our operating expenses~~, if our strategy does not drive the growth that we anticipate, if the public perception is that we are not executing on our strategy, or if our market opportunity is not as large as we have estimated, it could adversely affect our business, financial performance, and growth. For more information on our strategy, see Part I, Item 1, "Business — Overview — Our Strategy." If we are not able to keep pace with technological changes and enhance our current offerings and develop new offerings to respond to the changing needs of sellers and buyers, our business, financial performance, and growth may be harmed. Our industry is characterized by rapidly changing technology, new service and product introductions, and changing customer demands and preferences, and we are not able to predict the effect of these changes on our business. The technologies that we currently use to support our platforms may become inadequate or obsolete, and the cost of incorporating new technologies into our products and services may be substantial. Our sellers and buyers, however, may not be satisfied with our enhancements or new offerings or may perceive that these offerings do not respond to their needs or create value for them. Additionally, as we invest in and experiment with new offerings or changes to our platforms, our sellers and buyers may find these changes to be disruptive and may perceive them negatively. In addition, developing new services and features is complex, and the timetable for public launch is difficult to predict and may vary from our historic experience. As a result, the introduction of new offerings may occur after anticipated release dates, or they may be introduced as pilot programs, which may not be continued for various reasons. In addition, new offerings may not be successful due to defects or errors, negative publicity, or our failure to market them effectively. New offerings may not drive GMS or revenue growth, may require substantial investment and planning, and may bring us more directly into competition with companies that are better established or have greater resources than we do. If we do not continue to cost-effectively develop new offerings that satisfy sellers and buyers, then our competitive position and growth prospects may be harmed. In addition, new offerings may not drive the GMS or revenue that we anticipate, may have lower margins than we anticipate or than existing offerings, and our revenue from the new offerings may not be enough to offset the cost of

developing and maintaining them, which could adversely affect our business, financial performance, and **growth prospects**. Continuing to expand our operations outside of the United States is part of our strategy, and ~~the growth of~~ our business could be harmed if our expansion efforts do not succeed. ~~We are focused on growing our business both inside and outside of the United States~~. Operating outside of the United States requires significant management attention, including managing operations and people over diverse geographic areas with varying cultural norms and customs, and adapting our platforms and business operations to local markets. Although we have a significant number of sellers and buyers outside of the United States, **and Depop is headquartered in the United Kingdom**, we are **primarily** a U. S.- based company with less experience developing local markets internationally, ~~and we~~ may not execute our strategy successfully. For example, ~~as previously announced, we sold our interest in Elo7 in August 2023~~ in light of challenges we faced to effectively scale ~~Elo7 the business~~ in Brazil **and over the last two years, particularly given headwinds created by the local macroeconomic environment, we sold our interest in Elo7 in August 2023**. In addition, while Etsy has a vibrant community of sellers in India, in late 2023, we decided to focus on bringing ~~them our India- based sellers~~ potential sales through cross- border, global transactions **and enabling them to reach global buyers outside of India** and to deprioritize developing a domestic marketplace in India. An inability to develop our communities globally or to otherwise grow our business outside of the United States in a cost- effective manner could adversely affect our GMS, revenue, and operating results. Our **business** ~~ability to grow our international operations~~ may be adversely affected by any circumstances that reduce or hinder cross- border trade. For example, the shipping of goods cross- border is typically more expensive and slower than domestic shipping and often involves complex customs and duty inspections **and may be dependent on national postal carrier systems**. If jurisdictions become increasingly fragmented, with additional regulation of small sellers and platforms, tariffs, **changes to de minimis thresholds**, certifications, representative requirements, and customs requirements that increase the cost or complexity of cross- border trade, whether on the seller’ s sourcing of materials or between the seller and buyer, our business could be adversely impacted. In addition, our international growth strategy may be adversely affected by geopolitical **or other** events ~~or public health crises like the COVID- 19 pandemic~~ that result in closures, delayed or terminated delivery services, or movement restrictions ~~outside the United States~~. Despite our execution efforts, the goods that sellers list on our Etsy and Reverb marketplaces may not appeal to non- U. S. consumers in the same way as they do to consumers in the United States. In addition, non- U. S. buyers are not as familiar with the Etsy and Reverb brands as buyers in the United States and may not perceive us as relevant or trustworthy. ~~Also Similarly, consumers visits to our Etsy and Reverb marketplaces from buyers outside the United Kingdom and United States may not convert into sales as often as visits from within the United States, including due to the impact of a strong U. S. dollar relative to other currencies and the fact that most of the goods listed on these platforms are denominated in U. S. dollars. Similarly, non- U. K. consumers may be less familiar with Depop than consumers in the United Kingdom~~, which may make it challenging to expand into new markets. Competition is likely to intensify **as we expand our business** in markets outside of the United States, ~~both where we operate now and where we plan to expand~~. Local companies based outside the United States may have a substantial competitive advantage because of their greater understanding of, and focus on, their local markets, along with regulations that may favor local companies. Some of our competitors may also be able to develop and grow internationally more quickly than we will. ~~Continuing international expansion may also require significant financial investment~~. To facilitate continued international expansion, we plan to continue investing in ~~local buyer and seller upper, mid and lower funnel~~ marketing and enhancing the localization of the Etsy site experience ~~(through machine translation, search optimization, and local carrier and payment methods)~~ to help sellers and buyers transact even if they are not in the same country and / or do not speak the same language. We may **also form** ~~engage in forming~~ relationships with third- party service providers to support operations in multiple countries, and potentially acquire additional companies based outside the United States to integrate them into our operations, **both of which could expose us to additional risks**. Our investment outside of the United States may be more costly than we expect or unsuccessful. We have incurred impairment charges for our goodwill and other long- lived tangible and intangible assets, and may incur further impairment charges in the future, which would negatively impact our operating results. In the quarter ended June 30, 2023, we recorded non- cash impairment charges of \$ 68. 1 million to write- off property and equipment and intangible assets in full for Elo7. In addition, in the quarter ended September 30, 2022, we recorded non- cash impairment charges of \$ 897. 9 million and \$ 147. 1 million to write- off goodwill in full for Depop and Elo7, respectively. Impairments have resulted **and may result** from, among other things, deterioration in performance, adverse market conditions, adverse changes in applicable laws or regulations, challenges applying our technological, marketing, and operational expertise to help scale the acquired brands’ marketplaces in a profitable, efficient, and effective manner, and a variety of other factors. We review goodwill and other long- term assets quarterly to assess if indicators of impairment arise, including the deterioration of macroeconomic conditions, a rise in the risk- free long- term interest rates, or a decline in our results of operations. The result of such review may indicate a decline in the fair value of goodwill and other long- term tangible and intangible assets requiring additional impairment charges. In the event we are required to record an additional non- cash impairment charge to our goodwill, other intangibles, and / or long- lived assets, such a non- cash charge could have a material adverse effect on our Consolidated Statements of Operations and Balance Sheets in the reporting period in which we record the charge. ~~For additional information, see Part II, Item 8, “ Note 7 — Goodwill and Intangible Assets ” and Part II, Item 7, “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Critical Accounting Estimates and Policies — Valuation of Goodwill. ”~~ We may **engage in** ~~expand our business through additional~~ acquisitions, **dispositions**, ~~of other businesses or assets~~ or strategic partnerships and investments, which may divert management’ s attention and / or prove to be unsuccessful. We have acquired businesses in the past and may acquire additional businesses or technologies, or enter into strategic partnerships, in the future. We have not always been able to realize the anticipated benefits of our acquisitions, and may not be able to realize the anticipated benefits of possible future acquisitions or partnerships, and such ~~relationships~~ **transactions** may disrupt our business and divert management’ s time and attention. **We have also disposed of businesses in the past and may in the future dispose of businesses or assets that no longer fit our**

long-term strategies. In addition, integrating an acquired business or technology, **or separating an existing business or asset group,** is risky and may require significant time and attention from our management team and workforce. Any acquisitions, **dispositions,** or partnerships may result in unforeseen operational difficulties and expenditures associated with: • integrating new businesses and technologies into **or separating existing businesses from,** our infrastructure; • clearing any required regulatory review that may be complex, costly, time-consuming, or place additional requirements on the business; • implementing growth initiatives; • integrating **or separating** administrative functions; • hiring, retaining, and integrating key employees; • supporting and enhancing morale and culture; • retaining key customers, merchants, vendors, and other key business partners; • maintaining or developing controls, procedures, and policies (including effective internal controls over financial reporting and disclosure controls and procedures, as well as information privacy controls); and • assuming liabilities related to the activities of the acquired business before and after the acquisition, including liabilities for violations of laws and regulations, intellectual property infringement, commercial disputes, cyber attacks, taxes, and other matters. We also may issue additional equity securities in connection with an acquisition or partnership, which could cause dilution to our stockholders. Finally, acquisitions, **dispositions,** or partnerships could be viewed negatively by analysts, investors, or the members of our communities. If our “House of Brands” strategy is unsuccessful, or we fail to realize the expected benefits of our acquisitions, our business, growth and / or results of operations could be adversely affected. We are subject to risks related to our environmental, social, and governance activities and disclosures. Our Impact strategy focuses on Etsy’s mission to “Keep Commerce Human” and the positive impact we want our business to have. We ~~are committed to growing sustainably by aligning our mission and business strategy to help create economic impact through entrepreneurship.~~ We have also announced a number of goals and initiatives and elected to publicly report on a significant number of environmental and social metrics that we monitor (our “ESG metrics”) and include them in ~~this our~~ Annual Report. As a result, our business may face heightened scrutiny for these activities. For more information see Part I, Item I, “Business — ESG Reporting: Our Impact Goals, Strategy, & Progress —” (**our “Impact Goals”**). While selected metrics receive limited assurance from an independent third-party, this is inherently a less rigorous process than the reasonable assurance sought in connection with a financial statement audit and such review process may not identify errors and may not protect us from potential liability under the securities laws **or other applicable laws.** In addition, for some of the metrics we report, the methodology of computation and / or the scope of our value chain assessed continues to evolve from year to year. As a result, period over period comparisons may not be meaningful. The implementation of our Impact strategy, including our Impact investing strategy and other initiatives intended to help us meet our Impact ~~goals~~ **Goals,** requires considerable investments, and our goals, with all of their contingencies, dependencies, and in certain cases, reliance on third-party verification and / or performance, are complex and ambitious, and we ~~cannot guarantee that we will~~ **are not always able to** achieve them. If we do not demonstrate progress against our Impact strategy or if our Impact strategy is not perceived to be adequate or appropriate, our reputation could be harmed. We could also damage our reputation and the value of our brands if we or our vendors fail to act responsibly in the areas in which we report, or we fail to demonstrate that our commitment to our Impact strategy enhances our overall ~~financial performance.~~ Further, we purchase verified emissions reductions (“VERs”) and use renewable energy credits (“RECs”), including RECs arising from a 15-year virtual power purchase agreement expiring in 2034, to help balance our carbon and energy footprints. If the cost of VERs were to materially increase or we were required to purchase a significant number of additional VERs or RECs, our cost to obtain these offsets and / or credits could increase materially which could impact our ability to meet our public goals or our financial performance. There can be no assurance that our current programs, reporting frameworks, and principles will be in compliance with any new environmental and social laws and regulations that may be promulgated in the United States and elsewhere. Additionally, the costs and business impact of changing our current practices to comply with ~~recently enacted~~ **current and future** regulatory requirements ~~in, including the those from the SEC, European Union, and California, including the those recently enacted~~ **relating to** carbon offset disclosure requirements, ~~or any future laws and regulations,~~ may be substantial. Furthermore, industry and market practices may further develop to become even more robust than what is required under any new laws and regulations, and we may have to expend significant efforts and resources to keep up with market trends and stay competitive among our peers. While ~~most many~~ of the ~~new~~ **recently introduced environmental and social** laws ~~being introduced~~ are designed to promote more robust transparency and enhance resiliency, ~~which can create the conditions for us to meet our Impact goals,~~ laws, **regulations, and administrative actions** have also been ~~introduced~~ **proposed and implemented** in the United States ~~that are designed to limit or, restrict, or prohibit~~ company activities on environmental and social issues. **As a result** ~~if such laws are successfully passed in the United States or elsewhere, or resistance to ESG initiatives grows,~~ our Impact strategy and ESG metrics may subject us to heightened scrutiny, litigation or regulatory proceedings, or reputational damage. Any harm to our reputation resulting from setting public goals or our failure or perceived failure to meet such goals could impact employee engagement and retention, the willingness of our buyers and sellers and our partners and vendors to do business with us, or investors’ willingness to purchase or hold shares of our common stock, any of which could adversely affect our business, ~~and~~ **financial performance,** ~~and growth.~~ We may need additional capital, which may not be available to us on acceptable terms or at all. We believe that our existing cash and cash equivalents and short- and long- term investments, together with cash generated from operations, will be sufficient to meet our anticipated operating cash needs for at least the next 12 months. However, we may require additional cash resources due to changes in business conditions or other developments, such as acquisitions or investments we may decide to pursue. We may seek to borrow funds under our credit facility or sell additional equity or debt securities. The sale of additional equity or convertible debt securities could result in dilution to our existing stockholders. Any debt financing that we may secure in the future could result in additional operating and financial covenants that would limit or restrict our ability to take certain actions, such as incurring additional debt, making capital expenditures, repurchasing our stock, or declaring dividends. It is also possible that financing may not be available to us in amounts or on terms acceptable to us, if at all. Weakness and volatility in capital markets and the economy in general could limit our access to capital markets and increase

our costs of borrowing. We have a significant amount of debt and may incur additional debt in the future. We may not have sufficient cash flow from our business to pay our substantial debt when due. Our ability to pay our debt when due or to refinance our outstanding indebtedness, including the 0.125% Convertible Senior Notes due 2026 we issued in September 2019 (the “2019 Notes”), the 0.125% Convertible Senior Notes due 2027 we issued in August 2020 (the “2020 Notes”), and the 0.25% Convertible Senior Notes due 2028 we issued in June 2021 (the “2021 Notes” and together with the 2019 Notes and the 2020 Notes, the “Notes”), depends on our future performance, which is subject to economic, financial, competitive, and other factors beyond our control. Our business may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. While we used a portion of the net proceeds from each of the Notes offerings to enter into separate privately negotiated capped call instruments designed to reduce the potential dilution and / or offset a portion of the cash payments due in respect of the Notes, there can be no assurance that the capped call instruments will pay out in full or at all. If we are unable to generate the cash flow necessary to pay our debts when due, we may be required to adopt one or more alternatives, such as selling assets, **refinancing or** restructuring debt, or obtaining additional equity capital on terms that may be onerous or highly dilutive. In addition, any required repurchase of the Notes for cash as a result of a fundamental change would lower our current cash on hand such that we would not have those funds available for use in our business or could require us to obtain additional financing to fund the repurchase. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. For example, the Federal Reserve increased its benchmark interest rate multiple times in 2022 and 2023 in a bid to reduce rising inflation rates in the United States, **which and additional rate hikes may be adopted in the future. These interest rate increases have** resulted in higher short-term and long-term borrowing costs **and could impact the general availability of credit.** Higher prevailing interest rates and / or a tightening supply of credit may adversely affect the terms upon which we will be able to refinance our indebtedness, if at all. As a result, we may not be able to engage in any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations. Based on the daily closing prices of our stock during the quarter ended December 31, **2023-2024**, holders of the Notes are not eligible to convert their Notes during the first quarter of **2024-2025**. See Part II, Item 8, “Notes to Consolidated Financial Statements — **2** Note **13-12** — Debt” for more information on the Notes. In addition, we and our subsidiaries may be able to incur substantial additional debt in the future, subject to the restrictions contained in our debt instruments, some of which may be secured debt. If, for example, we incur additional debt, secure existing or future debt, or recapitalize our debt, these actions may diminish our ability to make payments on our substantial debt when due. Regulatory, Compliance, and Legal Risks Failure to deal effectively with fraud or other illegal activity could harm our business. Our operations are subject to anti-corruption laws, such as the FCPA, which generally prohibit us and our officers, employees, and third-party intermediaries from, directly or indirectly, offering, authorizing, or making improper payments to government officials and other persons for the purpose of obtaining or retaining business or another advantage. Our operations are also subject to U. S. and foreign export controls, trade sanctions, and import laws and regulations. Such laws may restrict or prohibit the provision of certain products and / or services to countries, governments, and persons targeted by U. S. sanctions. We have adopted policies and procedures that are intended to ensure compliance with law, including, for example anti-corruption, anti-money laundering, export control, and trade sanctions requirements, and we have measures in place to detect and limit the occurrence of fraudulent and other illegal activity in our marketplaces. However, those policies, procedures, and measures may not always be effective. In addition, despite our efforts to comply with our policies and procedures, we may at times fail to do so or may be perceived to have failed to do so. In certain instances, the procedures and measures in place at the other marketplaces that make up our “House of Brands” are not as sophisticated or mature as those used by the Etsy marketplace. Further, the measures that we use to detect and limit the occurrence of fraudulent and other illegal activity must be dynamic and require significant investment and resources, **particularly as our marketplaces increase in public visibility and size.** Bad actors **constantly** apply continually evolving technologies and ways to commit fraud and other illegal activity, and regulations requiring marketplaces to detect and limit these activities are increasing. **The use of increasingly sophisticated techniques by bad actors has increased, and may continue to increase, their ability to commit fraud on our marketplaces, or on our buyers and sellers, and may increase the impact of such activity.** Our measures **may are** not always **able to** keep up with these changes. We are and have been subject to requests from regulators regarding these efforts. If we fail to limit the impact of illegal activity in our marketplaces, we could be subject to penalties, fines, other enforcement actions and / or **incur** significant expenses and our business, reputation, financial performance, and growth could be adversely affected. We rely upon third-party service providers to perform **and assist us with** certain compliance services. If we or our service providers do not perform adequately, our compliance measures may not be effective, which could increase our expenses, lead to potential legal liability, and negatively impact our business. In addition, we could be subject to penalties, fines, other sanctions, and / or **incur** significant expenses. Our brands may be harmed if third-parties or members of our communities use or attempt to use our marketplaces as part of their illegal or unethical business practices. Our emphasis on our mission and guiding principles makes our reputation particularly sensitive to allegations of illegal or unethical business practices by our sellers or other members of our communities. Our seller policies promote legal and ethical business practices. Etsy expects sellers to work only with manufacturers who comply with all applicable laws, who do not use child or involuntary labor, who do not discriminate, and who promote sustainability and humane working conditions. We also expect our suppliers to comply with our Supplier Code of Conduct. Although we seek to influence, we do not directly control our sellers, suppliers, or other members of our communities or their business practices, and we cannot ensure that they comply with our policies. If members of our communities engage in illegal or unethical business practices, or are perceived to do so, we may receive negative publicity and our reputation may be harmed, **which may adversely impact our business and financial performance.** We regularly receive and expect to continue to receive **receiving** claims alleging that items listed by sellers **in on** our marketplaces are counterfeit, infringing, **illegal-unlawful**, harmful, or otherwise violate our policies. We **frequently regularly** receive claims, notices, and other **allegations** **correspondence** alleging

that items listed **in on** our marketplaces, or other user-generated **materials content** posted on our platforms, infringe upon third-party copyrights, trademarks, patents, or other intellectual property or personal rights, or that such items are otherwise harmful, dangerous, or unlawful. We have procedures in place for third parties to report these claims, including our notice- and takedown process for intellectual property. **We also have**, in addition to various tools that proactively detect potential violations, including suspected counterfeit and **procedures in place** illegal items. We strive to take appropriate action against **potentially violating violative** content, which may include **the** removal of the item from **listings, content, sellers, our- or marketplace** and, in certain cases, closing the shops **that** of sellers who violate our policies. **Our- At the same time, our** tools and procedures **are subject to gaps, limitations, resourcing constraints, human and machine error, and other shortcomings, and** may not effectively reduce **mitigate the risks we face in hosting user-generated content as part of or our** eliminate our **business.** **While we benefit from certain protections and safe-harbors from** liability. For example, on the Etsy marketplace we use a combination of automatic and manual tools and depend upon human review in many circumstances. No tools and procedures are guaranteed to function completely without error, particularly for physical, non-standardized goods, our tools and procedures may be subject to error or enforcement failures and may not be adequately staffed, and we may be subject to an increasing number of erroneous or fraudulent demands to remove content. In addition, we may be subject to civil or criminal liability for activities carried out by sellers on our platforms, especially outside the United States where laws may offer less protection for intermediaries and platforms than in the United States. Under current U. S. copyright laws such as the Digital Millennium Copyright Act § 512 et seq., **those** we benefit from statutory safe harbor provisions that protect **protections are limited, vary across jurisdictions, and may diminish as lawmakers, courts, and regulators across the globe continue to reexamine the legal liability of platforms for the content and actions of their third-party users. We have been and may continue to be subject to allegations, litigation and / or regulatory claims seeking to hold us liable from copyright liability for the content posted on and actions of** our platforms by **third-party** sellers and buyers, **including in the areas of** and we rely upon user content platform protections under 47 U. S. C. § 230 (commonly referred to as CDA § 230), which limit most non-intellectual property law claims against Etsy based upon, **consumer protection, product liability, privacy and data protection, content compliance** posted by users on our platforms. However, trademark and patent **criminal** laws. **If we are alleged or found to be liable** do not include similar statutory provisions, and limits on platform liability for these forms of intellectual property are primarily based upon **our sellers' content or actions, or if new laws or court decisions expand**. Similarly, laws related to product liability vary by jurisdiction, and the **obligations or liability of marketplace platforms**, **we could be forced to pay monetary damages, civil** for **or products criminal penalties** and attorneys' fees, **change or restrict our business practices or services**, **restrict certain types of content from our marketplaces, and / or suffer reputational or other harm. Any of these, or similar, consequences could have a material adverse impact on our business, including by making our platform less attractive to buyers or** sellers, while traditionally limited **reducing our revenue**, **or is** subject to increasing debate in courts, legislatures and legislative proposals, and with regulators. Any legislation or **our costs** court rulings affecting these safe harbors or other limits on platform liability may adversely affect us and may impose significant operational challenges. For example, there are legislative and regulatory proposals and pending litigation in both the United States and European Union that could diminish or eliminate certain safe harbor protections and / or immunities for websites and online platforms. Moreover, changes focused on actions by very large platforms that perform retailer-like functions, or handle mass user content, may directly or indirectly also impact us, our sellers, buyers and vendors. Proposed and enacted laws in Europe and the United States may change the scope of platform liability, and ongoing case law developments may unpredictably increase our liability as platforms for user activity. In that event, we may be held directly or secondarily liable for the intellectual property infringement, product compliance deficiencies, consumer protection deficiencies, privacy and data protection incidents, or regulatory issues of our sellers, including potentially for their conduct over which we have no control or influence. Regardless of the validity of any claims made against us, we may incur significant costs and efforts to defend against or settle them. **Moreover** If a governmental authority determines that we have aided and abetted the infringement or sale of counterfeit, harmful or unlawful goods or if legal changes result in us potentially being liable for actions by sellers on our platforms, we could face regulatory, civil, or criminal penalties. Claims by third-party rights owners could require us to pay damages or refrain from permitting any further listing of the relevant items. These types of claims could seek substantial damages or force us to modify our business practices, which could lower our revenue, increase our costs, or make our platforms less user-friendly. These types of claims, or legal and regulatory changes, could require the removal of non-infringing, lawful or completely unrelated content, which could negatively impact our business and our ability to retain sellers. Moreover, public perception that unlicensed, counterfeit, harmful, or unlawful items are commonly offered by sellers in our marketplaces, even if factually incorrect, could result in negative publicity and damage to our reputation. We are regularly involved in litigation, arbitration, and regulatory matters that are expensive and time-consuming and that may require changes to our strategy, the features of our platforms, and / or how our business operates. We are regularly involved in litigation, arbitration, disputes, and regulatory matters, including those related to intellectual property, consumer protection, product liability, product safety, regulatory compliance, security and privacy, **and / or commercial matters, either individually or, where available, on a class-action basis. We have been, are, and may in the future be subject to heightened regulatory scrutiny, inquiries, or investigations, including with respect to our sellers, vendors or third-parties, relating to both specific inquiries as well as broad, industry-wide concerns, such as antitrust, product liability, and privacy, that could lead to legal liability, increased expenses, injunctive relief,** or reputational damage. Under certain circumstances, we have contractual and other legal obligations to indemnify and to incur legal expenses on behalf of current and former directors, officers, **employees**, underwriters and other third parties. Any lawsuit or legal action to which we are a party, with or without merit, may result in an unfavorable judgment or settlement, substantial monetary payments or fines, adverse changes to our offerings or business practices, reputational harm, and other consequences. We have in the past settled lawsuits, regulatory actions, and other disputes and may decide in the future to settle such actions, even if non-meritorious. In addition,

defending claims is costly and can impose a significant burden on our management. We manage and mitigate certain legal risks through our House Rules, policies, and other terms of use, including through the use of **informal dispute resolution**, individual arbitration, **mass arbitration procedures**, limitations of liability, venue selection, choice-of-law, and indemnification requirements. These requirements may be subject to differing interpretations, risks, and legal frameworks in different U. S. federal, state, and foreign courts, and may not be enforceable in some jurisdictions. If certain of our House Rules, policies, and other terms are not enforceable in particular jurisdictions or disputes, we could experience increased costs and expenses, litigation in multiple jurisdictions, inconsistent decisions, and / or forum shopping by third-parties seeking jurisdictions amenable to their claims. Lawsuits, enforcement actions, and other legal proceedings brought against us have resulted in judgments and settlements, and may result in injunctions, damages, fines, or penalties, which could have a material adverse effect on our financial condition or results of operations or require changes to our business. Although we establish accruals for our litigation and regulatory matters in accordance with applicable accounting guidance when they present loss contingencies that are both probable and reasonably estimable, there may be a material exposure to loss in excess of any amounts accrued, or in excess of any loss contingencies disclosed as reasonably ~~probable~~ **possible**, particularly in more uncertain legal or regulatory environments. Such loss contingencies may not be probable and reasonably estimable until the proceedings have progressed significantly, which could take several years and occur close to resolution of the matter. ~~Expanding and evolving regulations in the areas of privacy~~ **Privacy, and user data protection could, and information security regulations are complex and rapidly evolving areas that have and may adversely affect our and our sellers' business.** We collect, receive, use, store, disclose, share, and transfer a host of personal, confidential, and otherwise potentially protected information in the course of our operations, including to operate our business and for legal, compliance, and marketing purposes, which subjects us to an increasingly complex array of global privacy and data protection regulations. Authorities around the world have adopted and are considering a number of legislative and regulatory proposals affecting data protection, data usage, data transfer, localization, and information security, among other things. These laws and regulations are evolving, are subject to interpretation, and in some cases may conflict with each other, and ~~create technological~~ **substantial operational, economic** financial, regulatory, reputational, and legal risk to our business. We are subject to regular inquiries and requests from regulators regarding these efforts. Examples of these laws include: • The E. U. General Data Protection Regulation and the U. K. General Data Protection Regulations, which apply to our activities conducted from ~~and an~~ **complex establishment in the European Union or the United Kingdom, respectively, or related to products and services that we offer to our users in the European Union or the United Kingdom.** • Various comprehensive U. S. state and international privacy laws, which give new data privacy rights to their respective residents (including, in California, a private right of action in the event of a data breach resulting from our failure to implement and maintain reasonable security procedures and practices) and impose significant obligations on controllers and processors of consumer and employee data. • U. S. state laws governing the processing of biometric information, such as the Illinois Biometric Information Privacy Act, which impose obligations on businesses that collect or disclose consumer biometric information. • Various federal, state, and international laws, like the Children's Online Privacy Protection Act of 1998 and the U. K. Age-Appropriate Design Code, which govern the provision of services to children and minors, including the collection and processing of their data. Further, we are subject to evolving international laws, regulations, decisional authority, and guidance governing whether, how, and under what circumstances we can transfer, process and / or receive personal data. The validity of various ~~cross-border business impediments~~ **data transfer mechanisms remains subject to legal, regulatory, and political developments in both the European Union and the United States. Any changes to existing frameworks may require us to adapt our existing arrangements** ~~our or business~~ **impede our ability to effectively transfer data to our users, vendors, and partners in other jurisdictions. Collectively, worldwide privacy, data protection, and information security laws and regulations have and may continue to change some of those -- the of ways that we, our sellers -- We, our vendors, and other third parties** collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, and share personal information, confidential information and other sensitive or potentially protected information necessary to provide, **in some cases creating costly compliance obligations and / our or impeding service, to operate our business.** For example, some of these requirements may introduce friction into the user experience on our platforms, restrict our ability to use data in ways that could benefit our sellers and our business, ~~for or legal~~ **impact the scope and effectiveness of our marketing purposes efforts, and for other any of which could negatively impact our business -- related purposes and future outlook.** We may fall short of our ~~Data data~~ **protection remains obligations due to various factors either within our control (such as limited internal resource allocation) or outside our control (such as a lack of vendor cooperation** ~~significant issue in the United States, new regulatory interpretations~~ **countries in the European Union, and or lack of regulatory guidance in respect of certain requirements)** many other countries in which we operate. **Any** ~~In addition to the actual and potential changes in or perceived failure to comply with applicable privacy or~~ **data protection laws described elsewhere in these Risk Factors.** ~~global developments in our contractual obligations to third parties, our privacy policies and data security regulation have changed and may continue to change some of the ways we, our or sellers~~ **similar requirements, could subject us to significant damages, fines, penalties, regulatory investigations, lawsuits, remediation costs, reputational damage, and / our or vendors and other liabilities** ~~third parties collect, use, and share personal information and other proprietary or confidential information, and have created and will continue to create additional compliance obligations for us and our sellers, vendors, and other third parties.~~ **In addition, although our sellers and vendors are independent businesses with their own data protection and privacy obligations, it is possible that a privacy authority could deem us jointly and severally liable for actions of our sellers or vendors, which would increase our potential liability exposure and costs of compliance and, which could harm negatively impact our business. We are also** ~~If we fall short of our data protection obligations in countries in which we operate, we could~~

face potential liability, regulatory investigations, and costly litigation, which may not be adequately covered by insurance. In the European Union, the E. U. General Data Protection Regulation (“GDPR”) contains strict requirements for processing the personal data of individuals residing in E. U. member states, the European Economic Area (“EEA”), and certain additional territories. A substantially similar law, the U. K. General Data Protection Regulation (“U. K. GDPR”) (a version of the GDPR as implemented into U. K. law that combines the GDPR and the U. K. Data Protection Act of 2018) is in effect in the United Kingdom. Both laws contain significant obligations for data processors and controllers, including to protect certain data subject rights, such as the “right to **various** be forgotten” and certain data portability, access, and redress rights, as well as obligations related to security and accountability controls (including stringent data breach notification **laws** requirements), online and email marketing, **in some instances** documentation and record-keeping, **have contractual** and other compliance requirements related to our sellers, vendors and other third parties. Both laws are also subject to changing interpretations due to decisions of data protection authorities, courts, and related legislative efforts. Furthermore, while the GDPR and U. K. GDPR remain substantially similar for the time being, the U. K. GDPR is currently under review in the United Kingdom and there may be further changes made to it over the next few years, including in ways that may differ from the GDPR, which could result in further or conflicting compliance obligations. In addition, although our sellers are independent businesses, it is possible that a privacy authority could deem us jointly and severally liable for actions of our sellers or vendors, which would increase our potential liability exposure and costs of compliance, which could negatively impact our business. Due to the GDPR and the U. K. GDPR, we may experience difficulty retaining or obtaining new E. U. or U. K. sellers, or current and new sellers may limit their selling into the European Union, due to the legal requirements, compliance costs, potential risk exposure, and uncertainty for them about their own compliance obligations with respect to the GDPR and U. K. GDPR. In the United States, rules and regulations governing data privacy and security include those promulgated under the authority of the Federal Trade Commission Act, the Electronic Communications Privacy Act, the Computer Fraud and Abuse Act, California’s California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (collectively, the “CCPA”), and other state and federal laws relating to privacy, consumer protection, and data security. Some of these laws provide for penalties and/or include a private right of action and statutory damages for data breaches and other violations. Aspects of certain newly enacted U. S. state privacy statutes remain unclear, resulting in further legal uncertainty and potentially requiring us to modify our data practices and policies and to incur substantial additional costs and expenses in an effort to comply. If more stringent privacy legislation arises in the United States, E. U., or other jurisdictions where we operate, it could increase our potential liability and adversely affect our business, results of operations, and financial condition. The GDPR, CCPA, and similar laws in other jurisdictions, and future changes to or interpretations of any of these laws, may continue to change the data protection landscape globally, may be potentially inconsistent or incompatible, and could result in potentially significant operational costs for internal compliance and risk to our business. Some of these requirements introduce friction into the buying and selling experience on our platforms and may impact the scope and effectiveness of our marketing efforts, which could negatively impact our business and future outlook. Complying with these laws and contractual or other obligations relating to privacy, data protection, data transfers, data localization, or information security may require us to make changes to our services to enable us or our customers to meet new legal requirements, incur substantial operational costs, modify our data practices and policies, and restrict our business operations. Any actual or perceived failure by us to comply with these laws, regulations, or other obligations may lead to significant fines, penalties, regulatory investigations, lawsuits, significant costs for remediation, damage to our reputation, or other liabilities. For example, under the GDPR alone, noncompliance could result in fines of up to 20 million Euros or up to 4% of the annual global revenue of the noncompliant company, whichever is greater. We may not be entirely successful in our compliance efforts due to various factors either within our control (such as limited internal resource allocation) or outside our control (such as a lack of vendor cooperation, new regulatory interpretations, or lack of regulatory guidance in respect of certain requirements). In addition, E. U. data protection laws also generally prohibit the transfer of personal information from Europe to the United States and most other countries unless the recipient country has been deemed to have adequate privacy protections in place to protect the personal information. On July 10, 2023, the European Commission adopted an adequacy decision concluding that the United States ensures an adequate level of protection for personal data transferred from the EEA to the United States under the E. U. United States Data Privacy Framework (followed on October 12, 2023 with the adoption of an adequacy decision in the U. K. for the UK-United States Data Bridge). Etsy relies on a variety of compliance methods to transfer personal data of EEA individuals to the United States. The rules related to cross-border transfers remain subject to legal uncertainty and potential change, which may impede Etsy and our subsidiaries’ ability to effectively transfer data between jurisdictions with parties such as partners, vendors and users, or may make such transfers of personal data more costly. Among other things, there is a risk that transfers by us or our vendors of personal information from Europe may not comply with E. U., or U. K. data protection law, may increase our exposure to potential sanctions for violations of applicable cross-border data transfer restrictions, and may result in lower sales on our platforms because of the potential difficulty of establishing a lawful basis for personal information transfers out of Europe. We also publish privacy policies and other documentation regarding our collection, processing, use, and disclosure of personal data. Although we endeavor to comply with our published policies and documentation, we may at times fail to do so or may be perceived to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance, such as if our employees or vendors fail to comply with our published policies and documentation. We are subject to occasional requests from regulators regarding these efforts. Failures can subject us to potential international, local, state, and federal action under both data protection and consumer protection laws. We are or may also be subject to the terms of our own and third-party external and internal privacy and security policies, codes, representations, certifications, industry standards, publications and frameworks and contractual obligations to third parties related to privacy and/or information security, including contractual obligations to indemnify and hold harmless third parties from the costs or consequences of non-compliance with data protection laws, or other obligations. Our sellers and vendors may have been and

may now and in the future be subject to similar privacy requirements, which may significantly increase costs and resources dedicated to their compliance with such requirements. We have varying contractual and other legal obligations to notify relevant stakeholders **in the event of an actual or potential breach. Our contracts, our contractual representations, and / or industry standards, to varying extents, may require us to use industry- standard or other reasonable measures to safeguard personal or confidential information. Cyber- related events and** security breaches related to us or, in some cases, our third- party service providers. Many jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities, and others of security breaches involving certain types of data in some circumstances. In addition, our agreements with certain stakeholders may require us to notify them in the event of such a security breach. Such mandatory disclosures, even if only related to **the** actions of a third- party vendor, are **and have been** costly, could lead to negative publicity, may cause members of **our users, employees, our- or communities- other stakeholders** to lose confidence in the effectiveness of our security measures, **may cause us to breach certain contracts,** and **may** require us to expend significant capital and other resources to **remediate** respond to and / or alleviate problems caused by the actual or perceived security breach, and may cause us to breach customer contracts. Our contracts, our representations or industry standards, to varying extents, require us to use industry- standard or reasonable measures to safeguard sensitive personal information or confidential information. A cyber- related event or security breach could lead to claims by members of our communities or other relevant stakeholders that we have failed to comply with such legal or contractual obligations. As a result, we could be subject to legal action or members of our communities could end their relationships with us. There can be no assurance that **indemnity any indemnifications, contractual limitations of liability or other remedies in, our- or contracts would insurance will** be enforceable **available** or adequate **to** or would otherwise protect us from liabilities or damages **in the event of a breach**. Our risks are likely to increase as we continue to expand, grow our **or cyber- related incident** customer base, and process, store, and transmit increasingly large amounts of proprietary and sensitive data. Our business and our sellers and buyers may be subject to evolving sales and other tax regimes in various jurisdictions, which may harm our business. The application of indirect taxes, such as sales and use tax, duties, value- added tax, provincial tax, goods and services tax, business tax, withholding tax, digital service tax, and gross receipt tax, as well as tax information reporting obligations, to businesses like ours and to our sellers and buyers is a complex and evolving area. Significant judgment is required to evaluate applicable tax obligations and, as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear when and how new and existing statutes might apply to our business or to our sellers' businesses. In some cases it may be difficult or impossible for us to validate information provided to us by our sellers on which we must rely to ascertain Etsy' s potential obligations, given the intricate nature of these regulations as they apply to particular products or services and that many of the products and services sold in our marketplace are unique or handmade. Various jurisdictions (including the U. S. states and E. U. member states) are seeking to, or have recently imposed additional reporting, record- keeping, indirect tax collection and remittance obligations, or revenue- based taxes on businesses like ours that facilitate online commerce. For example, the American Rescue Plan Act of 2021 included a provision which significantly increases the number of sellers for whom we must report payment transactions in the United States and, **Recent regulatory and** legislative proposals in the **E- U. European Union and the United States** could change rules which allow packages containing goods valued under a de minimis level, or threshold, to enter a country without paying **custom- customs** duties and may require platforms to collect these custom duties at checkout. If requirements like these become applicable in additional jurisdictions, **then** our business, collectively with our sellers' businesses, could be harmed. For example, taxing authorities in many U. S. states and in other countries have targeted e- commerce platforms as a means to calculate, collect, and remit indirect taxes for transactions taking place over the internet, and others are considering similar legislation. Such changes to current law or new legislation could adversely affect our business and our sellers' businesses **if the requirement of tax to be charged on items sold on our marketplaces causes our marketplaces to be less attractive to current and prospective buyers**. This legislation could also require us or our sellers to incur substantial costs in order to comply, including costs associated with tax calculation, collection, remittance, and audit requirements, which could make selling on our marketplaces less attractive. Additionally, certain member states within the European Union and other countries, as well as certain U. S. states, have proposed or enacted taxes on online advertising and marketplace service revenues. Our results of operations and cash flows could be adversely affected by additional taxes of this nature imposed on us prospectively or retroactively or additional taxes or penalties resulting from the failure to provide information about our buyers, sellers, and other third -parties for tax reporting purposes to various authorities. In some cases, we also may not have sufficient notice to enable us to build solutions and adopt processes to properly comply with new reporting or collection obligations by the applicable effective date. If we are found to be deficient in how we have addressed our tax obligations, our business could be adversely impacted. Our business is subject to a large number of U. S. and non- U. S. laws, many of which are evolving. We are subject to a variety of laws and regulations in the United States and around the world, including those relating to traditional businesses, such as employment laws, accessibility requirements, taxation, trade, product liability, marketing, **intellectual property**, and consumer protection laws, and laws and regulations focused on e- commerce and online marketplaces, such as those governing online payments, privacy, anti- spam, data security and protection, online platform liability, content moderation, **online child safety, social media regulation,** marketplace seller regulation, **intellectual property**, artificial intelligence, automated decision- making, and machine learning. Additional examples include data localization requirements, limitations on marketplace scope or ownership, **intellectual property intermediary liability rules protections**, regulation of online speech and content moderation, **limits on network neutrality such as under the E. U. Digital Services Act (" DSA ")**, packaging and recycling requirements, seller certification and representative requirements, know- your- customer / business regulations such as under the U. S. INFORM Consumers Act **and under the E. U. Digital Services Act (" DSA ")**, and rules related to security, privacy, or national security, which may regulate us, our users, or our vendors. In light of our international operations, we need to comply with various laws associated with doing business outside of the United States,

including anti- money laundering, sanctions, anti- corruption, and export control laws. In some cases, non- U. S. privacy, data security, consumer protection, e- commerce, and other laws and regulations are more detailed or comprehensive than those in the United States and, in some countries, are more actively enforced. In addition, ~~new~~ regulations, laws, policies, and international accords relating to environmental and social matters, including sustainability, due diligence, climate change, human capital, **forced labor**, and diversity, **have been enacted or** are being developed and formalized in Europe, the United States (both at the federal level and on a state- by- state basis), and elsewhere, **some of which include** ~~may entail~~ **specific disclosure requirements**, target- driven frameworks, ~~and / or disclosure requirements~~ **due diligence obligations to which we may be subject**. These laws and regulations are continuously evolving, and compliance is costly and can require changes to our business practices and significant management time and effort. Additionally, it is not always clear how existing laws apply to online marketplaces as many of these laws do not address the unique issues raised by online marketplaces or e- commerce. In some jurisdictions, these laws and regulations subject us to attempts to apply domestic rules worldwide against Etsy or our subsidiaries, and may subject us to inconsistent obligations across jurisdictions. In addition, outside of the United States, governments of one or more countries have in the past, do, and may continue to seek to censor content available on our platforms (including at times lawful content), and / or to block access to our platforms. We strive to comply over time with all applicable laws, and compliance is often complex and / or operationally challenging. In addition, applicable laws may conflict with each other, and by complying with the laws or regulations of one jurisdiction, we may find that we are violating the laws or regulations of another jurisdiction. Despite our efforts, we may have not always fully complied and may not be able to fully or timely comply with all applicable laws in all jurisdictions where we operate, particularly where the applicable regulatory regimes are new or have not been broadly interpreted. If we become liable under laws or regulations applicable to us, we could be required to pay significant fines and penalties, our reputation may be harmed, and we may be forced to change the way we operate. That could require us, for example, to incur significant expenses, discontinue certain services, or limit or discontinue our services in particular jurisdictions, any of which could negatively affect our business. In addition, if we are restricted from operating in one or more countries, our ability to attract and retain sellers and buyers may be adversely affected and we may not be able to ~~grow~~ **operate** our business as we anticipate. Additionally, if third -parties with whom we work violate applicable laws or our policies, those violations could also result in liabilities for us and could harm our business. Our ability to rely on insurance, contracts, indemnification, and other remedies to limit these liabilities may be insufficient or unavailable in some cases. Furthermore, the circumstances in which we may be held liable for the acts, omissions, or responsibilities of our sellers or other third parties is uncertain, complex, and evolving. Upcoming and proposed regulations may require marketplaces like ours to comply with specific obligations, beyond what marketplaces have traditionally been required to do, to avoid liability. ~~If~~ **With** an increasing number of such laws ~~are being proposed and~~ passed, the resulting compliance costs and potential liability risk could negatively impact our business. Increased regulation of technology companies, even if focused on large, widely adopted platforms, may nevertheless impact smaller platforms and small businesses, including us and our sellers. We believe that it is, and that it should continue to be, relatively easy for new businesses to create online commerce offerings or tools or services that enable entrepreneurship. However, as the technology space is increasingly subject to regulation, there is a risk that legislation, and regulatory or competition inquiries, even if focused on large, widely adopted platforms, may impede smaller platforms and small businesses, including us and our sellers. New platform liability laws, potential amendments to existing laws, and ongoing regulatory and judicial interpretation of platform liability laws may impose costs, burdens and uncertainty on Etsy and the sellers on our platforms. This may even be the case for new laws or regulations focused on other technology areas, business practices, or other third -parties that nonetheless indirectly or unintentionally impact us, our sellers, or our vendors. For example, in the European Union, the DSA, the General Product Safety Regulation (“GPSR”), ~~and~~ **Toy Safety Regulation**, changes to the Product Liability Directive, ~~and efforts to restrict the scope of intermediary liability protections~~ may impact us directly, as well as ~~impacting~~ **impact** our sellers and vendors. Similarly, anti- waste regulations in ~~Germany~~ **various E. U. member states** and ~~France~~ **other jurisdictions** and ~~new proposed~~ sustainability- related E. U.- wide regulations directly impact our sellers, ~~and~~ **as well as** impose compliance verification obligations on us. In the United Kingdom, the Online Safety Act ~~;~~ **which has passed through Parliament**, may impact us in a range of content regulation areas subject to our categorization by the regulator, including by imposing additional requirements regarding illegal content, child safety, fraud, and platform transparency. ~~As another example, we may be impacted by the U. K.’ s newly introduced Product Regulation and Metrology Bill, which could include a framework to regulate online marketplaces.~~ If we and our sellers are unable to cost- effectively comply with new regulatory regimes, such as if the regulations place requirements on our sellers that they find difficult or impossible to comply with, or require us to take actions at a scale inconsistent with the size, resources, and operation of our marketplaces, our sellers may elect not to ship into, or we may be required to restrict shipping into, ~~or change our~~ **product offerings, functionality or operations in**, the impacted jurisdictions, and our business could be harmed. In addition, there have been various U. S. Congressional ~~and~~ **U. S. state** efforts to require platforms to vet and police sellers or proactively screen content, ~~to regulate content moderation~~, or to restrict the scope of the intermediary liability protections available to online platforms for third- party user content, such as the proposed SHOP SAFE Act. As a result, our current protections from liability for third- party content ~~and content moderation decisions~~ in the United States could significantly decrease or change. We could incur significant costs implementing any required changes, investigating and defending claims and, if we are found liable, significant damages. In addition, if legislation or regulatory inquiries, even if focused on other entities, require us to expend significant resources in response or result in the imposition of new obligations, our business and results of operations could be adversely affected. We also operate under an increasing number of regulatory regimes which, if certain statutory requirements are met, may protect us and our sellers and buyers worldwide, such as intellectual property and anti- counterfeiting laws, payments and taxation laws, competition and marketplace platform regulation, hate speech laws, and general commerce and consumer protection regulation. These laws, and court or regulatory interpretations of these laws (including their limitations

and safe harbors), may shift quickly in the United States and worldwide. For example, upcoming regulations may impose significant verification, certification, assessments, or additional compliance obligations on both us and our sellers. We may not have the resources or scale to effectively adapt to and comply with any changes to these regulatory regimes which may limit our ability to take advantage of the protections these regimes offer. In addition, some of these changes may be at least partially inconsistent with how our platforms operate, especially if they are adopted in the context of, or in a manner best suited for, larger platforms, which may make it harder for us to protect our marketplaces under these regimes. If we are unable to cost-effectively protect our platforms, sellers and buyers under these regulatory regimes, such as if the regulations place requirements on our sellers that they find difficult or impossible to comply with, limit the functions or features our marketplaces can offer, or require us to take actions at a scale inconsistent with the size, investment, and operation of our marketplaces, our business could be harmed. We may be subject to intellectual property claims, which, even if meritless, could be extremely costly to defend, damage our brands, require us to pay significant damages, and limit our ability to use certain technologies in the future.

Companies in the internet and technology Technology industries companies are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. We regularly receive communications that claim we have infringed, misappropriated, or misused others' intellectual property rights. To the extent we gain greater public recognition and scale worldwide, we may face a higher risk of being the subject of intellectual property claims. Third parties regularly claim that they have intellectual property rights that cover significant aspects of our technologies or business methods and may seek to limit or block our services and / or offerings. Third parties sometimes allege a company is secondarily liable for intellectual property infringement, or that it is a joint infringer with another party, including claims that Etsy is liable, either directly, indirectly, or vicariously, for infringement claims against sellers using Etsy's platforms, our vendors, or other third parties, and that statutory, judicial, or other immunities and defenses do not protect us. Intellectual property claims against us, with or without merit, have been, are, and could in the future be time-consuming and expensive to settle or litigate and could divert the attention of our management. Litigation regarding intellectual property rights is inherently uncertain due to the complex issues involved, and we may not be successful in defending ourselves in such matters. ~~For claims against us, insurance may be insufficient or unavailable, and for claims related to actions of third parties, either indemnification or remedies against those parties may be insufficient or unavailable.~~ Some of our competitors have extensive portfolios of issued patents. Many potential litigants, including some of our competitors, patent holding companies, and other intellectual property rights holders, have the ability to dedicate substantial resources to enforcing their alleged intellectual property rights. Any claims successfully brought directly against us, or implicating us as part of an action against third parties, such as our sellers or vendors, could subject us to significant liability for damages, and we may be required to stop using technology or other intellectual property alleged to be in violation of a third party's rights in one or more jurisdictions where we do business. We have been and might in the future be required to seek a license for third-party intellectual property. Even if a license is available, we could be required to pay significant royalties or submit to unreasonable terms, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, which could require significant time and expense. If we cannot license or develop technology for any allegedly infringing aspect of our business, we could be forced to limit our services and may be unable to compete effectively. Any of these results could harm our business. We are subject to the terms of open source licenses because our platforms incorporate, and we contribute to, certain open source software, potentially impairing our ability to adequately protect our intellectual property. The software powering our platforms incorporates certain software that is covered by open source licenses. In addition, we regularly contribute source code to open source software projects and release internal software projects under open source licenses, and we anticipate doing so in the future. The terms of many open source licenses relied upon by us and the internet and technology industries have been interpreted by only a few court decisions and there is a risk that the licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to operate our marketplaces. Under certain open source licenses, if certain conditions are met, we could be required to publicly release portions of the source code or make certain software available under open source licenses. To avoid the public release of the affected portions of our source code, we could be required to expend substantial time and resources to re-engineer some or all of our software. In addition, the use of open source software can lead to greater risks than use of third-party commercial software because open source licensors generally do not provide warranties or controls on the origin of the software. Use of open source software also presents additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to compromise our platforms, and availability of patches or fixes may not be consistent or quickly available, as it may be subject to the continued community engagement in a particular open source project. Additionally, because any software source code we contribute to open source projects is publicly available, while we may benefit from the contributions of others, our ability to protect our intellectual property rights in such software source code may be limited or lost entirely, and we will be unable to prevent our competitors or others from using such contributed software source code. Similarly, we may be subject to third-party intellectual property claims as a user of or contributor to such open source software. Any of these risks could be difficult to eliminate or manage and, if not addressed, could adversely affect our business, financial performance, and growth. If we are unable to maintain effective internal controls over financial reporting, investors may lose confidence in the accuracy of our financial reports. As a public company, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal controls over financial reporting. It also requires our independent registered public accounting firm to attest to our evaluation of our internal controls over financial reporting. Although our management has determined, and our independent registered public accounting firm has attested, that our internal controls over financial reporting were effective as of December 31, ~~2023~~ **2024**, we cannot assure you that we or our independent registered public accounting firm will not identify a material weakness in our internal controls in the future. If we have a material weakness in our internal controls over financial reporting in the future, we may not detect errors on

a timely basis. ~~If we have difficulty implementing and maintaining effective internal controls over financial reporting at the businesses we have acquired or that we may in the future acquire, which~~ or if we identify a material weakness in our internal controls over financial reporting in the future, it could harm our operating results, adversely affect our reputation, cause our stock price to decline, or result in inaccurate financial reporting or material misstatements in our annual or interim financial statements. We could be required to implement expensive and time-consuming remedial measures. Further, if there are material weaknesses or failures in our ability to meet any of the requirements related to the maintenance and reporting of our internal controls, such as Section 404 of the Sarbanes-Oxley Act, investors may lose confidence in the accuracy and completeness of our financial reports and that could cause the price of our common stock to decline. We could become subject to investigations by Nasdaq, the SEC or other regulatory authorities, which could require additional management attention and which could adversely affect our business. In addition, our internal controls over financial reporting will not prevent or detect all errors and fraud, and individuals, including employees and contractors, could circumvent such controls. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

Other Risks The price of our common stock has been and will likely continue to be volatile, and declines in the price of common stock could subject us to litigation. The price of our common stock has been and is likely to continue to be volatile. For example, between January 1, ~~2023-2024~~ and February ~~16-14~~, ~~2024-2025~~, our common stock's daily closing price on Nasdaq has ranged from a low of \$ ~~60-47~~, ~~66-48~~ to a high of \$ ~~148-81~~, ~~20-08~~. Some companies that have experienced volatility in the trading price of their stock have been the subject of securities litigation. We have experienced securities class action lawsuits in the past and may experience more such litigation following recent or future periods of volatility or declines in our stock price. Any securities litigation could result in substantial costs and divert our management's attention and resources, which could adversely affect our business. The price of our common stock may fluctuate significantly for numerous reasons, many of which are beyond our control, such as:

- variations in our operating results and other financial and operational metrics, including the key financial and operating metrics disclosed in this Annual Report, as well as how those results and metrics compare to analyst and investor expectations;
- forward-looking statements related to our financial guidance or projections, our failure to meet or exceed our financial guidance or projections, or changes in our financial guidance or projections;
- failure of analysts to initiate or maintain coverage of our company, changes in their estimates of our operating results or changes in recommendations by analysts that follow our common stock or a negative view of our financial guidance or projections and our failure to meet or exceed the estimates of such analysts;
- the strength of the global economy or the economy in the jurisdictions in which we operate, particularly during times of macroeconomic uncertainty affecting members of our communities;
- entry into or exit from stock market indices;
- announcements of new services or enhancements, strategic alliances or significant agreements or other developments by us or our competitors;
- announcements by us or our competitors of mergers, acquisitions, or divestitures, or rumors of such transactions involving us or our competitors;
- the amount and timing of our operating expenses and the success of any cost-savings actions we take;
- ~~including the reduction in force as part of the Restructuring Plan approved in December 2023~~;
- changes in our Board of Directors or senior management team;
- disruptions in our marketplaces due to hardware, software or network problems, security breaches, or other issues;
- the trading activity of our largest stockholders;
- the number of shares of our common stock that are available for public trading;
- litigation or other claims against us;
- stakeholder activism;
- the operating performance of other similar companies;
- changes in legal requirements relating to our business; and
- any other factors discussed in this Annual Report.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the price of our common stock could decline for reasons unrelated to our business, financial performance, or growth. Stock prices of many internet and technology companies have historically been highly volatile. Future sales and issuances of our common stock or rights to purchase common stock, including upon conversion of our convertible notes, could result in additional dilution to our stockholders and could cause the price of our common stock to decline. We may issue additional common stock, convertible securities, or other equity in the future, including as a result of conversion of the outstanding Notes. We also issue common stock to our employees, directors, and other service providers pursuant to our equity incentive plans. Such issuances could be dilutive to investors and could cause the price of our common stock to decline. New investors in such issuances could also receive rights senior to those of current stockholders. The conversion of some or all of the Notes would dilute the ownership interests of existing stockholders to the extent we deliver shares upon conversion of any of the Notes. Each series of Notes is convertible at the option of their holders prior to their scheduled maturity in the event the conditional conversion features of such series of Notes are triggered. Based on the daily closing prices of our stock during the quarter ended December 31, ~~2023-2024~~, holders of the Notes are not eligible to convert their Notes during the first quarter of ~~2024-2025~~. If one or more holders elect to convert their Notes, unless we elect to satisfy our conversion obligation by delivering solely cash to converting holders of such Notes, we could be required to deliver to them a significant number of shares of our common stock, increasing the number of outstanding shares of our common stock. The issuance of such shares of common stock and any sales in the public market of the common stock issuable upon such conversion of the Notes could adversely affect prevailing market prices of our common stock. See Part II, Item 8, "Financial Statements and Supplementary Data — Note ~~13-12~~ — Debt" for more information on the Notes. Our stock repurchases are discretionary and, even if effected, they may not achieve the desired objectives. We have from time to time repurchased shares of our common stock under stock repurchase programs approved by our Board of Directors or in connection with our issuances of convertible notes. On ~~June 14~~ **October 30**, ~~2023-2024~~, our Board of Directors approved a **new** stock repurchase program authorizing us to repurchase up to **an additional** \$ 1 billion of our common stock. **As of which December 31, 2024**, approximately \$ ~~724-1 million~~ **billion** remained available **as under all of December 31, 2023** **our Board of Director approved stock repurchase programs**. The market price of our common stock has at times declined below the prices at which we repurchased shares, and there can be no assurance that any repurchases pursuant to our stock repurchase program will enhance stockholder value. In addition, there is no guarantee that our stock

repurchases in the past or in the future will be able to successfully mitigate the dilutive effect of recent and future employee stock option exercises and restricted stock vesting or of any issuance of common stock in connection with the conversion of Notes. The amounts and timing of the repurchases may also be influenced by our liquidity profile, general market conditions, regulatory developments, and the prevailing price and trading volumes of our common stock. If our financial condition deteriorates or we decide to use our cash for other purposes, we may suspend repurchase activity at any time. Our certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees. Our certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: • any derivative action or proceeding brought on our behalf; • any action asserting a breach of fiduciary duty; • any action asserting a claim against us arising pursuant to the Delaware General Corporation Law; and • any action asserting a claim against us that is governed by the internal affairs doctrine. This provision would not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of the Securities Act **of 1933, as amended (the "Securities Act")** creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. While the Delaware courts have determined that choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than that designated in our exclusive forum provision. In such an instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provision of our certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees and may discourage these types of lawsuits. Alternatively, if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions. Our business could be negatively affected as a result of actions of activist stockholders. The actions of activist stockholders could adversely affect our business. Specifically, responding to common actions of an activist stockholder, such as requests for special meetings, potential nominations of candidates for election to our Board of Directors, requests to pursue a strategic combination, or other transaction or other special requests, could disrupt our operations, be costly and time-consuming, or divert the attention of our management and employees. In addition, perceived uncertainties as to our future direction in relation to the actions of an activist stockholder may result in the loss of potential business opportunities or the perception that we are unstable as a company, which may make it more difficult to attract and retain qualified employees. Our ability to continue to commit to our mission, guiding principles, and culture may also be questioned, which could impact our ability to attract and retain buyers and sellers. Actions of an activist stockholder may also cause fluctuations in our stock price based on speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business. Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, could limit attempts to make changes in our management and could depress the price of our common stock. Provisions in our certificate of incorporation and bylaws and the Delaware General Corporation Law may have the effect of delaying or preventing a change in control of our company or limiting changes in our management. Among other things, these provisions: • provide for a classified board of directors so that not all members of our Board of Directors are elected at one time; • permit our Board of Directors to establish the number of directors and fill any vacancies and newly created directorships; • provide that directors may only be removed for cause; • require super-majority voting to amend some provisions in our certificate of incorporation and bylaws; • authorize the issuance of "blank check" preferred stock that our Board of Directors could use to implement a stockholder rights plan; • eliminate the ability of our stockholders to call special meetings of stockholders; • prohibit stockholder action by written consent, which means all stockholder actions must be taken at a meeting of our stockholders; • provide that our Board of Directors is expressly authorized to amend or repeal any provision of our bylaws; and • require advance notice for nominations for election to our Board of Directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. These provisions may delay or prevent attempts by our stockholders to replace members of our management by making it more difficult for stockholders to replace members of our Board of Directors, which is responsible for appointing the members of our management. In addition, Section 203 of the Delaware General Corporation Law may delay or prevent a change in control of our company by imposing certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock. Anti-takeover provisions could depress the price of our common stock by acting to delay or prevent a change in control of our company.