

Risk Factors Comparison 2025-03-12 to 2024-03-05 Form: 10-K

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

Investing in our ~~Class A~~ common stock involves a high degree of risk. Before deciding whether to purchase shares of our ~~Class A~~ common stock, you should consider carefully the risks and uncertainties described below, our consolidated financial statements and related notes, and all of the other information in this Annual Report on Form 10-K. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect our business. These risk factors could materially and adversely affect our business, financial condition and results of operations, and the market price of our ~~Class A~~ common stock could decline. These risk factors do not identify all risks that we face – our operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial to our operations. Due to risks and uncertainties, known and unknown, our past financial results may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. Risks Related to Our Business **Since the Asset Sale, we** ~~our directors.~~ **Risks Related to Our Future Operations We will have had** no material operations and no material sources of **operating** revenue ~~following the Asset Sale,~~ which may negatively impact the value and liquidity of our ~~Class A~~ common stock. **Upon** ~~Since~~ the closing of the Asset Sale, we will have **not had any revenue generated through operations** ~~our NOLs and the Post-Closing Cash,~~ and our shares of ~~Class A~~ common stock will still be publicly traded. ~~However,~~ **until** ~~Until~~ we deploy the Post-Closing Cash and **in a strategic acquisition** ~~or for~~ otherwise monetize our NOLs **a revenue generating business,** we will have no material sources of **operating** revenue **other than interest income on our marketable securities and cash and cash equivalents.** Although the **strategic** alternatives under evaluation by our Board of Directors for the use of the Post-Closing Cash include funding, at least in part, the acquisition of **businesses or** assets that will potentially allow us to utilize our NOLs and certain other tax attributes, there can be no guarantee that suitable assets will be available for us to purchase or that any assets acquired will generate the revenues anticipated or any revenue at all. **A failure by us to secure additional sources of revenue could negatively impact the value and liquidity of our common stock.** If we are deemed ~~not able to be~~ ~~and~~ ~~an~~ ~~Industry~~ ~~Our efforts~~ ~~investment company under the ICA,~~ our results of operations could be harmed. Under Sections 3 (a) (1) (A) and (C) of the ICA, a company generally will be deemed to be an “investment company” for purposes of the ICA if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting, or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding, or trading in securities and it owns or proposes to acquire investment securities having a value exceeding 40 % of the value of its total assets (exclusive of ~~U~~ new users and ~~engage~~ existing users may not be successful or may be more costly than we expect, which could prevent us from maintaining or increasing our revenue. Our success depends **S. government securities and cash items**) on our ability to attract new users and ~~an unconsolidated basis~~ ~~engage~~ existing users in a cost-effective manner. In order **If we were obligated** to acquire ~~register as~~ ~~and~~ ~~an~~ ~~engage~~ users “investment company,” we must **would have to comply with a variety of substantive requirements under the ICA that impose**, among other things, **limitations** promote and sustain our platform and provide high-quality products, user experiences, and service. Our marketing efforts currently include various initiatives and consist primarily of digital marketing on **capital structure** a variety of social media channels, **restrictions** such as Facebook, search engine optimization on websites **specified investments**, **prohibitions on transactions** such as Google, Bing, and Yahoo!, various branding strategies, such as our relationship with **affiliates** social influencers, and **compliance with** mobile “push” notifications, text messaging, and email. For the years ended December 31, 2023 and 2022, we spent \$ 143 million and \$ 254 million on sales and marketing, representing ~~---~~ **reporting** 50 % and 45 % of our revenue, respectively. We anticipate **record keeping, voting, proxy disclosure and other rules and regulations** that **would increase** sales and marketing expenses will continue to comprise a substantial majority of our overall operating **and compliance** costs for the foreseeable future. We have historically acquired a significant number of our users through digital advertising on platforms and websites owned by Meta and Google, which may terminate their agreements with us anytime. Our investments in sales and marketing may not effectively reach potential users, potential users may decide not to buy through us, or user spend on our platform may not yield the intended return on investment, any of which could negatively affect our financial results. In addition, during the first half of 2022 we continued to face headwinds from the rise in digital advertising costs which has among other things impacted new customer acquisition and conversion. In response to rising digital advertising costs, which contributed to lower marketing efficiency, we decided to significantly reduce our digital advertising expenditures as we focused our resources on other strategic initiatives. As discussed under Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Key Financial and Performance Metrics,” our monthly active users and last twelve months Active Buyers were negatively impacted by our decision to significantly reduce our digital advertising expenditures. In response to these headwinds, we commenced a number of initiatives that we believe will improve the user experience and increase retention, including (i) investing in our search experience on the platform, (ii) exploring experiences to make it easier **impractical** for users **us** to continue exploring products and adding to shopping carts, including through the use of video, (iii) optimizing the incentives, deals, and coupons available to our **business** users to boost conversion, and (iv) introducing new growth channels and improving existing unpaid channels like notifications and emails. We believe our continued strategy to improve users’ experience in our marketplace and provide a more differentiated and engaging user experience will position us for long-term sustainable growth, but there can be no assurance that our initiatives will be successful. Many other factors, some of which are beyond our control, may reduce our ability to acquire, maintain and further engage with users, including those described in this “

Risk Factors” section and the following: • system updates to app stores and advertising platforms such as contemplated Meta and Google, including adjustments to algorithms that may decrease user engagement or negatively affect our ability to target a broad audience; • ongoing changes in advertising platforms’ pricing, which could continue to result in higher advertising costs; • changes in digital advertising platforms’ policies, such as those of Meta and Google, that may delay or prevent us from advertising through these channels, which could result in reduced traffic to and sales on our platform; • changes in search algorithms by search engines; • inability of our email marketing messages to reach the intended recipients’ inbox; • ineffectiveness of our marketing efforts and other spend to continue to acquire new users and maintain and increase engagement with existing users; • decline in popularity of, or governmental restrictions on, social media platforms where we advertise; • the development of new search engines or social media sites that reduce traffic on existing search engines and social media sites; • consumer behavior changes as a result of COVID-19; and • products listed by merchants on our platform that are the subject of adverse media reports, regulatory investigations, or other negative publicity. As a result of any of these factors or any additional factors that are outside of our control, if we are unable to continue acquiring new users or increasing engagement with existing users, it could have a material adverse effect on our business, financial condition, results of operations, and prospects. If we are unable to promote, maintain, and protect our brand and reputation, and offer a compelling user experience, our ability to attract new users and engage with our existing base of users will be impaired. We believe that maintaining our brand and reputation will be critical to attracting new users and encouraging users to transact on our platform. In addition to targeted online marketing, we spend a considerable amount of resources on promoting our brand and reputation. For example, starting in 2020, we began to invest in additional off-line marketing activities. Our brand promotion activities may not be successful or cost effective, and to the extent that these activities yield increased revenue, the increased revenue may not offset the expenses we incur. If we do not successfully drive brand awareness, we may fail to attract new users or increase engagement with existing users and our business may not grow or may decline, all of which could harm our business, financial condition, results of operations, and prospects. Our ability to provide a high-quality user experience is also highly dependent on external factors over which we may have little or no control, including, without limitation, the reliability and performance of our merchants and third-party carriers. If our users are dissatisfied with the quality of the products sold on our platform, the customer service they receive or their overall user experience, or if our merchants or third-party carriers cannot deliver products to our users in a timely manner or at all, our users may stop purchasing products on our platform. Our users may also become dissatisfied with their user experience if they are unable to receive timely customer service, and because we rely in large part on an **and** automated customer service system, it is possible our users could become dissatisfied with our customer service. We also rely on merchants for information, including product characteristics, descriptions, images, and availability that may be inaccurate or misleading. Our failure to provide our users with high-quality products and high-quality user experiences for any reason could substantially harm our reputation and adversely impact our efforts to develop Wish as a trusted brand, which could have a material adverse effect on our business, financial condition, results of operations, and prospects. In addition, we may be subject to unfavorable publicity that would create a public perception that non-authentic, counterfeit, dangerous, illegal, or defective goods are sold on our platform, or that our policies and practices are insufficient to deter or respond to such conduct. Even if these claims are factually incorrect or based on isolated incidents, it could damage our reputation, diminish the value of our brand, draw governmental or regulatory scrutiny or action, undermine our trust and credibility, or have a negative impact on our ability to attract new users, or discourage our existing users from continuing to transact on our platform. We may also be subject to negative media regarding our privacy or cybersecurity practices, terms of service, product quality, litigation or regulatory activity, the sale of illicit or dangerous goods, other unauthorized actions by merchants on our platform, or the actions of other companies that provide similar services to ours, which may adversely affect our reputation, business, and financial results. If we lose the services of members of our senior management team or key employees, we may not be able to execute our business strategy. Competition for talent in our industry and the technology industry has become increasingly intense as the current labor market to build, retain, and replace highly skilled personnel has become highly competitive. We rely on the continued service of our senior management team, key employees, and other highly skilled personnel. The failure to properly manage succession plans, develop leadership talent, and / or replace the loss of services of senior management or other key employees, could significantly delay or prevent the achievement of our objectives. From time to time, there have been and may continue be changes in our senior management team resulting from the hiring or departure of executives, which could disrupt our business. We do not have long-term employment agreements with any of our key personnel, and do not maintain any “key person” life insurance policies. The loss of the services of one or more of our senior management or other key employees for any reason could adversely affect our business, financial condition, and results of operations, and require significant amounts of time, training and resources to find suitable replacements and integrate them within our business and could affect our corporate culture. Further, in connection with the announcement of our restructuring plan in February 2022 and a reduction in workforce announced in January 2023 and August 2023, we may find it even more difficult to recruit and retain highly skilled personnel, which could harm our business. See the sections titled Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Reductions in Workforce” and Item 8, “Financial Statements and Supplementary Data, Note 12. Reductions in Workforce and Note 13. Subsequent Events”, for further discussion of our restructuring and turnaround initiatives. We rely on the Apple App Store and the Google Play Store to offer and promote our app. If we are unable to maintain a good relationship with such platform providers, if their terms and conditions change to our detriment, if we violate, or if a platform provider believes that we have violated, the terms and conditions of its platform, our business will suffer. A significant portion of our users download our mobile app through the Apple App Store and the Google Play Store, and over 90 % of our user activity and purchases occur on our mobile app. We are subject to the policies and terms of service of these third-party platforms, which govern the promotion, distribution, content, and operation of our app on the platform. Each platform provider has broad discretion to change and interpret its terms of service and other policies with respect to us and other

developers, and those changes may be unfavorable to us. A platform provider may also add fees associated with access to and use of its platform, alter how we are able to advertise on the platform, prevent our app from being offered on their platform, change how the personal information of its users is made available to application developers on the platform, or limit the use of personal information for advertising purposes. If we violate, or a platform provider believes we have violated, its terms of service (or if there is any change or deterioration in our relationship with these platform providers), that platform provider could limit or discontinue our access to the platform. A platform provider may also object to content created by merchants on our platform, such as drug paraphernalia or adult content, and our perceived distribution or advertisement of such content may cause a platform provider to view us in a negative light or take other adverse actions against us. For example, platform providers have warned application developers on their platform, including Wish, that providing content related to drug paraphernalia or adult content could cause such platform providers to remove the apps from their platforms. While we believe that we have complied with platform providers' requirements, they may introduce additional requirements in the future. If a platform provider establishes more favorable relationships with one or more of our competitors or such platform provider determines that we are a competitor, our access to a platform may be limited or discontinued entirely. Any limit or discontinuation of our access to any platform could adversely affect our business, financial condition, and results of operations. In the past, some of these platforms have been unavailable for short periods of time. This and other changes, bugs, or technical system issues could degrade the user experience on our platform. There may also be changes to mobile hardware or software technology that make it more difficult for our users to access and use our platform on their mobile devices, which could adversely affect our user growth and user engagement. If any of these events recurs on a prolonged, or even short-term basis, or other similar issues arise that impact users' ability to access our app or use mobile devices, our business, financial condition, results of operations, or reputation may be harmed. If we are unable to offer features and attract merchants to list products that keep pace with changing consumer preferences, our business, financial condition, and results of operations may be materially and adversely affected. Constantly changing consumer preferences have affected and will continue to affect the e-commerce industry. We must stay ahead of emerging consumer preferences and anticipate product trends that will appeal to existing and potential users. Our users choose to purchase products due in part to the attractive prices that we offer, and they may choose to shop elsewhere if we cannot match the prices offered by other websites and platforms or by brick-and-mortar stores. If our users do not find our platform entertaining and are not shown desired products on our platform at attractive prices, they may lose interest in us, which in turn may materially and adversely affect our business, financial condition, and results of operations. We rely on our merchants to provide a positive experience to our users. Negative publicity or sentiment as a result of complaints about merchants selling on our platform could reduce our ability to attract users, discourage users from making additional purchases on our platform, or otherwise damage our reputation. A perception that our levels of responsiveness and support for our users are inadequate could have similar results. In some situations, we may choose to reimburse users for their purchases to help avoid harm to our reputation, but we may not be able to recover the funds we expend for those reimbursements. Disruptions in the operations of a substantial number of merchants on our platform, to the extent they are caused by events that are beyond their control, such as interruptions in order or payment processing, transportation disruptions, natural disasters, pandemics, inclement weather, geopolitical conflicts, including the current conflict between Russia and Ukraine arising from the invasion of Ukraine by Russia, terrorism, public health crises, or political unrest, could result in negative experiences for a substantial number of our users, which could harm our reputation and adversely affect our business. For example, if there are additional COVID-19 outbreaks in China or elsewhere, merchants on our platform may experience additional disruptions to their supply and restrictions on their ability to deliver products to our users in a timely manner, which could harm our business. Our brand, reputation, and business may be harmed if merchants on our platform use unethical or illegal business practices, including the sale of hazardous, counterfeit, fraudulent, or illegal products, or if our policies and practices with respect to such sales are perceived or found to be inadequate, and we may be impacted by the unlawful activities of merchants on our platform. It is important that both merchants and users have confidence in the transactions they are completing on our platform. Merchants on our platform have in the past, and may in the future, engage in illegal or unethical business practices. Allegations or findings of such illegal or unethical business practices by merchants on our platform could harm our brand, reputation, and business. Our policies promote legal and ethical business practices, such as prohibiting false or misleading seller or product information, the listing or sale of counterfeit or otherwise infringing goods, and the listing or sale of hazardous, fraudulent, or illegal products. For example, our merchant terms explicitly prohibit any illegal activity by merchants and require compliance with our policies. We maintain a suite of policies that educate merchants regarding items and practices that are explicitly prohibited from the platform, as well as the penalties for violations of our policies. We enforce these policies through the use of human and machine reviews as well as penalties for merchants if a violation of the policies is discovered. However, we do not control merchants or their business practices and cannot ensure their compliance with our policies. If merchants on our platform engage in illegal or unethical business practices or are perceived to do so, we may receive negative publicity and our brand and reputation may be harmed. Additionally, while we do not control merchants and cannot ensure their compliance with applicable law, we nevertheless frequently receive and respond to inquiries and demands from regulators and law-enforcement agencies around the globe, and we expect to continue to receive more inquiries and demands in the future. If our policies are violated by merchants, or if our policies and practices or responses to such conduct are perceived as or found to be inadequate by regulators or law-enforcement agencies, it could subject us to government inquiries, investigations, or enforcement actions, as well as potential civil or criminal liabilities, or requiring changes to our policies and practices with respect to illegal or unethical business practices that could lower our revenue, increase our costs, make our platform less user-friendly, or otherwise adversely impact our business. This has been the case in France, where regulators are attempting to hold Wish accountable and responsible for the purportedly illegal or hazardous listings created by merchants; we are currently responding to and challenging these claims in French courts. Separately, during the initial outbreak of COVID-19, a small number of merchants created listings of personal protective

equipment and other health-related products that regulators deemed to violate consumer protections related to pricing and advertising. Though these listings were posted by merchants in violation of our policies, Wish has received and may continue to receive inquiries and demands from regulators regarding these listings. Our merchants are subject to regulation by the U. S. Consumer Product Safety Commission and similar state and international regulatory authorities in the United States (“U. S.”) and abroad, and their products sold on our platform could be subject to involuntary recalls, takedown notices, and other actions by these authorities. Concerns about product safety, including concerns about the safety of products manufactured in developing countries, could lead to recalls of selected products sold on our platform. Recall and government or user concerns about product safety could harm our reputation and reduce sales, either of which could have a material adverse effect on our business, results of operations, financial condition, and prospects. Proposed laws in Europe, the U. S., and other jurisdictions and /or novel interpretations or enforcement of existing law may change the scope of platform liability, and ongoing case law developments may unpredictably increase our liability as a platform for merchant activity or for activities adjacent to the marketplace, such as logistics, or otherwise constrain or impede our ability to do business in a given jurisdiction. 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 merchants, including potentially for their conduct over which we have no control or influence. Moreover, we may be subject to product liability claims where merchants lack sufficient assets or are not reachable, which could be costly to defend in the aggregate. Regardless of the validity of any claims made against us, we may incur significant costs and efforts to defend against or settle them. We expect to continue to receive inquiries or demands from regulators and law enforcement regarding intellectual property, product compliance, and product safety. This could lead to government investigations, inquiries, and /or the imposition of penalties, fines and /or criminal liability in certain jurisdictions and, consequently, would be costly, time consuming, and would adversely impact our business. Merchants on our platform have in the past, and may in the future, engage in fictitious transactions or collaborate with third parties in order to artificially inflate their sales records and search results rankings. Such activity may frustrate other merchants by enabling the perpetrating merchants to be favored over legitimate merchants, may harm users by misleading them to believe that a merchant is more reliable or trustworthy than the merchant actually is, and may impact key performance metrics. Although we have implemented policies and practices to detect and penalize merchants who engage in fraudulent activities on our platform, there can be no assurance that such policies and practices will be effective in preventing fraudulent transactions. Any of these activities may adversely affect our brand, reputation, and business. If a governmental authority determines that we have aided and abetted the infringement or sale of counterfeit goods or if legal changes result in us potentially being liable for actions by merchants on our platform, we could face regulatory, civil, or criminal penalties. Successful claims by third-party rights owners could require us to pay substantial damages or refrain from permitting any further listing of the relevant items. These types of claims could force us to modify our business practices, which could lower our revenue, increase our costs, or make our platform less user friendly. Moreover, public perception that counterfeit or other unauthorized items are common in our platform, even if factually incorrect, could result in negative publicity and damage to our reputation and brand. Our merchants rely on third-party carriers and transportation providers as part of the fulfillment process, and these third parties may fail to adequately serve our users and comply with shipping and related regulations, which could adversely affect our service offerings and results of operations. We rely on merchants to properly and promptly prepare products ordered by our users for shipment and our logistics program relies on third-party carriers and logistics providers to deliver products as well as third parties to consolidate packages for shipping. Any failure by merchants to timely prepare such products for shipment or any delay by third-party carriers to deliver the products will have an adverse effect on the fulfillment of user orders, which could negatively affect the user experience and harm our business and results of operations. **We continue** Any increase in shipping costs, any significant shipping difficulties, disruptions or delays, or any failure by merchants on our platform to **incur** deliver products in a timely manner or to otherwise adequately serve our users, could damage our reputation and brand, and may harm our business. For example, due to abrupt new value added tax (“VAT”) regulations in Colombia (and related evolving interpretations of the same by local regulatory enforcement agencies), **expense of complying with public company reporting requirements following the closing of the Asset Sale. Since the Asset Sale** de minimis threshold exception to remitting VAT for certain low-value declared parcels was removed **consummated**, **we** subjecting any and all parcels (regardless of import value) to VAT payment obligations. Further, there was industry-wide confusion as to whether the exemption from VAT liability applied to items “shipped from” or “originating in” countries with which Colombia has a Free Trade Agreement (“FTA”). This caused certain parcels shipped by Wish merchants to be held up at Colombia customs, causing delays and increasing charges for consumers. Also, during the initial outbreak of COVID-19, our cross-border logistics function was severely impacted in terms of both disrupted processing capabilities and increased costs, which resulted in a decrease in sales due to higher logistics costs and higher refund rates due to poor performance. Our merchants based in China also experienced supply interruptions and delivery delays during the outbreak of COVID-19 and **have continued**, **and will continue**, to experience **be required to comply with the applicable reporting requirements of the Exchange Act, and** such interruptions and delays, which may continue to have an adverse effect on our users’ experience on our platform. Historically, our merchants in China have benefitted from lower shipping costs due to the Universal Postal Union Treaty (“UPU”). Certain expected changes to UPU postal rates that went into effect in July 2020 and other expected changes that will be implemented in the future are likely to increase the shipping rates our merchants incur to ship products from China. Further, the European Commission is considering a legislative proposal from trade industry associations to eliminate de minimis thresholds for customs entry, which if later enacted, would limit packages from several countries from qualifying for tariff-free entry into the EU-27 under existing de minimis laws, thus making importing goods from any country to the European Union (“EU”) more complicated **compliance** and expensive. The actions we have taken in our logistics program to mitigate these increased costs may not be successful over the long term. If there are increases in shipping costs, including rising oil and gas prices, the sales price of

products on our platform could increase, which could reduce the volume of transaction activity on our platform to decrease and may consequently have a negative impact on our results of operations. We generate a portion of our revenue from merchant advertising on our platform. A reduction in advertising spend by merchants could harm our business. We offer various features on our platform, such as ProductBoost and the Merchant Promotions Platform, which allow merchants to promote their listings to our users. In addition to generating revenue from merchants, these features may also result in increased purchases by users. However, not all merchants on our platform may agree with us on the value of these new features and may not use ProductBoost or the Merchant Promotions Platform, and some of our merchants could react negatively to these features. During the initial outbreak of COVID-19, merchant advertising declined due to the shutdown of business activity in China. If we are unable to monetize existing and new features for merchants, it could have a significant impact on our business, financial condition, and prospects. Our continued efforts to improve our logistics programs and enable faster and more reliable delivery in order to help grow our business and generate revenue may not be effective. We have worked to improve our logistics programs and to streamline our processes in order to provide a more consistent and reliable experience for our users through programs such as Wish Express and Wish Local. However, we still rely on third-party carriers for delivery and we are still in the process of establishing reliable long-term agreements with such **reporting** carriers both in the U. S. and worldwide. If we are not able to negotiate acceptable pricing, service level requirements, and other terms with these carriers, or these carriers experience capacity or performance problems or other issues, it could negatively impact our results of operations and our users' experience. For example, due to COVID-19 and related supply chain issues, global logistics has experienced longer delivery times. We have also developed and experimented with different logistics offerings in order to monetize our logistics platform. This is **economically burdensome** a relatively new business initiative for us. If we are unable to consistently generate revenue from our logistics platform or offer logistics services that are appealing to merchants and users, or if changes in carrier policies and pricing, shortage of low-cost carriers, and fluctuation of oil and gas prices result in higher logistics costs, it could have a material impact on our business, financial condition, and prospects. The market in which we operate is rapidly evolving and we face intense competition; if we do not compete effectively, our results of operations and financial condition could be harmed. Our market is highly competitive and characterized by rapid changes in technology and consumer sentiment. Competition in our industry has intensified, and we expect this trend to continue as the list of our competitors grows. This competition, among other things, affects our ability to attract new users and engage our existing users. We compete with ecommerce platforms and other retailers for merchants on our platform and merchants can list their goods on a number of ecommerce platforms, such as Amazon.com, Alibaba, Pinduoduo, Shein, and Shopify. There are various factors that affect how merchants engage with our platform, including: • the number and engagement of users on our platform; • our fees; • our brand **and** awareness; • our reputation; • the quality of our services; and • the functionality of our platform. We also compete with retailers for the attention of users. A user has the choice of shopping with any online or offline retailer, whether large marketplaces, such as Amazon.com, Alibaba, Pinduoduo, Shein, and Shopify, as well as more traditional discount retailers, such as Walmart and Target, and discount retailers that offer heavily discounted and off-season merchandise, such as Dollar General and TJ Maxx, or local stores or other venues or marketplaces. Many of these competitors offer low-cost or free shipping, fast shipping times, favorable return policies, and other features that may be difficult or impossible for our merchants to match. There are various factors that affect how users engage with our platform, including: • our brand awareness and recognition; • the prices of goods sold on our platform; • the functionality of our platform; • ease of payment; • shipping terms; and • the breadth of the products sold on our platform. Some of our competitors have, and potential competitors may have, longer operating histories, greater financial, technical, marketing, institutional and other resources, faster shipping times, lower-cost shipping, larger databases, greater name and brand recognition, or a larger base of users or merchants than we do. For example, Google or Meta could enter the ecommerce space and they have significantly more resources and users than we do. They may devote greater resources to the development, marketing, and promotion of their services than we do, and they may offer lower pricing or free shipping to the users on their platforms. These factors may allow our competitors to derive greater revenue and profits from their existing user and merchant bases, acquire users at lower costs or respond more quickly than we can to new or emerging technologies and changes in trends and consumer shopping behavior. If we are unable to compete successfully, or if competing successfully requires us to expend greater resources, our financial condition and results of operations could be adversely affected. We have a history of operating losses and we may not achieve or **our** maintain profitability in the future. Since our inception in 2010, we have incurred net losses each year. We incurred net losses of \$ 317 million and \$ 384 million for the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, we had an accumulated deficit of approximately \$ 3. 2 billion. We may not achieve or maintain profitability in the future. Our operating expenses may continue to increase in the future as we increase our efforts to expand our user base, continue to invest in the research and development of our technologies and service offerings and continue to operate as a public company. These efforts may be more costly than we expect and we may not be able to increase our revenue to offset our operating expenses. Our revenue growth slowed for the year ended December 31, 2023 and may slow again, or our revenue may decline for a number of other possible reasons, including increased competition, a decrease in the growth or reduction in size of our overall market, or if we fail for any reason to capitalize on growth opportunities. Our company is evolving, and we are in the process of executing on new business strategies and restructuring efforts; if we fail to successfully execute on these strategies, our business, financial condition, and operating results could be harmed. Our business is undergoing significant changes and our business strategy is constantly evolving. Our success depends on our ability to adapt our business model to changing market conditions and consumer spending habits. For example, we made a number of strategic decisions in an effort to improve our business operations and our marketplace offerings in response to the headwinds of reduced retention and new buyer conversion and a rise in digital advertising costs and have effected reductions in force to align our work force with strategic decisions we have made. Nevertheless, certain elements of this shift in strategy, or any future changes to our strategy that we may make could be disruptive to our business and our employees if we do not manage the changes properly.

Furthermore, continuing changes in macroeconomic trends and shifting consumer priorities may hamper and delay our efforts by, for example, making our assumptions regarding our strategies incorrect or subject to change or causing our strategies to not have the effect and outcomes that we anticipate. The slowing of consumer discretionary spending due to macroeconomic factors could also impede our turnaround efforts. We may not successfully execute or achieve the expected benefits of our restructuring and turnaround initiatives, which could adversely affect our business. We recently commenced executing on a turnaround and restructuring strategy which focuses on narrowing our business focus, reducing our headcount and outside spend, reviewing our real estate footprint, and a number of other cost saving measures. These restructuring initiatives were intended to focus the business on operational efficiency and right-sizing our expenses. Although we believe these initiatives address the needs of our business and its long-term objectives, our strategy is based on certain assumptions and forecasts, which are subject to change and risks and uncertainties, including whether we have accurately identified the issues, whether we targeted the appropriate cost saving measures, and whether our right-sizing efforts are executed at the appropriate scale and scope. Consequently, the implementation of these restructuring initiatives may not be successful in yielding the intended results. Moreover, implementation of these initiatives may be costly and disruptive to our business, with the intended impact falling short or resulting in an overcorrection. Our cost cutting initiatives, including our RIFs conducted in 2023 may negatively affect employee morale, which has resulted and could continue to result in personnel losses beyond our workforce reductions, diminished productivity, loss of institutional knowledge, and difficulty attracting highly skilled employees. The intended results of our turnaround effort may also be impacted by negative publicity about the Company and /or our restructuring initiatives, resulting in reputational harm, diminished investor confidence, and consumer backlash. These new initiatives have and may continue to require a significant amount of executive management's time and focus **attention. As a public company**, which may **we incur substantial legal, accounting, and other expenses. For example, we are subject to the reporting requirements of the Exchange Act, the applicable requirements of the Sarbanes- Oxley Act of 2002 (the " Sarbanes- Oxley Act ")**, the Dodd- Frank Wall Street Reform and Consumer Protection Act and the rules and regulations of the SEC. In addition, as a public company, our management and other key personnel must divert attention from other areas of our business -See **matters to devote substantial time to the reporting and the other** sections titled **Item 7 requirements of being a public company. In particular, "we incur significant expense and devote substantial** Management **management** ² s-**Discussion and Analysis effort to complying with the requirements of Financial Condition and Section 404 of the Sarbanes- Oxley Act. As a Results- result of our obligations as a public company** Operations—**Reductions in Workforce** ² and **Item 8, we may be subject to threatened** "Financial Statements and Supplementary Data, Note 12. Reductions in Workforce and Note 13. Subsequent Events", for **or actual litigation** further discussion of our restructuring and turnaround initiatives. Additionally, **including by stockholders** there can be no assurance that our restructuring and turnaround initiatives will be **competitors. If such claims are successful**, or that our business **and** will generate sufficient cash flow from operations - **operating** as a result **results** of such initiatives or that we will be able to draw funds from other sources of financing in an amount sufficient to fund our liquidity needs. If cash flows and capital resources are insufficient to operate our business, we would **could** face substantial liquidity problems and may be **adversely affected** forced to sell assets, seek additional capital or seek bankruptcy protection. If the Asset Sale is not completed within the intended timeframe or at all, these liquidity risks may be enhanced and **even if the claims do** Asset Sale is completed, we will no **not** longer have **result in litigation or are resolved in our favor, these claims, an- and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and** operating business and our liquidity will depend, in part, on our ability to acquire suitable revenue-generating assets using the net proceeds from the Asset Sale. If we are not able to identify and acquire additional revenue-generating assets or businesses to effectively utilize our NOLs after the Asset Sale, we may voluntarily dissolve. In that case, there is no assurance that we will have sufficient cash on hand to distribute to stockholders or any additional assets to sell or liquidate and you may be at risk for a loss of all or substantially all of your investment. Our recent reductions in force may not achieve the anticipated cost savings, and any savings may be offset by increased costs in other areas due to the disruption of our business. In 2023, we conducted reductions in force affecting approximately one half of our then global workforce in order to reduce operating costs and consolidate functions. These reductions in force reflect ongoing efforts focused on realigning our organizational structure, eliminating redundancies, and reducing operating costs. However, we may not realize, in full or in part, the anticipated savings due to unanticipated events and /or unexpected costs. These reductions in force have resulted in and may continue to result **results** in unintended consequences and costs, such as the loss of institutional knowledge and expertise, attrition beyond the intended number of employees, decreased morale and productivity among our remaining employees, inability to maintain an effective system of internal controls, and the risk that we may not achieve the anticipated benefits. **We** In addition, while positions have been eliminated, certain functions necessary to our operations remain, and we may be unsuccessful in distributing the duties and obligations of departed employees among our remaining employees. Moreover, reductions in force may also result in increased costs due to associated legal risks, and could distract management and remaining employees. If we are unable to realize the anticipated benefits from the reductions in force, or if we experience significant adverse consequences from the reductions in force, our business, financial condition, and results of operations may be materially adversely affected. Adverse impacts on our ability to effectively use social media, emails, and text messages may subject us to fines or penalties or impact our reputation or ability to generate revenue. We use social media, emails, and text messages as part of our omnichannel approach to marketing. As laws and regulations rapidly evolve to govern the use of these channels, the failure by us, our employees or third parties acting on our behalf or at our direction to abide by applicable laws and regulations in the use of these channels could adversely affect our reputation or subject us to fines, other penalties, or lawsuits. Although we continue to update our practices as these laws change over time, we may be subject to lawsuits alleging our failure to comply with such laws. In addition, our employees or third parties acting on our behalf or at our direction may knowingly or inadvertently use social media, including through advertisements, in ways that could lead to the loss

or infringement of intellectual property, as well as the public disclosure of proprietary, confidential, or sensitive personal information of our business, employees, users, merchants, or others. Any such inappropriate use of social media, emails, and text messages could also cause reputational damage. Moreover, changes in advertising and tracking policies of mobile device operating systems and platforms (e. g., Apple and Android) may limit or prevent the collection and use of certain data elements for certain purposes, such as ad targeting, and the use of such data elements may subject us to fines or other penalties. Our users may engage with us online through social media platforms, including Facebook, Instagram, and Twitter, by providing feedback and public commentary about all aspects of our business. Information concerning us or our merchants, whether accurate or not, may be posted on social media platforms at any time and may have a disproportionately adverse impact on our brand, reputation, or business. The harm may be immediate without affording us an opportunity for redress or correction and could have a material adverse effect on our business, results of operations, financial condition, and prospects. Additionally, changes to the terms of these social networking services to limit promotional communications, any restrictions that would limit our ability or our customers' ability to send communications through their services, disruptions or downtime experienced by these social media platforms or decline in the use of or engagement with social media platforms by consumers could materially adversely affect our business, financial condition, and results of operations. Further, if certain social media platforms change their business strategy to one that does not align with our values we may choose to limit or discontinue use of such platform, which could lead to a decline in customer acquisition and engagement and result in a reduction to the reach of our advertisements. Further, we believe that social media, emails, and text messages are an important part of our customer outreach and user experience. If we are unable to successfully deliver emails or other messages to our subscribers, or if subscribers decline to open or read our messages, our net revenue and profitability would be materially adversely affected. Changes in how web and mail services block, organize and prioritize email may reduce the number of subscribers who receive or open our emails. For example, Google's Gmail service has a feature that organizes incoming emails into categories (primary, social and promotions). Such categorization or similar inbox organizational features may result in our emails being delivered in a less prominent location in a subscriber's inbox or viewed as "spam" by our subscribers and may reduce the likelihood of that subscriber reading our emails. Actions by third parties to block, impose restrictions on or charge for the delivery of emails or other messages could also adversely impact our business. From time to time, emails service providers or other third parties may block bulk email transmissions or otherwise experience technical difficulties that could result in our inability to successfully deliver emails or other messages to customers. We are subject to payment-related risks. Our users can pay for purchases using a variety of methods, including through credit cards or Buy Now, Pay Later solutions through various third-party payment providers, and we pay our merchants through a variety of methods. If these service providers do not perform adequately or if our relationships with these service providers were to terminate, our users' ability to place orders, and our merchants' ability to receive orders or payments could be adversely affected and our business could be harmed. For example, in 2014, PayPal temporarily suspended processing payments on our platform as a result of concerns related to products listed on our platform. If a third-party payment provider suspends service or has significant outages in the future and we do not have alternative payment providers in place or are unable to provide our own solution, our business could be harmed. Likewise, if our third-party payment providers experience a security breach or fraud attack, our merchants and users could be adversely impacted. In addition, if our third-party providers increase the fees they charge us, our margins could decrease. If we respond by increasing the fees we charge to our merchants, some merchants may increase the price of their products, stop listing new items for sale or even close their accounts altogether. The laws and regulations related to payments are complex, evolving, subject to change and vary across different jurisdictions in the United States and globally. Any failure or claim of our failure to comply, or any failure by our third-party payment processors to comply, could cost us substantial resources and could result in liabilities. Further, through our agreements with our third-party payment processors, we are indirectly subject to payment card association operating rules, and certification requirements, including the Payment Card Industry Data Security Standard and Visa Network Rules, which are subject to change. Failure to comply with these rules and certification requirements could impact our ability to meet our contractual obligations with our third-party payment processors and could result in potential fines. We are also subject to rules governing electronic funds transfers. Any change in these rules and requirements could make it difficult or impossible for us to comply. 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 could lead to increased fees for our merchants, which may negatively impact our marketplaces. We track certain performance metrics with internal tools and do not independently verify such metrics. Certain of our performance metrics are subject to inherent challenges in measurement, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business. We calculate and track performance metrics with internal tools, which are not independently verified by any third-party. While we believe our metrics are reasonable estimates of our user or merchant base for the applicable period of measurement, the methodologies used to measure these metrics require significant judgment and may be susceptible to algorithm or other technical errors. For example, user accounts are based on email addresses, and a user could use multiple email addresses to establish multiple accounts, and merchants in many instances will have multiple accounts. As a result, the data we report may not be accurate. Our internal tools and processes we use to identify multiple accounts or fraudulent accounts have a number of limitations, and our methodologies for tracking key metrics may change over time, which could result in unexpected changes to our metrics, including historical metrics. Our ability to recalculate our historical metrics may be impacted by data limitations or other factors that require us to apply different methodologies for such adjustments and we generally do not intend to update previously disclosed metrics for any such changes. Though we regularly review our processes for calculating metrics and may adjust our processes for calculating metrics to improve their accuracy, limitations or errors with respect to how we measure data (or the data that we measure) may affect our understanding of certain details of our business, which could affect our longer term strategies. If our performance metrics are not accurate representations of our business, user or merchant base, or traffic levels; if we discover

material inaccuracies in our metrics; or if the metrics we rely on to track our performance do not provide an accurate measurement of our business, user or merchant base or traffic levels, we may not be able to effectively implement our business strategy, our reputation may be harmed, and our operating and financial results could be adversely affected. Our merchants, platform partners, and investors rely on our key metrics as a representation of our performance. If these third parties do not perceive our user metrics to be accurate representations of our user base or user engagement, or if we discover material inaccuracies in our user metrics, our reputation may be harmed and merchants may be less willing to sell on our platform, which could negatively affect our business, financial condition, or results of operations. We must develop new offerings to respond to our users' and merchants' changing needs. Our industry is characterized by rapidly changing technology, new service and product introductions, and changing user and merchant demands. Our users and merchants may not be satisfied with our new platform offerings or perceive that the new offerings do not respond to their needs. Developing new offerings is complex, and the timetable for commercial release is difficult to predict and may vary from our historical experience. As a result, the introduction of new offerings may occur after anticipated or announced release dates. In addition, new offerings could require us to comply with additional governmental regulations. Our new offerings also 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 our users or merchants, then our competitive position and growth prospects may be harmed. In addition, new offerings may have lower margins than existing offerings and our revenue may not grow enough as a result of the new offerings to offset the cost of developing them. If we fail to maintain, expand, and diversify our relationships with merchants, our revenue and results of operations will be harmed. We rely on our merchants to offer products that appeal to our existing and potential users at attractive prices. Our ability to provide popular products on our platform at attractive prices depends on our ability to develop mutually beneficial relationships with our merchants. For example, we rely on our merchants, most of whom are based in China, to make available sufficient inventory and fulfill large volumes of orders in an efficient and timely manner to ensure a positive user experience. Merchants can leave our platform at any time, so we may experience merchant attrition in the ordinary course of business resulting from several factors, such as losses to competitors, perception that marketing on our platform is ineffective, reduction in our or merchants' marketing budgets, and the penalties we impose on merchants for failing to comply with our policies. We have had, and may continue to have, disputes with merchants with respect to their compliance with our delivery requirements, quality control policies and measures, and the penalties imposed by us for violation of these policies or measures, which may cause them to be dissatisfied with our platform or to legally challenge the enforceability of our terms. If we experience significant merchant attrition, or if we are unable to attract new and geographically diverse merchants, our revenue and results of operations may be materially and adversely affected. For example, during the initial outbreak of COVID-19, many of our merchants based in China were adversely impacted, which had a negative impact on the supply of inventory on our marketplace and our merchants based in China continue to be adversely impacted. In addition, our agreements with merchants also typically do not restrict them from establishing or maintaining business relationships with our competitors. Furthermore, the European Commission is considering a legislative proposal from trade industry associations to eliminate de minimis thresholds for customs entry. If the European Commission were to adopt these recommendations, it would bar or limit packages from numerous countries from qualifying for tariff-free entry into the EU-27 under existing de minimis laws, and make importing goods from any country to the EU more complicated and expensive, which could adversely affect our business. Failure to deal effectively with fraudulent activities on our platform would increase our loss rate and harm our business, and could severely diminish merchant and user confidence in and use of our services. We have in the past incurred and may in the future incur losses from various types of fraud, including stolen credit card numbers, claims that a user did not authorize a purchase, merchant fraud, and users who have closed bank accounts or have insufficient funds in open bank accounts to satisfy payments. We face risks with respect to fraudulent activities on our platform and periodically receive complaints from users who may not have received the products that they had contracted to purchase. In some jurisdictions, users may also have the right to cancel a sale made by a merchant within a specified time period and for any reason. Although we have implemented measures to detect and reduce the occurrence of fraudulent activities, combat bad user experiences, and increase user satisfaction, including evaluating merchants on the basis of their transaction history and restricting or suspending their activity, there can be no assurance that these measures will be effective in combating fraudulent transactions or improving overall satisfaction among merchants, users, and other participants. Additional measures to address fraud could negatively affect the attractiveness of our services to users or merchants, resulting in a reduction in our ability to attract new users or continue to engage current users, damage to our reputation, or a diminution in the value of our brand. Additionally, under current credit card practices, we are liable for fraudulent credit card transactions because we do not obtain a cardholder's signature, which results in chargebacks made to our users that we are not able to collect from our merchants. We do not currently carry insurance against this risk. We face the risk of significant losses from this type of fraud as our net sales increase and as we continue to expand globally. Our failure to adequately control fraudulent credit card transactions could damage our reputation and brand and substantially harm our business, results of operations, financial condition, and prospects. We also accept payments for many of our sales through credit and debit card transactions, which are handled through third-party payment processors. As a result, we are subject to a number of risks related to credit and debit card payments, including that we pay interchange and other fees, which may increase over time and could require us to absorb or pass along an increase in our costs and expenses. In addition, as part of payment processing, our users' credit and debit card information is transmitted to our third-party credit card payment processors. We may in the future become subject to lawsuits or other proceedings for purportedly fraudulent transactions arising out of the actual or alleged theft of our users' credit or debit card information if the security of our third-party credit card payment processors is breached. We and our third-party credit card payment processors are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we or our third-party credit card payment processors fail to

comply with these rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from our users in addition to the consequences that could arise from such action or inaction violating applicable privacy, data protection, data security and other laws as outlined above, and there may be an adverse impact on our business, results of operations, financial condition, and prospects. Our refund policies may adversely affect our results of operations. We have adopted user-friendly refund policies that make it convenient and easy for users to receive a refund after completing purchases. These policies are designed to improve users' shopping experience and promote user loyalty, which in turn help us acquire and engage our existing users. We may also be required by law to adopt new or amend existing refund policies from time to time. These policies also make us more susceptible to misuse and if our refund policy is misused by a significant number of users, our costs may increase significantly, and our results of operations may be materially and adversely affected. If we revise these policies to reduce our costs and expenses, our users may be dissatisfied, which may result in loss of existing users or failure to acquire new users at a desirable pace or cost, which may materially and adversely affect our results of operations. Our ability to recruit and retain employees is important to our success. Our future performance depends on our employees, including key engineering and product development personnel. Due to competition for key personnel within our industry, we may be unable to successfully attract, integrate, or retain sufficiently qualified key personnel. In making employment decisions, particularly in the internet and high-technology industries, job candidates and current employees often consider the value of the equity awards they would receive in connection with their employment or continued employment and fluctuations in and negative pressure on our stock price may make it more difficult to attract, retain, and motivate employees. Our recent reductions in workforce and the proposed Asset Sale may make it more difficult for us to recruit and retain employees. Our forecasts of market opportunity and market growth may prove to be inaccurate, and, even if these forecasts materialize, we cannot assure you our business will grow at similar rates, if at all. Estimates of market opportunity and forecasts of market growth are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. Any estimates of the size of the markets that we may be able to address and any forecasts relating to the expected growth in ecommerce and other markets are subject to many assumptions and may prove to be inaccurate. These markets may not grow at the rates that we forecast. We may not grow our business at similar rates, or at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, any estimates of market opportunity and forecasts of market growth, including any in this report, should not be taken as indicative of our future growth. We rely on consumer discretionary spending and may be adversely affected by economic downturns and other macroeconomic conditions or trends. Macroeconomic conditions may adversely affect our business. If general economic conditions deteriorate globally or in specific markets where we operate, consumer discretionary spending may decline and demand for products available in our platform may be reduced. Recently, there have been some indications of deteriorating economic conditions both globally and in the markets we operate. A decrease in consumer discretionary spending would cause sales in our platform to decline and adversely impact our business. If the Company's costs were to become subject to significant inflationary pressures, including recent inflationary pressures, the Company may not be able to fully offset such higher costs through increases in revenue as increases in core inflation rates are affecting consumers' willingness to make discretionary purchases on our platforms. The Company's inability or failure to do so could harm the Company's business, financial condition, and results of operations. As the world moves into new phases of the pandemic, with new variants emerging, and inflation on the rise, macroeconomic conditions may continue to trend downward for a more prolonged period than expected. Unfavorable changes or failure by us to comply with new and / or evolving internet and ecommerce regulations could substantially harm our business and operating results. We are subject to general business regulations and laws as well as regulations and laws specifically governing the internet and ecommerce. These regulations and laws may involve taxes, privacy and data security, consumer protection, the ability to collect and / or share necessary information that allows us to conduct business on the internet, marketing communications and advertising, content protection, electronic contracts, or gift cards. Furthermore, the regulatory landscape impacting internet and ecommerce businesses is constantly evolving, and new regulations and laws will be forthcoming. Any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings, or actions against us by governmental entities or others, which could impact our operating results. Our business could suffer if we are unsuccessful in making, integrating, and maintaining any future acquisitions and investments. We may acquire businesses or technologies in the future. Integrating an acquired business or technology is difficult and can be risky. These potential and completed transactions create risks such as: • disruption of our ongoing business, including loss of management focus on existing businesses; • the difficulty of integrating new businesses and technologies into our infrastructure; and • the risks associated with assuming liabilities related to the activities of the acquired business before and after the acquisition, including liabilities for violations of laws and regulations, commercial disputes, cyberattacks, taxes, and other matters. Moreover, acquisitions may divert management's time and focus from operating our business. Acquisitions also may require us to spend a substantial portion of our available cash, issue stock, incur debt or other liabilities, amortize expenses related to intangible assets, or incur write-offs of goodwill or other assets. Finally, acquisitions could be viewed negatively by analysts, investors, merchants, or our users. We may be involved in litigation matters or other legal proceedings that are expensive and time consuming. We **have been, and** may become **in the future be,** involved in litigation matters, including class action lawsuits; relating to intellectual property, product liability, and consumer practices, whether for our own services or products offered by merchants, as well as other commercial disputes. Any lawsuit to which we are a party, with or without merit, may result in an unfavorable judgment. We also may decide to settle lawsuits on unfavorable terms. Any such negative outcome could result in payments of substantial damages or fines, damage to our reputation, loss of rights, or adverse changes to our offerings or business practices. Any of these results could adversely affect our business. In addition, defending claims is costly and can impose a significant burden on our management. Additionally, the market price of our **Class A** common stock has been and may

continue to be volatile. As a result, we have been named in lawsuits, and may be subject to both ongoing litigation and other requests related to our stock price / performance and / or **performance and independence of our Board of Directors** performance and independence. Beginning in May 2021, four **We are currently party to three** putative class action lawsuits **that** were filed in the U. S. District Court for the Northern District of California against the Company, its directors, certain of its officers and the underwriters named in its initial public offering (“ IPO ”) registration statement alleging violations of securities laws based on statements made in its registration statement on Form S- 1 filed with the SEC in connection with its IPO and seeking monetary damages. ~~One of these cases has since been dismissed by the plaintiff and~~ **that the remaining three** have been coordinated and consolidated (the “ IPO Case ”). In May 2022, the Court appointed lead plaintiffs, who subsequently filed an amended consolidated class action complaint pursuant to Sections 11 and 15 of the Securities Act and Sections 10 (b) and 20 (a) of the Exchange Act. ~~In and in~~ April 2023, the plaintiffs filed ~~an a first~~ amended **consolidated class action** complaint and ~~assert asserted~~ only claims made under Sections 11 and 15 of the Securities Act. The Court dismissed this complaint in December 2023 with leave to amend. ~~In~~ **The plaintiffs have until February 2024**, **the plaintiffs filed a second amended consolidated class action complaint, which Defendants have moved to dismiss de se.** In August 2024, the Court granted **the motion to dismiss without leave to amend and with prejudice. In September 2024, plaintiffs filed a motion to alter judgment noticed for hearing in January 2025. In February 2025, the court denied the plaintiffs' motion to alter judgment. In addition, in** August 2021, a shareholder derivative action purportedly brought on behalf of the Company, Patel v. Szulczewski, was filed in the U. S. federal court alleging that the Company’ s directors and officers made or caused the Company to make false and / or misleading statements about the Company’ s business operations and financial prospects in various public filings. This matter is stayed pending certain motion practice in the IPO Case. We **cannot predict the outcome of these cases at this time and we** may continue to be the target of securities litigations, and / or may receive other civil and regulator inquiries and requests, in the future. Securities litigation or inquiries or investigations against us could result in substantial costs and divert our management’ s attention from other business concerns, which could adversely affect our business. ~~From time to time~~, we are subject to investigations, demands, litigation and other proceedings involving consumer protection, product safety, and data protection authorities or other regulatory agencies, including, in particular, in Denmark, France, Hungary, Italy, the Netherlands, and the United States. These proceedings can result **results of operation** and in one case in 2023 in France resulted, in civil and / or **reputation** criminal penalties, large fines, other penalties, and / or remediation efforts and / or injunctive relief that could limit or restrict our ability to do business either in a given jurisdiction within a product class. Implementing these requests or defending against any associated fines could prove expensive and time consuming and negatively affect our results of operations and financial condition. While we may dispute the charges or cases, novel interpretations of the law or enforcement efforts could subject us to litigation and / or time consuming and costly remediation measures or otherwise impair business operations in a jurisdiction. Bank failures or other events affecting financial institutions could materially adversely affect our operations, liquidity and financial performance. We maintain domestic cash deposits in Federal Deposit Insurance Corporation **depend upon our subsidiary, ContextLogic Holdings, LLC** (“ **FDIC Holdings** ”) insured banks, **for our** which exceed the FDIC insurance limits, and any deposits beyond these limits could be lost. We also maintain cash **flows and** deposits in foreign banks where we **may** operate, some of which are not insured **have sufficient cash flows or cash on hand to satisfy** ~~or our~~ are only partially insured obligations, or we may not be able to effectively manage our business. In connection with the up to \$ 150 million investment in our subsidiary, Holdings, in March 2025, we contributed \$ 141, 702, 000 to Holdings (the “ Parent Cash Contribution ”) in exchange for common units in Holdings and committed to contribute an aggregate additional \$ 5 million in currently restricted cash in April and September of 2025. Following the Parent Cash Contribution, almost all of our cash is held by the **FDIC Holdings**. Consequently, ~~or our~~ **cash flows and our ability to meet our obligations, including our expenses as a publicly traded company, depend upon other** ~~the similar agencies~~ **cash flows of Holdings and the payment of funds by Holdings to us in the form of distributions or otherwise**. The ~~Any~~ failure of a bank, or events involving limited liquidity, defaults, non-performance or other adverse conditions in the financial or credit markets impacting financial institutions at which we maintain balances, or concerns or rumors about such events, may lead to **receive** disruptions ~~distributions from Holdings when~~ in access to our bank deposits or otherwise adversely impact our liquidity and financial performance. While we maintain our cash and short-term investments with a diverse group of large national financial institutions and our limited deposits at Silicon Valley Bank were backstopped by the U. S. government, there can be no assurance that any of our other deposits in excess of the FDIC or other comparable insurance limits will be backstopped by the U. S. or that any bank or financial institution with which we do business will be able to obtain needed liquidity from other banks, government institutions or by acquisition in the event of a failure or liquidity crisis. In addition, instability, liquidity constraints or other distress in the financial markets, including the effects of bank failures, defaults, non-performance or other adverse developments that affect financial institutions, could impair the ability of one or more of the banks participating in our credit agreement or any future credit agreement from honoring their commitments. This could have a material adverse effect on our business, **results of operations or financial condition. Our subsidiary, Holdings, is subject to certain restrictions under its Amended and Restated Limited Liability Agreement (the “ A & R LLCA ”), which could affect our ability to execute our operational and strategic objectives. Legal and contractual restrictions in the agreements governing Holdings, such as the A & R LLCA, as well as its financial condition and operating requirements, may limit the ability of Holdings to make distributions to the Company. Holdings is and will be separate a legal entity, and although it is controlled by us, it has no obligation to make any funds available to us, whether in the form of loans, distributions or otherwise, except as set forth in the A & R LLCA. The ability of Holdings to distribute cash to us will also be subject to, among other things, restrictions that are contained in the A & R LLCA, availability of sufficient funds and applicable state laws and regulatory restrictions. With certain exceptions, holders of Class A Convertible Preferred Units (the “ Preferred Units ”) have priority as to the distribution of cash and assets of Holdings**

over our claims. To the extent the ability of Holdings to make distributions or other payments to us could be limited in any way, this could materially limit our ability to fund and conduct our business or fund dividends, redemptions or repurchases. The holders of the Preferred Units have rights, preferences and privileges in Holdings that are not held by, and are preferential to, the rights of the Company. Holdings may be required, under certain circumstances, to repurchase the outstanding Preferred Units for cash, and such obligations could adversely affect our liquidity and financial condition. For so long as the initial holder of Preferred Units or its permitted transferees, holds any Preferred Units, such holder has certain approval rights relating to, among other things, the operation of Holdings, acquisitions and dispositions of assets, affiliate transactions, the incurrence of indebtedness and the issuance of securities or other instruments. These approval rights could limit Holdings' ability to implement future strategic objectives. The preferential rights could also result in divergent interests between us as a holder of common units in Holdings and the holders of the Preferred Units. Risks Related to our NOLs and Other Tax Attributes We may not be able to utilize a significant portion of our net operating loss carryforwards, and other tax attributes, which could adversely affect the value of our common stock. As of December 31, 2024, we had federal NOLs available to reduce future taxable income, if any, of \$ 886 million that begin to expire in 2030 and continue to expire through 2037 and \$ 2. 0 billion that have an unlimited carryover period. As of December 31, 2024, we were had state NOLs available to reduce future taxable income, if any, of \$ 7. 4 billion that begin to expire in 2026 and continue to expire through 2044 and \$ 2. 1 billion that have an unlimited carryover period. Under legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act (the " Tax Act "), as modified by the Coronavirus Aid, Relief, and Economic Security Act (the " CARES Act "), unused U. S. federal NOLs generated in tax years beginning after December 31, 2017, will not expire and may be carried forward indefinitely, but the deductibility of such federal NOLs in tax years beginning after December 31, 2020, is limited to 80 % of taxable income. Additionally, portions of these NOLs could expire unused and be unavailable to offset future income tax liabilities. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited. As a result, even if we acquire income producing assets and attain profitability in the future, we may be unable to use a material portion of our NOLs and other tax attributes, which could adversely affect our future cash flows and the value of our common stock. An " ownership change " could limit the use of our NOLs and our potential to derive a benefit from our NOLs. The utilization of NOLs and other tax attributes to offset future taxable income or taxes may be subject to limitations under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the " Code "), and similar state statutes as a result of ownership changes that could occur in the future. While we have entered into a Tax Benefits Preservation Plan designed to preserve and protect our NOLs, there is no guarantee that we have not undergone an ownership change in the past or that such plan will prevent us from experiencing an ownership change in the future which would limit our ability to use our NOLs. In general, an " ownership change " would occur if there is a cumulative change in the ownership of our common stock of more than 50 % by one or more " 5 % stockholders " during a three- year test period. Our Tax Benefits Preservation Plan does not prohibit a stockholder from acquiring a significant percentage of our outstanding common stock and adversely impacting our ability to preserve our NOLs. Our Tax Benefits Preservation Plan is designed to preserve the value of certain tax assets associated with NOL carryforwards under Section 382 of the Code by deterring new 5 % stockholders and is triggered by an unauthorized person acquiring or holding more than 4. 9 % of our outstanding voting securities. The Tax Benefits Preservation Plan is designed to deter new 5 % stockholders through economic dilution, but does not prohibit a stockholder from acquiring more than 4. 9 % of our outstanding voting securities which could cause an " ownership change " if there is a cumulative change in the ownership of our common stock of more than 50 % by one or more " 5 % stockholders " during a three- year test period which could materially and adversely reduce and restrict our ability to utilize and benefit from our NOLs. Risks Related to our Business Plan and Future Operations We may face difficulties or delays or be unsuccessful in a search to acquire an operating business or assets, and we may expend significant time and capital on a prospective business or asset acquisition that is not ultimately consummated. Our Board of Directors is evaluating strategic alternatives, including the potential to use the Post- Closing Cash for acquiring assets or a business. The investigation of any specific target assets or a business and any subsequent negotiation and drafting of related agreements, SEC disclosure and other documents would require substantial amounts of management' s time and attention and material additional costs in connection with outsourced services from accountants, attorneys and other professionals. We would likely expend significant time and resources searching for, conducting due diligence on, and negotiating transaction terms in connection with a proposed asset or a business acquisition that may not ultimately come to fruition. Unanticipated issues which may be beyond our control or that of the seller of the applicable assets or business may arise that force us to terminate discussions with a target company, such as the target' s failure or inability to provide adequate documentation to assist in our investigation, a party' s failure to obtain required waivers or consents to consummate the transaction as required by the inability to obtain the required audits, applicable laws, charter documents and agreements, the appearance of a competitive bid from another prospective purchaser, or the seller' s inability to maintain its operations for a sufficient time to allow the transaction to close. Such risks are inherent in any search for new assets or a business and investors should be aware of them before investing in an enterprise such as ours and we can provide no assurance that we will be successful in our efforts to acquire assets or a revenue producing business. We expect to face intense competition in our search for assets or a revenue- producing business to combine with or acquire. Other parties, such as private equity and venture capital firms, larger companies, and other strategic investors, may have greater capital or human resources than we do and / or more experience in a particular industry within which we choose to search. These competitors may have a certain amount of liquid cash available to take advantage of favorable market conditions for a prospective asset or business purchase. Any delay or inability to locate, negotiate and enter into an asset or business

acquisition as a result of any disadvantages we have relative to those other potential purchasers could cause us to lose valuable business opportunities to those other potential purchasers, which would have a material adverse effect on our business plan and results of operations. Moreover, economic factors that are beyond our control, including inflation and higher interest rates and economic uncertainty, as well as geopolitical instability may hinder our ability to locate and obtain assets or a business on terms that are favorable to us. In addition, we have limited capital, and we may not be able to replace take advantage of any available business opportunities on favorable terms or at all. There can be no assurance that we will have sufficient capital or be able to raise additional capital to provide us with those-- the commitments necessary funds to successfully acquire assets or a business we deem to be appropriate or necessary to accomplish our objectives, in which case we may be forced to terminate our efforts to acquire assets or a revenue producing business and your investment in our common stock could be materially and adversely impacted. In addition, any debt financing that we may secure in connection with an acquisition, could result in additional operating and financial covenants that would limit or restrict our ability to take certain actions. There is no guarantee that financing would be available to us in amounts or on terms acceptable to us, if at all. If we are not successful in acquiring assets or a new business and generating material revenues, investors may lose their entire investment. If we are not successful in acquiring assets or a new business through which to implement it, our investors' entire investment in our common stock could be materially and adversely affected. Even if we are successful in acquiring the assets of an operating entity, we can provide no assurances that we will be able to generate material revenue therefrom in the short- term or at all or that investors will derive a profit from their investment. If we are not successful, our investors may lose their entire investment. We may attempt to complete an acquisition with a private target company about which little information is available, and such target entity may not generate revenue as expected or otherwise be compatible with us as expected. In pursuing our search for assets or a business to acquire, we may seek to complete a business acquisition with a privately- held company or acquire assets from a privately- held company. Very little public information generally exists about private companies, and the only information available to us prior to making a decision may be from documents and information provided directly to us by the target company in connection with the transaction. Such documents or information or the conclusions we draw therefrom could prove to be inaccurate or misleading. As such, we may be required to make our decision on whether to pursue a potential asset or business acquisition based on limited, incomplete or faulty information, which may result in our subsequent operations generating less revenue than expected, which could materially harm our financial condition and results of operations. When evaluating the desirability of a potential business acquisition, our ability to assess the target business' s management may be limited due to a lack of time, resources or information. Our management' s assessment of the capabilities of the target' s management, therefore, may prove to be incorrect and such management may lack the skills, qualifications or abilities expected. Should the target' s management not possess the skills, qualifications or abilities necessary to manage a public company or assist with their former entity' s merger or combination into ours, the operations and profitability of the post- acquisition business may be negatively impacted, and our stockholders could suffer a reduction in the value of their shares. Our business could suffer if we are unsuccessful in making, integrating, and maintaining any future acquisitions and investments. We may acquire assets, businesses or technologies in the future. Integrating an acquired asset, business or technology is difficult and can be risky. These potential and completed transactions create risks such as: • the risks associated with assuming liabilities related to the activities of the acquired business before and after the acquisition, including liabilities for violations of laws and regulations, commercial disputes, cyberattacks, taxes, and other sources matters; and • the difficulty of liquidity integrating new assets, businesses and technologies into our infrastructure. Acquisitions also may require us to spend a substantial portion of our available cash, issue stock, incur debt or other liabilities, amortize expenses related to intangible assets, or incur write- offs of goodwill or other assets. Finally, acquisitions could be viewed negatively by analysts, investors or our users. The success of our business will depend, in part, on acceptable terms the continued services of certain key personnel and our ability to attract and retain qualified personnel. The success of our business will depend, in part, on the continued services of certain members of our management. Our inability to attract and retain qualified personnel could significantly disrupt our business. Although we take prudent steps to retain key personnel, we face competition for qualified individuals from numerous professional services and other companies. For example, our competitors may be able to attract and retain more qualified professional and technical personnel by offering more competitive compensation packages. If we are unable to attract new personnel and retain our current personnel, we may not be able execute our business plan.

Risks Related to the Asset Purchase Agreement

The Purchaser did not assume the excluded liabilities under the Asset Purchase Agreement. Under the Asset Purchase Agreement, the Buyer did not assume all of the liabilities associated with our prior business. Certain liabilities remained with us post-closing. For example, the Buyer did not assume any liabilities arising out of or related to the employment or termination of service of any employee of ours who did not transfer to the Buyer or arising from severance payments to, or unpaid wages owed to, any employee who declined the Buyer' s offer of employment or service or certain third party claims related to the Company' s IPO, including an existing class action lawsuit and a stockholder derivative action. Such liabilities, together with other excluded liabilities under the Asset Purchase Agreement, could be significant. We can provide no assurance that we will not incur material post- closing liabilities. We have counterparty risk with the Buyer and its affiliates for certain ongoing obligations under the Asset Purchase Agreement and the failure of the Buyer and its affiliates to perform their obligations could cause us to suffer losses. In connection with the Asset Sale, under the Asset Purchase Agreement, we agreed with the Buyer to transfer and assign the lease for the facility located at One Sansome Street (the " Lease ") to the Buyer and for the Buyer to assume all obligations under the Lease. The Company relinquished control of the leased facility after the Asset Sale. In order to obtain the landlord' s consent to the transfer of

the Lease and effect its assignment, we agreed to maintain a letter of credit for an additional 90 days following the April 19, 2024 closing date during which time (i) the Buyer was obligated to secure a replacement security acceptable to the landlord and (ii) we and the Buyer agreed to provide the landlord with cash collateral in the amount of \$ 7 million funded equally by the parties. As of October 31, 2024, the landlord had consented to the assignment of the Lease to the Buyer. However, we maintain the letter of credit for the facility. Until the landlord accepts a replacement security proposed by the Buyer, any event by the landlord to draw on the security will come from the maintained letter of credit. Under the Asset Purchase Agreement, the Buyer agreed to assume all obligations under the Lease since the Asset Sale. As of August 1, 2024, it has been reported that two of Parent Qoo10's e-commerce platforms had filed for receivership in South Korea shortly after it was announced that Qoo10 was being investigated in South Korea for failures to make payments to vendors in South Korea. If the Buyer fails to pay the rent under the Lease or comply with other obligations under the Lease, we would be responsible for the remaining obligations under the Lease. While the cash collateral held as restricted cash on our consolidated balance sheet could be utilized to satisfy obligations under the Lease should the Buyer fail to meet them, half of the cash collateral has been funded by the Company, and if more than half of the cash collateral is used to satisfy obligations under the Lease, such funds will not be returned to the Company. While the Buyer would be responsible for such obligations under the terms of the Asset Purchase Agreement, we can provide no assurance that we would be successful in obtaining payment or reimbursement from the Buyer or Qoo10 for such losses.

Risks Related to Our Internal Controls We have previously identified material weaknesses in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations. During the preparation and the audit of our consolidated financial statements for the year ended December 31, 2021, we and our independent registered public accounting firm identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. In addition, given our reliance on information technology ("IT") systems to synthesize both financial and nonfinancial information, any material weaknesses in our IT controls may result in errors in not only our consolidated financial statements but our nonfinancial metrics as well. The material weaknesses we identified in 2021 occurred because (i) the processes and controls over our IT systems relevant to the preparation of our consolidated financial statements were inadequate and (ii) the current processes in place were insufficient to allow us to complete the testing and assessment of the design and operating effectiveness of internal controls over financial reporting in a timely manner. **Following the closing of the Asset Sale, we reassessed our remediation efforts given that most of our IT systems were sold and the process controls that were associated with the material weakness are no longer applicable to the limited size, scope, and complexity of our current control environment. As a result, we designed a new control environment with new IT systems, processes, and controls commensurate with our current business operations.** As described in Item 9A, "Controls and Procedures", **following the effective** we will continue our initiatives to implement **implementation** measures designed to ensure **of the new controls, management has concluded** that remaining control deficiencies contributing to the material weaknesses **are were** remediated **as of December 31, 2024** such that these controls are designed, **but we** implemented, and operating effectively. We cannot guarantee that our efforts will remediate these deficiencies in internal control over financial reporting or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal control over financial reporting could result in errors in our consolidated financial statements that could result in a restatement of our **consolidated** financial statements and could cause us to fail to meet our reporting obligations, any of which could diminish investor confidence and cause a decline in the price of our **Class A** common stock. See Item 9A, "Controls and Procedures" for further discussions of the identified material weaknesses. Our management is required to evaluate the effectiveness of our disclosure controls and internal control over financial reporting. If we are unable to maintain effective disclosure controls and internal control over financial reporting, investors may lose confidence in the accuracy of our financial reports. As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting. Additionally, our independent registered public accounting firm is required to deliver an attestation report on the effectiveness of our internal control over financial reporting. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming, costly, and place significant strain on our personnel, systems, and resources. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed in the reports that we will file with the SEC is recorded, processed, summarized, and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. While we **continue** **have developed a new control environment with new systems, processes and controls commensurate with our ongoing business going forward, and new business processes and controls were designed and documented in order** to improve our internal control over financial reporting through remediation measures described in Item 9A, "Controls and Procedures — Management's Plan to Remediate the Material Weaknesses", we cannot guarantee that these changes will remediate future deficiencies or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources, including accounting-related costs and significant management oversight. If any of these new or improved controls and systems do not perform as expected, we may experience further

deficiencies in our controls. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business, some of which may arise from our restructuring and turnaround initiatives. We and our **previous** independent registered public accounting firm identified weaknesses in our internal control over financial reporting and additional weaknesses may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations, cause us to fail to meet our reporting obligations, and adversely affect the results of periodic management evaluations and our independent registered public accounting firm's attestation reports required by the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could diminish investor confidence, negatively affect the price of our **Class A** common stock, and could result in our delisting on Nasdaq. As noted previously, see Item 9A, "Controls and Procedures" for further discussions of the identified material weaknesses.

Risks Related to ~~our International Operations~~ Economic tension between the United States and China, or between other countries, may intensify and the United States, China, or other countries may adopt drastic measures in the future that impact our business. Our merchants source a large percentage of the products we list on our platform from China and other countries outside the U. S. and Europe. Additionally, most of our merchants, and some of our operations, are located in China, making the price and availability of products on our platform susceptible to international trade risks and other international economic conditions. If the U. S. government or other governments impose tariffs or other economic measures that directly or indirectly increase the price of products it imports and that we list on our platform, the increased prices could have a material adverse effect on our financial results and business. The effects of the imposed and proposed tariffs are uncertain because of the dynamic nature of governmental action, relations and responses. Further escalation of trade, economic and geo-political tensions between the United States and its trading partners, especially China, could result in long-term changes to global trade, including retaliatory trade restrictions that restrict the international flow of products. We also cannot predict what actions may ultimately be taken with respect to tariffs or trade relations between the U. S. and China or other countries, what products may be subject to such actions, or what actions may be taken by the other countries in retaliation. Any alterations to our business strategy or operations made in order to adapt to or comply with any such changes would be time-consuming and expensive, and certain of our competitors may be better suited to withstand or react to these changes. Additionally, certain jurisdictions may attempt to restrict the operation and access of certain China-based companies, such as TikTok, WeChat and Alipay in the U. S. In response, government authorities in China, or elsewhere, may seek to restrict access and operation of U. S. companies. Most of our merchants and some of our operations are located in China; if our operations or our merchant's activities were restricted in China, our platform, our business, financial condition, and results of operations would be adversely affected. We are not able to predict future economic policy of the U. S., China, or of any foreign countries in which we operate. The adoption and expansion of restrictions, including restrictions on access to apps and other platforms, cross-border data transfers, tariffs, or other governmental action related to economic policies, has the potential to adversely impact our business, operational results and financial position. Certain aspects of our business relating to the provision of financial services are subject to government regulation and oversight. Many jurisdictions in which we operate have laws that govern financial services activities. Regulators in certain jurisdictions may determine that certain aspects of our business are subject to these laws and could require us to obtain licenses to continue to operate in such jurisdictions. For example, if we are deemed to be a money transmitter as defined by applicable regulation, we could be subject to certain laws, rules and regulations enforced by multiple authorities and governing bodies in the United States and abroad. If we are found to be a money transmitter or lender under any applicable regulation and we are not in compliance with such regulations, we may be subject to fines or other penalties in one or more jurisdictions levied by federal or state or local regulators, including state Attorneys General, as well as those levied by foreign regulators. In addition to fines, penalties for failing to comply with applicable rules and regulations could include criminal and civil proceedings or other enforcement actions. We could also be required to make changes to our business practices or compliance programs as a result of regulatory scrutiny. One of our subsidiaries, ContextLogic Collections B. V., received a payments institution license in 2021 from its regulatory authority, De Nederlandsche Bank. This license permits ContextLogic Collections B. V. to operate as a payment service provider (including acquiring and executing payment transactions, as referred to in the Revised Payment Services Directive ("2015/2366/EU") in the Netherlands. In addition, ContextLogic Collections B. V. can offer its payment services in all other countries of the European Economic Area ("EEA") on the basis of a European passport. As a regulated financial institution, ContextLogic Collections B. V. is in compliance and will continue to comply with financial services regulations within the EU, including those relating to anti-money laundering, combating the financing of terrorism, bribery, forced labor, human trafficking, slavery, and sanctioned or prohibited persons or regions. We continue to evaluate our options for seeking additional licenses and/or subsidiaries in several other jurisdictions to optimize our payment solutions, interchange fees, and to support the future growth of our business. We could be denied such licenses, have existing licenses revoked, or be required to make significant changes to our business operations before being granted such licenses. If we are denied licenses or such licenses are revoked, we may be forced to cease or limit business operations in certain jurisdictions, including in the EEA, and even if we are able to obtain such licenses, we could be subject to fines or other enforcement action, or stripped of such licenses, if we are found to violate the requirements of such licenses. Such regulatory actions, or the need to obtain regulatory approvals, could impose significant costs and involve substantial delay in payments we make in certain local markets, any of which could adversely affect our business, financial condition, or operating results. In addition, laws related to money transmission and online payments are evolving, and changes in such laws could affect our ability to provide payment processing on our platform in the same form and on the same terms as we have historically, or at all. As we evolve our business or make changes to our business structure, we may be subject to additional laws or requirements related to money transmission, lending, online payments and financial regulation. These laws govern, among other things, money transmission, prepaid access instruments, lending, electronic funds transfers, anti-money laundering, combating the financing of terrorism, banking, systematic integrity risk assessments, cybersecurity of payment

processes, sanctions and import and export restrictions. Our business operations may not always comply with these financial laws and regulations. Historical or future non-compliance with these laws or regulations could result in significant criminal and civil lawsuits, penalties, forfeiture of significant assets or other enforcement actions. Costs associated with fines and enforcement actions, as well as reputational harm, changes in compliance requirements or limits on our ability to expand our product offerings, could harm our business. Further, our payment system is susceptible to illegal and improper uses, including money laundering, terrorist financing, fraud and payments to sanctioned parties. We have invested and will need to continue to invest substantial resources to comply with applicable financial services legislation, including anti-money laundering, combating the financing of terrorism, and sanctions laws. Government authorities may seek to bring legal action against us if we fail to prevent or detect that our payment system is used for improper or illegal purposes or if our enterprise risk management or controls are not adequately assessed, updated, or implemented, and any such action could result in financial or reputational harm to our business. Additionally, some of our merchants use applications, such as WeChat, for transmitting payments and communicating with us. If any of these payment applications were limited or banned by governmental authorities, certain payments could be delayed or our communications with merchants could be adversely impacted. Certain aspects of our business are subject to global trade customs regulations and government oversight. We are also within the scope of certain customs enquiries and subject to international trade law enforcement, that could require us to incur an increase in costs and / or impacting the supply and delivery times of products from merchants to consumers, potentially causing us to experience damage in reputation and / or restricting our rate of global growth. Our business is conducted worldwide, with goods imported from and exported to a substantial number of countries. The vast majority of products sold on our platform are shipped internationally. We are subject to numerous regulations, including customs and international trade laws that govern the importation, exportation, and sale of goods. For example, due to abrupt new VAT regulations in Colombia (and related evolving interpretations of the same by local regulatory enforcement agencies), the de minimis threshold exception to remitting VAT for certain low-value declared parcels was removed, subjecting any and all parcels (regardless of import value) to VAT payment obligations. Further, there was industry-wide confusion as to whether the exemption from VAT liability applied to items "shipped from" or "originating in" countries with which Colombia has a FTA. This caused certain parcels shipped by Wish merchants to be held up at Colombia customs, causing delays and increasing charges for consumers. Also, during the initial outbreak of COVID-19, our cross-border logistics function was severely impacted in terms of both disrupted processing capabilities and increased costs, which resulted in a decrease in sales due to higher logistics costs and higher refund rates due to poor performance. In addition, we face risks associated with trade protection laws, policies and measures and other regulatory requirements affecting trade and investment, including loss or modification of exemptions for taxes and tariffs, imposition of new tariffs and duties, and import and export licensing requirements in the countries in which we operate. If these laws or regulations were to change or were violated by our management, employees or merchants, we could experience delays in shipments of our goods, be subject to fines or penalties, or suffer reputational harm, which could reduce demand for our services and negatively impact our results of operations. Legal requirements are frequently changed and subject to interpretation, and we are unable to predict the ultimate cost of compliance with these requirements or their effects on our operations. We may be required to make significant expenditures to comply with existing or future laws and regulations, which may increase our costs and materially limit our ability to operate our business. In addition, changes to legal requirements can create delays in the introduction and sale of our products and services, or in some cases, prevent the export or import of our products and services to certain countries, governments, or persons altogether. We rely on the free flow of goods through open and operational ports worldwide. Labor disputes or other disruptions at ports create significant risks for our business, particularly if work slowdowns, lockouts, strikes, or other disruptions occur. Any of these factors could result in reduced sales or canceled orders, which may limit our growth and damage our reputation and may have a material adverse effect on our business, results of operations, financial condition, and prospects. Our international operations are subject to increased risks. There are inherent risks in doing business internationally, including: • There are inherent risks in doing business internationally, including: expenses associated with localizing our products and services and user data, including offering our users and merchants the ability to transact business in the local currency and language, and adapting our platform to local preferences; • challenges to enforceability in some foreign jurisdictions of so-called "clickwrap" contracts with our customers, merchants and Wish Local retailers; • trade barriers and changes in trade regulations; • difficulties in developing, staffing, and simultaneously managing a large number of varying foreign operations as a result of distance, language, and cultural differences; • stringent local labor laws and regulations; • credit risk and higher levels of payment fraud; • laws or regulations related to the import or export of goods alleged to violate third-party intellectual property rights; • political or social unrest, economic instability, repression, or human rights issues; • geopolitical events, including natural disasters, public health issues, acts of war, and terrorism; • compliance with U. S. laws such as the Foreign Corrupt Practices Act ("FCPA") and foreign laws prohibiting corruption, U. S. and foreign economic and trade sanctions laws, and U. S. and foreign laws designed to combat money laundering and the financing of terrorist activities; • antitrust and competition regulations; • potentially adverse tax developments and consequences; • economic uncertainties relating to sovereign and other debt; • different, uncertain, or more stringent user protection, data protection, data collection, privacy, payments, advertising, pricing, and other laws; • limitations by governmental authorities on transmission of privacy information and other data between countries, whether from the U. S. or other jurisdictions; • national and regional laws, regulations and directives and norms, in the EU, EEA, and UK, regarding content moderation and intermediary liability, transparency, product safety and conformity marking, consumer deception, and forced labor; • restrictions on sales or distribution of certain products or services and uncertainty regarding liability for products, services, content, including uncertainty as a result of less internet-friendly legal systems, local laws, lack of legal precedent, and varying rules, regulations, and practices; • risks related to other government regulation or required compliance with local laws; • national or regional differences in macroeconomic growth rates; and • local licensing and reporting obligations. Violations of the complex foreign

and U. S. laws and regulations that apply to our international operations may result in litigation, fines, criminal actions, or sanctions against us, our officers, or our employees; restrictions on the operations of our business; and damage to our reputation. Although we have implemented policies and procedures designed to promote compliance with these laws, there can be no assurance that our employees, contractors, or agents will not violate our policies. These risks inherent in our international operations and expansion increase our costs of doing business internationally and could harm our business. We face exposure to foreign currency exchange rate fluctuations. Our user pricing and payments are denominated in the local currencies of the users, primarily in U. S. dollars and Euros, and we make a majority of our payments in Renminbi (“RMB”) to the merchants in China for products sold on the Wish platform, which creates exposure to currency rate fluctuations. Additionally, our operating expenses are denominated in the currencies of the countries in which our operations are located, and may be subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in RMB. As part of our currency hedging strategy, we use financial instruments such as forward contracts to hedge our foreign currency exposure in order to reduce the frequency that we need to adjust local currency pricing as well as reduce the short-term impact of foreign currency rate fluctuations on our operating results. Any factors that reduce cross-border trade or make such trade more difficult could harm our business. Cross-border trade is an important source of revenue for us. The shipping of goods across national borders is often more expensive and complicated than domestic shipping. Customs and duty procedures and reviews, including duty-free thresholds in various key markets, the interaction of national postal systems, and security-related governmental processes at international borders, may increase costs, discourage cross-border purchases, delay transit, and create shipping uncertainties. Any factors that increase the costs of cross-border trade or restrict, delay, or make cross-border trade more difficult or impractical, including any delays or other factors caused by the current conflict between Russia and Ukraine arising from the invasion of Ukraine by Russia, would lower our revenue and profits and could harm our business. Changes in China’s economic, political or social conditions or government policies could have a material adverse effect on our business and operations. Most of our merchants, and some of our operations, are located in China. Accordingly, our business, financial condition, results of operations, and prospects may be influenced to a significant degree by political, economic and social conditions in China generally. The Chinese economy differs from the economies of most developed countries in many respects, including the level of government involvement, level of development, and growth rate. The Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China’s economic growth through allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy, and providing preferential treatment to particular industries or companies. Uncertainties with respect to the People’s Republic of China’s (“PRC”) legal system and changes in laws and regulations in China could adversely affect us. Our operations in China are governed by PRC laws and regulations. Our Chinese subsidiaries are subject to laws and regulations applicable to foreign investment in China. The PRC legal system is a civil law system based on written statutes. Unlike the common **Common** law system, prior court decisions under the civil law system may be cited for reference but have limited precedential value. In addition, any new or changes in PRC laws and regulations related to foreign investment in China could affect the business environment and our ability to operate our business in China. From time to time, we may have to resort to administrative and court proceedings to enforce our legal rights. Any administrative and court proceedings in China may be protracted, resulting in substantial costs and diversion of resources and management attention. Since PRC administrative and court authorities have significant discretion in interpreting and implementing statutory provisions and contractual terms, it may be more difficult to evaluate the outcome of administrative and court proceedings and the level of legal protection we enjoy than in more developed legal systems. These uncertainties may impede our ability to enforce the contracts we have entered into and could materially and adversely affect our business and results of operations. Furthermore, the PRC legal system is based in part on government policies and internal rules, some of which are not published on a timely basis or at all and may have retroactive effect. As a result, we may not be aware of our violation of any of these policies and rules until sometime after the violation. Such unpredictability towards our contractual, property and procedural rights could adversely affect our business and impede our ability to continue our operations. We may be adversely affected by the complexity, uncertainties and changes in PRC regulation of internet-related businesses and companies, and any lack of requisite approvals, licenses or permits applicable to our business may have a material adverse effect on our business and results of operations. The Chinese government extensively regulates the internet industry, including foreign ownership of, and the licensing and permit requirements pertaining to, companies in the internet industry. These internet-related laws and regulations are relatively new and evolving, and their interpretation and enforcement involve significant uncertainties. As a result, in certain circumstances it may be difficult to determine what actions or omissions may be deemed to be in violation of applicable laws and regulations. Because our business may be subject to governmental supervision and regulation by the relevant Chinese governmental authorities in many aspects of the operation of online retailing, we may be required to hold a number of licenses and permits in connection with our business operation. New laws and regulations may be adopted from time to time to require additional licenses and permits other than those we currently have. As a result, substantial uncertainties exist regarding the interpretation and implementation of current and any future PRC laws and regulations applicable to online retail businesses. If the Chinese government considers that we were operating without the proper approvals, licenses or permits, or promulgates new laws and regulations that require additional approvals or licenses or impose additional restrictions on the operation of any part of our business, it has the power, among other actions, to levy fines, confiscate our income, revoke our business licenses, or require us to discontinue our relevant business or impose restrictions on the affected portion of our business. Any of these or other regulatory actions by the Chinese governmental authorities, including issuance of official notices, change of policies, promulgation of regulations and imposition of sanctions, may adversely affect our business and have a material and adverse effect on our results of operations. Risks Related to Network and Infrastructure Any significant disruption in service on our platform or in our computer systems, some of which are currently hosted by third-party providers, could damage our reputation

and result in a loss of users, which would harm our business and results of operations. Our brand, reputation and ability to deliver a positive user experience depends upon the reliability of our infrastructure. We have experienced interruptions in these systems in the past, including server failures that temporarily slowed down or interfered with the performance of our websites and apps, or particular features of our websites and apps, and we may experience interruptions in the future. For example, in June 2020, we experienced a full platform outage for more than one hour due to the release of a software update that did not follow proper internal protocols. We have since updated our processes for following such protocols. Interruptions, whether due to system failures, human errors, computer viruses, physical or electronic break-ins, denial-of-service attacks, and capacity limitations, could prevent or inhibit the ability of merchants to access, or users from completing purchases on, our websites and apps. Volume of traffic and activity on our platform spikes on certain days, and any such interruption would be particularly problematic if it were to occur at such a high-volume time. Problems with the reliability of our systems could prevent us from earning revenue and could harm our reputation. Damage to our reputation, any resulting loss of user confidence and the cost of remedying these problems could negatively affect our business, results of operations, financial condition, and prospects. We either lease or own our servers and have service agreements with data center providers. Our systems and operations are vulnerable to damage or interruption from fire, flood, power loss, telecommunications failure, terrorist attacks, acts of war, electronic and physical break-ins, computer viruses, earthquakes, and similar events. The occurrence of any of the foregoing events could result in damage to our systems and hardware or could cause them to fail completely, and our insurance may not cover such events or may be insufficient to compensate us for losses that may occur. Our systems are not completely redundant, so a system failure at one site could result in reduced platform functionality for our users, and a total failure of our systems could cause our websites or apps to be inaccessible by some or all of our users. A significant portion of our data storage, data processing and other computing services and systems is hosted by Amazon Web Services (“AWS”). AWS provides us with computing and storage capacity pursuant to an agreement that continues until terminated by either party. Problems with our third-party service providers, including AWS, or with their network providers or with the systems allocating capacity among their users, including us, could adversely affect our users’ experience. Our third-party service providers could decide to close their facilities without adequate notice. Any financial difficulties, such as bankruptcy or reorganization, faced by our third-party service providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. If our third-party service providers are unable to keep up with our needs for capacity, this could have an adverse effect on our business. In the event that our agreement with AWS, or other third-party service providers, is terminated, or we add additional cloud infrastructure service providers, we may experience significant costs or downtime in connection with the transfer to, or the addition of, new cloud infrastructure service providers. Any of the above circumstances or events may harm our reputation and brand, reduce the availability or usage of our platform, lead to a significant short-term loss of revenue, increase our costs, and impair our ability to attract new users or merchants, any of which could adversely affect our business, financial condition, and results of operations. Our failure or the failure of third parties to protect our sites, networks and systems against security breaches, or otherwise to protect our confidential information, could damage our reputation and brand and substantially harm our business and operating results. We collect, maintain, transmit, and store data about our users, merchants and others, including personally identifiable information and personal data, as well as other confidential information. We also engage third parties that store, process, and transmit these types of information on our behalf. We rely on technology licensed from third parties in an effort to securely transmit confidential and sensitive information, including credit card numbers. Advances in computer capabilities, new technological discoveries, or other developments may result in the whole or partial failure of this technology to protect transaction data or other confidential and sensitive information from being breached or compromised. In addition, ecommerce websites are often attacked through compromised credentials, including those obtained through phishing, credential stuffing, and password spraying. Our security measures, and those of our third-party service providers, may not detect or prevent all attempts to breach our systems, viruses, malicious software, break-ins, phishing attacks, accidental actions or omissions to act that create vulnerabilities, social engineering, security breaches, or other attacks and similar disruptions that may jeopardize the security of information stored in or transmitted by our websites, networks and systems or that we or such third parties otherwise maintain, including payment card systems, which may subject us to fines or higher transaction fees or limit or terminate our access to certain payment methods. We and such third parties may not be able to anticipate or prevent all types of attacks, and we may not detect such attacks until after they have already been launched. Further, techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us or our third-party service providers. In addition, security breaches can also occur as a result of non-technical issues, including intentional or inadvertent actions by our employees or by third parties. These risks may increase over time as the complexity and number of technical systems and applications we use also increases. Cybersecurity incidents or breaches of our security measures or those of our third-party service providers could result in unauthorized access to our websites, networks and systems; unauthorized access to and misappropriation of our data, including user information, personally identifiable information, or other confidential or proprietary information of ours or of third parties; viruses, worms, spyware, or other malware being served from our websites, networks, or systems; deletion or modification of content or the display of unauthorized content on our sites; interruption, disruption, or malfunction of operations; costs relating to breach remediation, deployment of additional personnel and protection technologies, response to governmental investigations and media inquiries and coverage; engagement of third-party experts and consultants; litigation, regulatory action and other potential liabilities. Further, due to the political uncertainty involving Russia and Ukraine, there is an increased likelihood that escalation of tensions could result in cyberattacks that could either directly or indirectly impact our operations. Social engineering, phishing, malware, and similar attacks and threats of denial-of-service attacks could have a material adverse effect on our operations. Additionally, from time to time, our merchants’ and users’ accounts have been subject to unauthorized access by third parties, including through illicit purchase of usernames and passwords by bad actors. If any of these breaches of security should occur, our

reputation and brand could be damaged, our business may suffer, we could be required to expend significant capital and other resources to alleviate problems caused by such breaches, and we could be exposed to a risk of loss, litigation or regulatory action and possible liability. We cannot guarantee that recovery protocols and backup systems will be sufficient to prevent data loss. Actual or anticipated attacks may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees and engage third-party experts and consultants. In addition, any party who is able to illicitly obtain a user or merchant password could access the user or merchant's transaction data or personal information, resulting in the perception that our systems are insecure. Any compromise or breach of our security measures, or those of our third-party service providers, could violate applicable privacy, data protection, data security, network and information systems security and other laws and cause significant legal and financial exposure (including costs for technical teams to investigate and remediate such incidents), adverse publicity and a loss of confidence in our security measures, which could have a material adverse effect on our business, results of operations, financial condition, and prospects. We devote significant resources to protect against security breaches and we may need to devote more resources in the future to address problems caused by breaches, including notifying affected users and responding to any resulting litigation, which in turn, diverts resources from the growth and expansion of our business. Additionally, many governments have enacted laws or regulations that require companies to notify individuals about certain types of security incidents or breaches, and any such disclosures may lead to negative publicity and may deter customers from shopping on our platform. It is also possible that security breaches affecting our competitors or others in our industry could also result in negative publicity that indirectly harms our reputation. Increasing public, industry, and governmental focus on privacy and data security may continue to lead to additional guidance or legislative and regulatory action, and the increased emphasis on privacy and data security may continue to lead to additional guidance or legislative and regulatory action, and the increased emphasis on privacy may lead customers to request that we take additional measures to enhance security or restrict the manner in which we collect and use customer information to gather insights into customer behavior and craft our marketing programs. As a result, we may have to modify our business systems and practices with the goal of further improving data security, which could result in reduced net revenue, increased expenditures and operating complexity. Any compromise of our security or security breach could result in a violation of applicable privacy and other laws, significant legal and financial exposure or damage to our reputation, which could result in reduced net revenue, increased expenditures and operating complexity. Any compromise of our security or security breach could result in a violation of applicable privacy and other laws, significant legal and financial exposure or damage to our reputation, which could have a material adverse effect on our business, financial condition, and results of operations. Our existing general liability and cybersecurity insurance may not cover any, or cover only a portion of any, potential claims or expenses related to security breaches that affect us or may not be adequate to indemnify us for all or any portion of liabilities that may be imposed. In addition, we cannot assure investors that the limitations on liability in our contracts would be enforceable or adequate or would otherwise protect us from any such liabilities with respect to any particular claim. Any imposition of liability that is not covered by insurance or is in excess of insurance coverage would increase our operating expenses and reduce our net income, if any, or increase our net loss. We are subject to governmental regulation and other legal obligations related to privacy, data protection, information security, and consumer protection. If we are unable to comply with these, we may be subject to governmental enforcement actions, litigation, fines and penalties, or adverse publicity. We collect personally identifiable information and other data from users and prospective users. We use this information to provide services and relevant products to our users, to support, expand and improve our business, and to tailor our marketing and advertising efforts. We may also share users' personal data with certain third parties as authorized by the user or as described in our privacy policy. As a result, we are subject to governmental regulation and other legal obligations related to the protection of confidential and sensitive data (including personally identifiable information and personal data), privacy, information security and consumer protection in certain countries where we do business and there has been and will continue to be a significant increase globally in such laws that restrict or control the use of personal data. In Europe, where the data privacy and information security regime underwent a significant change in 2018, the legal environment related to personal data continues to evolve and companies like us that process personal data from large numbers of individuals are subject to increasing regulatory scrutiny. The General Data Protection Regulation ("GDPR") implemented more stringent operational requirements for our use of personal data. These more stringent requirements include expanded disclosures to tell our users about how we may use their personal data, increased controls on profiling users and increased rights for users to access, control and delete their personal data. In addition, there are mandatory data breach notification requirements and significantly increased penalties of the greater of € 20 million or 4% of global turnover for the preceding financial year. Although there are legal mechanisms to allow for the transfer of personal data from the United Kingdom ("U. K."), EEA and Switzerland to the U. S., uncertainty about compliance with such data protection laws remains and such mechanisms may not be available or applicable with respect to the personal data processing activities necessary to research, develop and market our products and services. For example, legal challenges in Europe to the mechanisms allowing companies to transfer personal data from the EEA to the United States could result in further limitations on the ability to transfer personal data across borders, particularly if governments are unable or unwilling to reach new or maintain existing agreements that support cross-border data transfers, such as the EU-U. S. and Swiss-U. S. Privacy Shield Frameworks. Specifically, on July 16, 2020, the Court of Justice of the European Union invalidated Decision 2016 / 1250 on the adequacy of the protection provided by the EU-U. S. Privacy Shield Framework ("Schrems II" decision). To the extent that we or our service providers were to rely on the EU-U. S. Privacy Shield Framework, we may not be able to do so in the future, which could increase our costs and limit our ability to process personal data from the European Union. The Schrems II decision also cast doubt on the ability to use one of the primary alternatives to the Privacy Shield, namely, the European Commission's Standard Contractual Clauses, to lawfully transfer personal data from Europe to the U. S. and most other countries. In November 2020, the European Commission released a draft of revised Standard Contractual Clauses, and, in January 2021, the

European Data Protection Board and the European Data Protection Supervisor issued a joint opinion regarding these revised Standard Contractual Clauses. These revised Standard Contractual Clauses and related developments, opinions, and guidance from European regulators may significantly increase our liability under, and compliance costs related to, cross-border data transfers and the GDPR, and may impact our ability to operate and deliver services in the EEA. Following its exit from the EU in January 2020, the U. K. implemented legislation referred to as the “U. K.-GDPR” which substantially aligns with requirements and penalties under the EU-GDPR. We may face similar costs, risks, and operational impacts in complying with the U. K.-GDPR as we face in complying with the EU-GDPR. In recent years, U. S. and European lawmakers and regulators have expressed concern over the use of third-party cookies and similar technologies for online behavioral advertising, and laws in this area are also under reform. In the EU current national laws that implement the ePrivacy Directive will be replaced by an EU regulation known as the ePrivacy Regulation. The draft ePrivacy Regulation retains existing informed consent conditions and also imposes the strict opt-in marketing rules on direct marketing that is “presented” on a web page rather than sent by email, alters rules on third-party cookies and similar technology and significantly increases penalties for breach of the rules. Regulation of cookies and similar technologies may lead to broader restrictions on our marketing and personalization activities and may negatively impact the effectiveness of our marketing. Such regulations may also increase regulatory scrutiny and increase potential civil liability under data protection or consumer protection laws. The ePrivacy Regulations draft also advocates the development of browsers that block cookies by default. These developments could impair our ability to collect user information, including personal data and usage information, that helps us provide more targeted advertising to our current and prospective users, which could adversely affect our business, given our use of cookies and similar technologies to target our marketing and personalize the user experience. We may incur liabilities, expenses, costs, and other operational losses under GDPR and applicable EU Member States and the U. K. privacy laws in connection with any measures we take to comply with them. As interpretation of both the ePrivacy Regulation and GDPR develop, we could incur substantial costs to comply with these regulations. The changes could require significant systems changes, limit the effectiveness of our marketing activities, adversely affect our margins, increase costs and subject us to additional liabilities. In the U. S., federal and various state governments have adopted or are considering, laws, guidelines or rules for the collection, distribution, use and storage of information collected from or about users or their devices. For example, California passed the California Consumer Privacy Act (the “CCPA”), which became effective on January 1, 2020 and introduced substantial changes to privacy law for businesses that collect personal information from California residents. The CCPA creates individual privacy rights for California consumers and increases the privacy and security obligations of entities handling certain personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. And on November 3, 2020, California passed the California Privacy Rights Act (the “CPRA”). The CPRA, which will not be fully in effect until January 1, 2023, amends and expands the CCPA, including the introduction of sensitive personal information as a new regulated dataset in California that is subject to new disclosure and purpose limitation requirements. Additionally, the Virginia Consumer Data Protection Act (the “VCDPA”) will become effective on January 1, 2023. The Colorado Privacy Act and the Connecticut Data Privacy Act will become effective on July 1, 2023, and the Utah Consumer Privacy Act will become effective on December 31, 2023. Other states may decide to adopt similar laws in the future. Additionally, the U. S. Federal Trade Commission and many state attorneys general are applying federal and state consumer protection laws, to impose standards for the online collection, use and dissemination of data. Furthermore, these obligations may be interpreted and applied inconsistently from one jurisdiction to another and may conflict with other requirements or our practices. Additionally, new platform liability laws, potential amendments to existing laws, and ongoing regulatory and judicial interpretation of these laws imparting liability for conduct by users of a platform may create costs and uncertainty for our platform at its users. In the U. S., the United States Supreme Court recently agreed to review a matter in which the scope of protections available to online platforms under Section 230 of the Communications Decency Act, or CDA, is at issue. In parallel, there have also been various Executive and Congressional efforts to restrict the scope of protections available to online platforms under Section 230 of the CDA, and our current protections from liability for third-party content posted on our platform in the United States could decrease or change depending on judicial interpretation and/or content-related legislation. We could incur significant costs investigating and defending such claims and, if we are found liable, significant damages. In September 2021 and November 2021, the PRC made effective its new Data Security Law and Personal Information Protection Law, respectively. While there are many aspects of these laws that are still yet to be defined, they impose complex and far-reaching requirements related to cybersecurity and the processing of personal data, both within China and extraterritorially. Potential penalties under the Personal Information Protection Law are severe, at up to the greater of 5% of global revenue or \$ 7.7 million. The precise scope and impact of these laws is still unclear but they could significantly increase our compliance costs, cause us to suffer monetary penalties, or otherwise adversely impact our business and operations. Many data protection regimes apply based on where a user is located, and as we expand our platform and new laws are enacted or existing laws change, we may be subject to new laws, regulations or standards or new interpretations of existing laws, regulations or standards, including those in the areas of data security, data privacy and regulation of email providers and those that require localization of certain data, which could require us to incur additional costs and restrict our business operations. Any failure or perceived failure by us to comply with rapidly evolving privacy or security laws policies (including our own stated privacy policies), legal obligations or industry standards or any security incident that results in the unauthorized release or transfer of personally identifiable information or other user data may result in governmental enforcement actions, litigation (including user class actions), fines and penalties or adverse publicity and could cause our users to lose trust in us, which could have a material adverse effect on our business, results of operations, financial condition, and prospects. A failure to comply with current laws, rules and regulations or changes to such laws, rules and regulations and other legal uncertainties may adversely affect our business, financial performance, results of operations or business growth. Our business and financial performance could be

adversely affected by unfavorable changes in or interpretations of existing laws, rules, and regulations or the promulgation of new laws, rules, and regulations applicable to us and our business, including those relating to the internet and e-commerce, internet advertising and price display, consumer protection, anti-corruption, economic and trade sanctions, tax, payments, banking, data security, network and information systems security, data protection and privacy. As a result, regulatory authorities could prevent or temporarily suspend us from carrying on some or all of our activities or otherwise penalize us if our practices were found not to comply with applicable regulatory or licensing requirements or any binding interpretation of such requirements. Unfavorable changes or interpretations could decrease demand for our services, limit marketing methods and capabilities, affect our margins, increase costs or subject us to additional liabilities. For example, as a result of the initial outbreak of COVID-19, consumer protection authorities demanded rapid and decisive changes in the way that Wish screens and handles product listings that potentially violate various laws, including emergency price caps on certain items. We believe we have legal grounds to satisfy current requests or prevail against associated fines and penalties, and we intend to vigorously defend such fines and penalties. Additionally, there are, and will likely continue to be, an increasing number of laws and regulations pertaining to both the internet and e-commerce as well as third-party merchant-seller consumer products, that may relate to liability for information retrieved from or transmitted over the internet, display of certain taxes and fees, online editorial and user-generated content, user privacy, data security, network and information systems security, behavioral targeting and online advertising, taxation, liability for third-party activities, quality of services and consumer protection. For example, the European Digital Services Act ("DSA"), which is expected to take effect in the first half of 2024, intends to impose new legal obligations on online marketplaces operating in Europe in terms of both verifying and ensuring the accuracy and disclosure of required information, as well as the safety and authenticity of products posted by third-party merchants. The DSA also updates the responsibilities and liabilities of digital online services, such as the rules on illegal content, notice-and-takedown, and online targeted advertising, bringing new powers to fine in-scope eligible companies up to 6% of their global annual turnover. In addition, the European Union's Market Surveillance Regulation, which took effect in July 2021, placed new obligations on online marketplaces that perform certain "fulfillment service provider" activities in Europe and was designed to reduce the availability of non-compliant products in Europe when offered by sellers outside of the region that either had or did not have an appointed authorized product compliance representative in Europe. The UK is expected to pass the Online Harms Bill that will require social media platforms to remove illegal adult content expeditiously and to also proactively prevent such listings from being uploaded, which will also impact online marketplace platforms. Denmark has also passed a law placing new obligations on marketplaces and giving its regulators the right to request fines and shutdowns where marketplaces are consistently unsuccessful in screening products that are unsafe or unlawful. Additionally, the U.K. is also expected to introduce its own mandatory conformity marking requirements under the proposed a new UKCA scheme from 2024 (replacing the existing EU CE-marking scheme), which is anticipated to require online sellers of certain eligible consumer products to U.K. consumers to visually display evidence of such requisite marks on physical product and/or packaging and on their online product listings. Certain EU-27 Member States, such as France, Germany, Sweden, and Austria, have already updated their own versions of Extended Producer Responsibility ("EPR") schemes under applicable EU Directives that apply to online marketplace platforms, by requiring them to collect, report, and at times publish mandatory registration or other product data from third-party sellers offering certain in-region products or packaging on their platforms. Failure of online marketplace platforms to ensure their merchant-sellers' own primary independent product compliance obligations are satisfied can result in civil penalties to such platforms. These types of product-specific compliance regulations and laws primarily targeting merchant-sellers but secondarily holding online marketplaces responsible and/or liable, are only expected to increase in breadth and number over the coming years. Furthermore, the growth and development of e-commerce may prompt calls for more stringent consumer protection laws and more aggressive enforcement efforts, which may impose additional burdens on online businesses generally. For example, amendments to the EU's Unfair Commercial Practices Directive that took effect May 2022 mandated additional obligations on online platforms and marketplaces that host user-customer reviews regarding third-party products. Such new obligations created greater disclosure, transparency, reactionary reporting, and policy enforcement requirements on online platforms and marketplaces in the area of user reviews, designed to prevent the risks of the reviews being fake, false, or misleading. Likewise, the Securities and Exchange Commission (the "SEC"), the U.S. Department of Justice, the U.S. Treasury Department's Office of Foreign Assets Controls, the U.S. Department of State, as well as other foreign regulatory authorities continue to enforce economic and trade regulations and anti-corruption laws, across industries as well as certain regions. U.S. trade sanctions relate to transactions with designated foreign countries and territories, including Cuba, Iran, North Korea, Syria, the Crimea and recently annexed Luhansk and Donetsk regions of Ukraine, as well as specifically targeted individuals and entities that are identified on U.S.'s and other blacklists, and those owned by them or those acting on their behalf. Further, in February 2022, following Russia's invasion of Ukraine, the U.S. and other countries announced sanctions against Russia. The U.S. and other countries could impose wider sanctions and take other actions should the conflict further escalate. While it is difficult to anticipate the impact the sanctions announced to date may have on the Company, any further sanctions imposed or actions taken by the U.S. or other countries, and any retaliatory measures by Russia in response, could have an adverse effect on our business. We have established a trade and screening compliance program designed to increase our compliance with these economic and trade restrictions and export and import control regimes. However, these laws and regulations are complex and subject to frequent change, including with respect to jurisdictions and the lists of sanctioned entities and other regulatory controls. For example, in June 2022, the Uyghur Forced Labor Prevention Act (UFLPA) went into effect in the U.S., which establishes a rebuttable presumption that the importation of any goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in the Xinjiang Uyghur Autonomous Region of the PRC, or produced by certain entities, is prohibited by Section 307 of the Tariff Act of 1930 and are not entitled to entry to the United States. We may incur significant costs related to laws, regulations, sanctions, embargoes, export controls programs or other restrictions and disclosure

requirements, as well as negative publicity, investigations, fines, fees or settlements, which may be difficult to predict. We also could face increased compliance costs and risks as our merchant base and logistics offerings continue to expand. Similarly, state and federal lawmakers have introduced more robust Know-Your-Customer / Business ("KYC / KYB") regulations to ensure greater transparency for third-party sellers of consumer products online. For example, on June 27, 2023, the INFORM Consumers Act will become effective in the U. S. This law, among other things, directs online marketplaces to collect, verify, and disclose to consumers certain high-volume third-party seller information by authenticating the seller's government ID, tax ID, bank account information, and contact information. Under such law, online marketplaces will also be required to supply a hotline to allow customers to report to the marketplace suspicious marketplace activity, such as the posting of suspected stolen, counterfeit, or dangerous products. We may incur significant costs related to current, new or changing KYC / KYB regulations as well as increased liability risks (including civil penalties) if deemed non-compliant. Anti-corruption laws, including the U. S. FCPA and the U. K. Bribery Act, generally prohibit direct or indirect corrupt payments to government officials and, under certain laws, to private persons to obtain or retain business or an improper business advantage. Similarly, global anti-money laundering laws and regulations generally prohibit exchanging money or assets that were obtained criminally for money or other assets that are clean, including money that is used to fund terrorism. Although we have policies and procedures in place designed to promote compliance with these laws and regulations, our employees, partners, or agents could take actions in contravention of our policies and procedures or violate applicable laws or regulations. In the event our controls should fail, or we are found to be not in compliance for other reasons, we could be subject to monetary damages, civil and criminal monetary penalties, withdrawal of business licenses or permits, litigation and damage to our reputation and the value of our brand. Additionally, the law relating to liability of online service providers is currently unsettled at both a national and global level. Lawmakers and governmental agencies have in the past and could in the future require changes in the way our business is conducted, including with explicit obligations to inspect and screen content and products or implicit obligations that might stem from increased legal liability for online service providers, including online marking and labeling requirements, akin to those traditionally reserved for either manufacturers, suppliers, importers of record, and / or distributors of physical consumer goods. Unfavorable regulations, laws, decisions, or interpretations by government or regulatory authorities applying those laws and regulations, or inquiries, investigations, or enforcement actions threatened or initiated by them, could cause us to incur substantial costs, expose us to unanticipated civil and criminal liability or penalties (including substantial monetary fines); increase our cost of doing business, require us to change our business practices in a manner materially adverse to our business; damage our reputation, impede our growth, or otherwise have a material effect on our operations.

Risks Related to Our Intellectual Property We may be unable to protect our intellectual property adequately. Our intellectual property is an essential asset of our business, and our success is dependent, in part, upon protecting our intellectual property. To establish and protect our intellectual property rights, we rely on a combination of trade secret, copyright, trademark and, to a lesser extent, patent laws, as well as confidentiality protection procedures and contractual provisions. 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. Moreover, effective trademark, copyright, patent and trade secret protection may not be available or commercially feasible in every country in which we conduct business. Further, intellectual property law, including statutory and case law, particularly in the United States, is constantly developing, and any changes in the law could make it harder for us to enforce our rights. While we have obtained or applied for patent protection with respect to some of our intellectual property, we generally do not rely on patents as a principal means of protecting intellectual property. We make business decisions about when to seek patent protection for a particular technology and when to rely upon trade secret protection, and the approach we select may ultimately prove to be inadequate. To the extent we do seek patent protection, any U. S. or other patents issued to us may not be sufficiently broad to protect our proprietary technologies. We may be subject to claims that items listed on our platform are counterfeit, infringing or illegal, which may harm our business. We frequently receive communications alleging that items listed on our platform infringe third-party copyrights, trademarks, or other intellectual property rights. We have intellectual property complaint and take-down procedures in place to address these communications, and we believe such procedures are important to promote confidence in our platform and provide users reassurance in the products they are purchasing. We follow these procedures to review complaints and relevant facts to determine the appropriate action, which may include removal of the item from our platform and, in certain cases, prohibiting merchants from participating in our platform who repeatedly violate our policies. Our procedures may not effectively reduce or eliminate our liability. In particular, we may be subject to civil or criminal liability for activities carried out by merchants on our platform, especially outside the U. S. where laws may offer less protection for intermediaries and platforms than the U. S. Under current U. S. copyright law, we may benefit from statutory safe harbor provisions that protect us from copyright liability for content posted on our platform by our merchants and users. However, trademark and patent laws do not include similar statutory provisions, and liability for these forms of intellectual property is often determined by court decisions. These safe harbors and court rulings may change unfavorably. In that event, we may be held secondarily liable for the intellectual property infringement of merchants on our platform. We may also be directly liable for the inventory we purchase ourselves that we sell on our platform. In addition, allegations of infringement of intellectual property rights, including but not limited to counterfeit items, have resulted in actual litigation from time to time by rights owners against merchants. These and similar suits have resulted in the freezing of merchant accounts or the shutdown of merchant storefronts on our platform, which can adversely impact revenue in the short-term, and may require us to spend substantial resources to comply with court orders. We may also incur costs responding to subpoenas from governmental authorities regarding illegal or counterfeit products listed for sale on our platform. In addition, we may receive media attention relating to the listing or sale of

illegal or counterfeit goods, which could damage our reputation, diminish the value of our brand, and make users and merchants reluctant to use our platform. Under our standard form agreements, we require our merchants to indemnify us for any losses we suffer or any costs that we incur due to any products sold by these merchants. However, we may not be able to successfully enforce our contractual rights and may need to initiate costly and lengthy legal proceedings to protect our rights. We may be subject to intellectual property claims, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies in the future. Companies in the internet and technology industries are frequently subject to litigation based on allegations of infringement or other violations of intellectual property rights. We periodically receive communications that claim we have infringed, misappropriated or misused others' intellectual property rights. To the extent we gain greater public recognition, we may face a higher risk of being the subject of intellectual property claims. Third parties may have intellectual property rights that cover significant aspects of our technologies or business methods and prevent us from expanding our offerings. Any intellectual property claim against us, with or without merit, could 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. In addition, some of our competitors have extensive portfolios of issued patents. In a patent infringement claim against us, we may assert, as a defense, that we do not infringe the relevant patent claims, that the patent is invalid, or both. The strength of our defenses will depend on the patents asserted, the interpretation of these patents, and our ability to invalidate the asserted patents. However, we could be unsuccessful in advancing non-infringement and / or invalidity arguments in our defense. In the United States, issued patents enjoy a presumption of validity, and the party challenging the validity of a patent claim must present clear and convincing evidence of invalidity, which is a high burden of proof. Conversely, the patent owner need only prove infringement by a preponderance of the evidence, which is a lower burden of proof. We may be unaware of the intellectual property rights that others may claim cover some or all of our technology or services. Because patent applications can take years to issue and are often afforded confidentiality for some period of time, there may currently be pending applications, unknown to us, that later result in issued patents that could cover one or more of our products. Many potential litigants, including some of our competitors and patent holding companies, have the ability to dedicate substantial resources to enforcing their intellectual property rights. Moreover, our patents may provide little or no deterrence in litigation involving patent holding companies or other adverse patent owners that have no relevant product revenue. Any claims successfully brought against us 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 jurisdictions where we do business. We also might be required to enter into costly settlement agreements or 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 would be forced to limit our service and may be unable to compete effectively. Any of these results could harm our business. Our software is highly complex and may contain undetected errors. The software and code underlying our platform is highly interconnected and complex and may contain undetected errors or vulnerabilities, some of which may only be discovered after the code has been released. We typically release software code daily and this practice may result in the more frequent introduction of errors or vulnerabilities into the software underlying our platform, which can impact the user and merchant experience on our platform. Additionally, due to the interconnected nature of the software underlying our platform, updates to certain parts of our code, including changes to our website or mobile app or third-party APIs on which our website and mobile app rely, could have an unintended impact on other sections of our code, which may result in errors or vulnerabilities to our platform. Any errors or vulnerabilities discovered in our code after release could result in damage to our reputation, loss of our merchants or users, loss of revenue, or liability for damages, any of which could adversely affect our growth prospects and our business. Our use of open source software may pose particular risks to our proprietary software and systems. We use open source software in our proprietary software and systems and will use open source software in the future. The licenses applicable to our use of open source software may require that source code that is developed using open source software be made available to the public and that any modifications or derivative works to certain open source software continue to be licensed under open source licenses. From time to time, we may face claims from third parties claiming infringement of their intellectual property rights, or demanding the release or license of the open source software or derivative works that we developed using such software (which could include our proprietary source code) or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require us to purchase a costly license, publicly release the affected portions of our source code, be limited in or cease using the implicated software unless and until we can re-engineer such software to avoid infringement or change the use of, or remove, the implicated open source software. Our use of open source software may also present additional security risks because the source code for open source software is publicly available, which may make it easier for hackers and other third parties to determine how to breach our website and systems that rely on open source software. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a material adverse effect on our business, results of operations, financial condition, and prospects.

Risks Related to Our Taxes and Financial Position

Our business and our merchants and users may be subject to sales and other taxes and these taxes may negatively impact our revenue and growth. The application of indirect taxes, such as sales and use tax, VAT, provincial taxes, goods and services tax, business tax and gross receipt tax to our business and to our merchants and users is a complex and evolving issue. In addition, governments are increasingly looking for ways to increase revenue, which has resulted in discussions about new legislative actions to increase tax revenue, including through indirect taxes. Significant judgment and expertise are required to evaluate applicable tax obligations. As a result, amounts recognized may be subject to adjustments by the relevant tax authorities. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our

business or to the businesses of our merchants. One or more states, the federal government or other countries may seek to impose additional reporting, recordkeeping or indirect tax collection obligations on businesses like ours that facilitate e-commerce. State and local taxing authorities in the U. S. have identified e-commerce platforms as a means to calculate, collect and remit indirect taxes for transactions taking place over the internet. U. S. states began enacting related legislation with effective dates in early 2018 and in June 2018, the U. S. Supreme Court held in *South Dakota v. Wayfair* that a U. S. state may require an e-commerce platform to collect sales taxes imposed by the state in which the buyer is located, even if the retailer has no physical presence in that state, thus permitting a wider enforcement of such sales tax collection requirements. All U. S. states have since followed suit in enacting similar legislation. Outside of the U. S., the application of VAT or other indirect taxes on e-commerce providers continues to evolve. An increasing number of jurisdictions are legislating or have adopted laws that impose new taxes, including revenue-based taxes that target e-commerce and the remote selling of goods. These laws include new obligations to collect sales, consumption, value added, or similar taxes on e-commerce platform and remote sellers, or other requirements that may result in liability for third-party obligations. As a result of Brexit, the U. K. began imposing VAT on e-commerce platform effective January 2021, and the EU abolished its low value goods exemption effective July 2021 and require online marketplace facilitators to collect and remit VAT. Our business could be adversely affected by additional taxes that focus on marketplace service revenue. Additionally, existing and new tax laws and legislation could require us or our merchants to incur substantial costs in order to comply, including costs associated with legal advice, tax calculation, collection, remittance and audit requirements, which could make selling in such markets less attractive and could adversely affect our business. Further, these laws may be applied prospectively or retroactively. Noncompliance with existing and new laws may result in fines or penalties. It is possible we may not have sufficient notice to create and adopt processes to properly comply with new reporting or collection obligations by the effective date. Our results of operations and cash flows could be adversely affected by additional taxes or increasing taxes of this nature imposed on us prospectively or retroactively, or additional taxes or penalties resulting from the failure to comply with any collection obligations or failure to provide information about our users, merchants or other third parties for tax reporting purposes to various government agencies. We may experience fluctuations in various tax related obligations. We are subject to income taxes and various other taxes in both the U. S. and in many international jurisdictions. We record these taxes based on current tax payment calculations and estimates of tax liabilities, which may include estimates of probable settlements of tax audits. The determination of these liabilities requires estimation and significant judgment and the ultimate determination is uncertain. At any time, multiple tax years could be subject to audit by various taxing jurisdictions. As a result, we could be subject to higher than anticipated tax liabilities as ongoing variability in our quarterly tax rates related to potential audits and exposures are re-evaluated. While we have estimated accruals that we believe are reasonable to cover potential exposures, the reserves may ultimately not be sufficient and additional cash outflows may result. Fluctuations in our tax obligations could adversely affect our business. We may not be able to utilize a significant portion of our net operating loss carryforwards, and other tax attributes, which could adversely affect the value of our Class A common stock.

Stock As of December 31, 2023..... of our Class A common stock. The uncertainty regarding the use of proceeds from the Asset Sale and our future operations may negatively impact the value and liquidity of our Class A common stock. **We** Assuming the Asset Sale is consummated, we will have broad discretion regarding the use of proceeds from the Asset Sale. Although our Board of Directors will **continue to** evaluate various **strategic** alternatives regarding the use of the proceeds from the Asset Sale with a goal to maximize the **stockholder** value of, **including through potentially using** our **NOLs cash**, it has not yet identified any particular acquisitions or investments or committed to making any such decision by a particular date. This uncertainty may negatively impact the value and liquidity of our Class A common stock. We will continue to incur the expense of complying with public company reporting requirements following the closing of the Asset Sale. After the Asset Sale, we will continue to be required to comply with the applicable reporting requirements of the Exchange Act, and such compliance with such reporting requirements is economically burdensome and will require our management's time and attention. Risks Related to Our Class A Common Stock We completed a reverse stock split in order to regain compliance with the listing requirements of the Nasdaq Global Select Market, but there **There** is no assurance that **we** the reverse stock split will result in us remaining **remain** compliant with such **Nasdaq's** listing requirements. Our Class A common stock is listed on the Nasdaq Global Select Market and, in order to maintain that listing, we must satisfy minimum financial and other continued listing requirements and standards including, without limitation, that our closing bid price be at least \$ 1. 00 per share (the " Minimum Bid Price Requirement "). On April 10, 2023, following stockholder approval, our Board of Directors approved a 1- for- 30 reverse stock split of our issued and outstanding shares of common stock. On April 12, 2023, our common stock began trading on a split-adjusted basis on the Nasdaq Global Select Market. **As** Although as of April 26, 2023, we regained compliance with the Minimum Bid Price Requirement . **Since the completion of the Asset Sale, our common stock has continued to be listed on the Nasdaq Global Select Market. However**, there can be no assurance that we will remain in compliance with the Minimum Bid Price Requirement or will otherwise be in compliance with other Nasdaq listing rules. **If** We completed a 1- for- 30 reverse stock split of our shares of common stock, which may reduce and limit the market trading liquidity of the shares due to the reduced number of shares outstanding. Effective April 11, 2023, we **were** completed a reverse stock split of our common stock by a ratio of 1- for- 30. As a result, the liquidity of our Class A common stock may be adversely affected by the reverse stock split due to **fall out** the reduced number of **compliance with Nasdaq's listing requirements** shares outstanding following such reverse stock split. Absent other factors, reducing the number of outstanding shares of our common stock through the reverse stock split is intended to increase the per-share market price of our Class A common stock. However, a reduction in the liquidity of our Class A common stock as well as other factors, including our financial and operating results, strategic direction, market conditions, and market perception may adversely affect the market price of our Class A common stock. As such, there can be no assurance that the reverse stock split will result in an increase in the market price of our Class A common stock **would be eligible to be listed on any**, and such market price may also decrease in the **other national securities exchange**. future

Future sales and issuances. Our Tax Benefits Preservation Plan may reduce the volume of trading in our Class A common stock because it limits the ability of persons or entities from acquiring a significant percentage of our outstanding Class A common stock. Our Tax Benefits Preservation Plan is designed to preserve the value of certain tax assets associated with NOL carryforwards under Section 382 of the Code. The inability of some stockholders to acquire a significant position in our Class A common stock could substantially reduce the market liquidity of our Class A common stock, making it more difficult for a stockholder to dispose of, or obtain accurate quotations for the price of, our Class A common stock. The price of our Class A common stock has been and continues to be volatile. Declines in the price of our Class A common stock has resulted in and could subject us to future litigation. The market price of our Class A common stock has fluctuated and declined and may continue to fluctuate or decline substantially. Further, the trading prices of the securities of technology companies have historically been highly volatile. Accordingly, the price of our Class A common stock has been subject to wide fluctuations and could continue to be subject to wide fluctuations for many reasons, many of which are beyond our control, including those described in this “Risk Factors” section and others such as: • variations in our operating results and other financial and operational metrics, including the key financial and operating metrics disclosed in this report, as well as how those results and metrics compare to analyst and investor expectations; • speculation about our operating results in the absence of our own financial 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 Class A common stock; • 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 or acquisitions or rumors of such transactions involving us or our competitors; • changes in our senior management or other key personnel; • disruptions in our platform due to hardware, software or network problems, security breaches or other issues; • the strength of the global economy or the economy in the jurisdictions in which we operate, and market conditions in our industry and those affecting our merchants and users; • trading activity by our principal stockholders and other market participants, in whom ownership of our Class A common stock may be concentrated following our IPO; • changes in legal or regulatory requirements relating to our business; • litigation or other claims against us; • the impact or perceived impact of our 30-for-1 reverse stock split; • the number of shares of our Class A common stock that are available for public trading; and • any other factors discussed in this 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 Class A common stock could decline for reasons unrelated to our business, results of operations or financial condition. The price of our Class A common stock might also decline in reaction to events that affect other companies, even if those events do not directly affect us. We have been named in lawsuits and may be subject to both ongoing litigation and other requests related to our stock price / performance and / or Board performance and independence. This could result in securities litigation. If we are the subject of additional securities class actions, it could result in substantial costs and could divert our management’s attention and resources, which could adversely affect our business. Additionally, the price of our Class A common stock may be volatile and may decline regardless of our operating performance and you may lose all or part of your investment. Our actual operating results may differ significantly from our outlook. From time to time, we release outlook (or guidance) in our quarterly earnings conference calls, quarterly earnings releases, or otherwise, regarding our future financial performance that represents our management’s estimates as of the date of release. This outlook, which includes forward-looking statements, is based on projections prepared by our management. This outlook is not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants (AICPA) regarding projections or the SEC regarding forward-looking statements, and neither our independent registered public accounting firm nor any other independent expert or outside party compiles or examines the projections. Accordingly, no such person will express any opinion or any other form of assurance with respect to the projections. Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, industry, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. The principal reason that we release outlook is to provide a basis for our management to discuss our business expectations with analysts and investors. We do not accept any responsibility for any projections or reports published by any such third parties. Outlook is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the outlook furnished by us will not materialize or will vary significantly from actual results. Accordingly, our outlook is only an estimate of what management believes is realizable as of the date of release. Actual results may vary and the variations may be material. We expressly disclaim any obligations to update or revise any outlook, whether as a result of new information, future events or otherwise, except as required by law. In light of the foregoing, investors are urged to put the outlook in context and not place undue reliance on it. Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in this “Risk Factors” section in this Form 10-K could result in the actual operating results being different from our outlook, and the differences may be adverse and material. Future sales and issuances of our Class A common stock or rights to purchase Class A common stock could result in additional dilution to our stockholders and could cause the price of our Class A common stock to decline. We may issue additional Class A common stock, convertible securities or other equity. We also expect to issue Class A 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 Class A common stock to decline. New investors in such issuances could also receive rights senior to those of holders of our Class A common stock. **The price of our Class A common stock could decline if we choose to pursue an asset acquisition, we may require additional capital to fund such acquisition. Depending on the acquisition we pursue, future business development activities, as well as administrative expenses such as salaries, insurance, general overhead, legal and compliance expenses and accounting expenses may require a substantial amount of additional capital. We may not be able to obtain additional capital** our Class A common stock, particularly sales

by our directors, executive officers, employees, and significant stockholders, or when **required** there is a large number of shares of our Class A common stock available for sale. The market price of the shares of our Class A common stock could decline as a result of the sale of a substantial number of our shares of common stock in the public market. **Our stockholders may not be afforded any opportunity to evaluate or approve an asset or business acquisition as we pursue strategic alternatives. Our stockholders may not be afforded the opportunity to evaluate and approve a proposed business acquisition. In most cases, asset or business acquisitions do not require stockholder approval under applicable law, and our certificate of incorporation and bylaws do not afford our stockholders with the right to approve such a transaction. In order to develop and implement our business plan, we may in the future hire lawyers, accountants, technical experts, appraisers, or other perception consultants to assist with determining our direction and consummating any transactions contemplated thereby. We may rely on such persons in making difficult decisions in connection with the Company's future business and prospects. The selection of any such persons will be made by our Board of Directors, and any expenses incurred, or decisions made based on any of the foregoing could prove to be adverse to the Company in hindsight, the result of which could be diminished value to our stockholders. We are a smaller reporting company, and any decision on our part to comply only with reduced reporting and disclosure requirements applicable to such companies could make our ordinary shares less attractive to investors. As of December 31, 2024, we qualified as a "smaller reporting company," as defined in the Exchange Act, meaning that we are not an investment company, an asset-backed issuer, or a majority-owned subsidiary of a parent company that is not a "smaller reporting company," and the market value of our shares of common stock held by non-affiliates, or our public float, is less than \$ 250 million. As a "smaller reporting company," we may choose to take advantage of certain exemptions from various reporting requirements applicable to other public companies that are not smaller reporting companies. This includes reduced disclosure obligations in our SEC filings such as simplified executive compensation disclosures, exemption from the provisions of Section 404 (b) of the Sarbanes-Oxley Act requiring that independent registered public accounting firms provide an attestation report on the effectiveness of internal control over financial reporting and only being required to provide two years of audited consolidated financial statements in annual reports. Decreased disclosures in our SEC filings due to our status as a "smaller reporting company" may make it harder for investors to analyze our operating results and financial prospects and investors may find our shares of common stock less attractive, which may result in a less active trading market for our common stock and greater stock price volatility. We do not intend to pay dividends on our capital stock, so any returns will be limited to increases in the value of our common stock. We have never declared or paid any cash dividends on our capital stock. We currently anticipate that we will retain future earnings for the operation and expansion of our business. Accordingly, we do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, any future credit facility or financing we obtain may contain, terms prohibiting or limiting the amount of dividends that may be declared or paid on our common stock. Any return to stockholders will therefore be limited to increases in the price of our common stock, if any. We do not expect to pay any cash dividends to the holders of our common stock in the foreseeable future and the availability and timing of future cash dividends, if any, is uncertain. We do not expect to declare or pay any cash dividends on our common stock in the foreseeable future. Our Board of Directors will determine the amount and timing of stockholder dividends, if any, that we may pay in future periods. In making this determination, our directors will consider all relevant factors, including the amount of cash available for dividends, capital expenditures, covenants, prohibitions or limitations with respect to dividends, applicable law, general operational requirements and other variables. We cannot predict the amount or timing of any future dividends you may receive, and if we do commence the payment of dividends, we may be unable to pay, maintain or increase dividends over time. Therefore, you may not be able to realize any return on your investment in our common stock for an extended period of time, if at all, other than by selling your shares. The price of our common stock has been and continues to be volatile. Declines in the price of our common stock has resulted in and could subject us to future litigation. The market price of our common stock has fluctuated and declined and may continue to fluctuate or decline substantially. Accordingly, the price of our common stock has been subject to wide fluctuations and could continue to be subject to wide fluctuations for many reasons, many of which large-- are beyond our control, including those described in this "Risk Factors" section and others such as: • 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; • uncertainty among investors relating to the strategic alternative that we will choose, including any prospective asset or business acquisition and the terms and conditions thereof; • the operating performance of any business we may acquire, if any, including any failure to achieve material revenues therefrom; • the performance of our competitors in the marketplace; • the public's reaction to our press releases, SEC filings, website content and other public announcements and information; • changes in earnings estimates of any business that we acquire, if any, or recommendations by any research analysts who may follow us or other companies in the industry of a business that we acquire, if any; • variations in general economic conditions, including as may be caused by uncontrollable events such as future pandemics, global conflicts and interest rates; • the public disclosure of the terms of any financing we disclose in the future; • the number of shares ~~intend~~ of our common stock that are eligible to ~~sell~~ be publicly traded in the future; • litigation or claims against us; and • any ~~their~~ other shares factors discussed in this report. Many of these factors are beyond our control and may decrease the market price of our common stock, regardless of whether we choose to pursue and consummate an asset or business acquisition and of our current or subsequent operating performance and financial condition. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted. A securities class action suit against us could result in substantial costs and divert our management's time and attention, which would otherwise be used to benefit our business. Anti-takeover provisions in**

our charter documents, **in our Tax Benefits Preservation Plan**, 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 Class A common stock. Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change in control of our company or limiting changes in our management. ~~In August 2022, Piotr Szulezewski, our founder and member of our Board of Directors until his resignation in August 2022, converted all shares of Class B common stock he held into the same number of shares of Class A common stock. Immediately following such conversion, Mr. Szulezewski's voting power decreased to approximately 8% of the voting power of our outstanding common stock (not including outstanding options that are immediately exercisable). Additionally, following such conversion the outstanding shares of our Class B common stock constituted less than 1% of our outstanding shares of our common stock. This resulted in all other shares of Class B common stock converting automatically into the same number of shares of Class A common stock.~~ Among other things, the provisions in our certificate of incorporation and bylaws provide: • ~~in connection with the conversion noted above~~, our Board of Directors became classified into three classes of directors with staggered three- year terms; • ~~in connection with the conversion noted above~~, directors **can** ~~are now able to~~ be removed only for cause and only by the affirmative vote of the holders of at least two-thirds of the voting power of our common stock. Vacancies on our Board of Directors will be able to be filled only by our Board of Directors and not by stockholders; • certain amendments to our certificate of incorporation or bylaws will require the approval of two- thirds of our common stock; • authorization of the issuance of " blank check " preferred stock that our Board of Directors could use to implement a stockholder rights plan; • ~~in connection with the conversion noted above~~, our stockholders are **now** only able to take action at a meeting of stockholders and not by written consent; • stockholders may not call special meetings of the stockholders; • our Board of Directors is expressly authorized to amend or repeal any provision of our bylaws; • that the forum for certain litigation against us must be Delaware or the U. S. federal district courts; and • advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted upon by stockholders at annual stockholder meetings. **In addition, in connection with the approval of the Asset Purchase Agreement, our Board of Directors adopted the Tax Benefits Preservation Plan in order to protect against a possible limitation on the Company's ability to use the Company's NOLs and certain other tax attributes to reduce potential future U. S. federal income tax obligations. These-- The Tax Benefits Preservation Plan could result in the significant dilution of the holdings of a stockholder that acquires more than 4.9% of our common stock. Please refer to the section titled " Tax Benefits Preservation Plan and Series A Junior Participating Preferred Stock " in Note 2 of the Notes to Consolidated Financial Statements included in Part II, Item 8, of this Annual Report on Form 10- K. The** provisions **described above** 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 (the " DGCL ") may delay or prevent a change in control of our company. Section 203 imposes 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. Our certificate of incorporation provides that the Court of Chancery of the State of Delaware and the federal district courts of the United States of America are the exclusive forums 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 and the federal district courts of the United States of America are 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: (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of a fiduciary duty; (iii) any action arising pursuant to any provision of the DGCL, our certificate of incorporation or bylaws (as either may be amended from time to time); (iv) any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws; or (v) any action asserting a claim against us that is governed by the internal affairs doctrine. This provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act. Furthermore, Section 22 of 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. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation further provides that the U. S. federal district courts are the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions 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. These exclusive- forum provisions 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. If a court were to find either exclusive forum provision of our certificate of incorporation to be inapplicable to or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business. ~~We do not intend to pay dividends on our capital stock, so any returns will be limited to increases in the value of our Class A common stock. We have never declared or paid any cash dividends on our capital stock. We currently anticipate that we will retain future earnings for the operation and expansion of our business. Accordingly, we do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, the terms of our Revolving Credit Facility contain, and any future credit facility or financing we obtain may contain, terms prohibiting or limiting the amount of dividends~~

that may be declared or paid on our common stock. Any return to stockholders will therefore be limited to increases in the price of our Class A common stock, if any.

General Risk Factors Our quarterly and annual operating results may fluctuate, which could cause our stock price to decline. Our quarterly and annual operating results may fluctuate for a variety of reasons, many of which are beyond our control. These reasons include those described in this “Risk Factors” section as well as the following:

- the amount and timing of our sales and marketing costs;
- our user acquisition strategies;
- traffic on our platform;
- selling prices on our platform and the percentage of revenue we retain from the sale of products;
- mix of products listed on our platform;
- fraud, including the sale of counterfeit goods, and refunds, including our response to these areas;
- continued impact from public health crises such as COVID-19, including the effects of phasing out of governmental measures, decreased online activity, and phasing out of government stimulus programs;
- the level of merchant advertising on our platform;
- disruptions in supply or shipment of products listed on our platform, especially from China where most of our merchants are currently located;
- the actions of app stores and advertising platforms such as Meta and Google;
- seasonality;
- fluctuations in exchange rates;
- the amount and timing of our other operating expenses;
- the expiration of expiration of contractual lock-up agreements and market standoff agreements;
- the impact of competitive developments and our response to those developments;
- changes in carrier policies and pricing and resulting higher logistics costs;
- actual or perceived disruptions or defects in our platform, such as data security breaches or outages;
- changes in laws and regulations that impact our business;
- changes in tax laws in the jurisdictions in which we operate; and
- general political, economic, and market conditions, particularly those affecting our industry.

Fluctuations in our quarterly and annual operating results may cause those results to fall below the expectations of analysts or investors, which could cause the price of our Class A common stock to decline. Fluctuations in our results could also cause a number of other problems. For example, analysts or investors might change their models for valuing our Class A common stock, we could experience short-term liquidity issues, our ability to retain or attract key personnel may diminish, and other unanticipated issues may arise. In addition, we believe that our quarterly and annual operating results may vary in the future and that period-to-period comparisons of our operating results may not be meaningful. For example, our historical growth may have overshadowed the seasonal effects on our historical operating results. These seasonal effects may become more pronounced over time, which could also cause our operating results to fluctuate. You should not rely on the results of one quarter or one year as an indication of future performance. Seasonality may cause fluctuations in our operating results. Our operating results are seasonal in nature because our transaction volume is affected by traditional retail selling periods that impact sales on our platform. Our historical growth may have reduced or outweighed seasonal effects on our past financial results. However, seasonal effects may become more pronounced over time, which could cause fluctuations in our financial results. For example, sales on our platform have historically peaked in the fall and user activity begins to slow down in December as it may be too late to place orders for holiday delivery. Additionally, we have historically experienced some slowdown in merchant activity in late January or early February due to our China-based merchants celebrating the Chinese New Year holiday. Catastrophic events may disrupt our business. Natural disasters or other catastrophic events, which may become more frequent, may cause damage or disruption to our operations, international commerce, and the global economy, and thus could harm our business. In the event of a major earthquake, hurricane or catastrophic event such as fire, power loss, telecommunications failure, cyberattack, war, or terrorist attack, pandemic or epidemic, we may be unable to continue our operations and may endure reputational harm, delays in developing our platform and solutions breaches of data security and loss of critical data, all of which could harm our business, results of operations, and financial condition. Additionally, we rely on our network and third-party infrastructure and applications, internal technology systems, and our websites for our development, marketing, operational support, hosted services, and marketing activities. If these systems were to fail or be negatively impacted as a result of a natural disaster or other event, our ability to deliver a positive user and merchant experience would be impaired. As we grow our business, the need for business continuity planning and disaster recovery plans will grow in significance. If we are unable to develop adequate plans to ensure that our business functions continue to operate during and after a disaster, and successfully execute on those plans in the event of a disaster or emergency, our business and reputation would be harmed. We may be subject to tax-related controversies. We may also be subject to tax controversies in the U. S. and in foreign jurisdictions that can result in tax assessments against us. Developments in an audit, investigation, or other tax controversy can have a material effect on our operating results or cash flows. We regularly assess the likelihood of an adverse outcome resulting from these proceedings to determine the adequacy of our tax accruals and while we believe our tax estimates are reasonable, the final outcome of audits, investigations, and any other tax controversies could be materially different from our historical tax accruals. Operating as a public company requires us to incur substantial costs and requires substantial management attention. In addition, our management team has limited experience managing a public company and the requirements of being a public company may strain our resources, divert management’s attention and affect our ability to attract and retain additional executive management and qualified board members. As a public company, we incur substantial legal, accounting, and other expenses that we did not incur as a private company. For example, we are subject to the reporting requirements of the Securities Exchange Act of 1934 as amended (the “Exchange Act”), the applicable requirements of the Sarbanes-Oxley Act of 2002 (the “Sarbanes-Oxley Act”), the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules and regulations of the SEC. The rules and regulations of Nasdaq also apply to us. As part of the new requirements, we need to establish and maintain effective disclosure and financial controls and we have made changes to our corporate governance practices. We expect that compliance with these requirements will increase our legal and financial compliance costs and will make some activities more time-consuming or costly and increase demand on our systems and resources. Many members of our management and other key personnel have little experience managing a public company and preparing public filings. In addition, as a public company, our management and other key personnel must divert attention from other business matters to devote substantial time to the reporting and other requirements of being a public company. In particular, we incur significant expense and devote substantial management effort to complying with the requirements of Section 404 of the Sarbanes-Oxley Act. We will need to continue to hire additional

accounting and financial staff with appropriate public company experience and technical accounting knowledge. As a result of disclosure of information in this report and in filings required of a public company, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by stockholders and competitors. If such claims are successful, our business and operating results could be adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and adversely affect our business and operating results. In addition, as a result of our disclosure obligations as a public company, we have reduced flexibility and are under pressure to focus on short-term results, which may adversely affect our ability to achieve long-term profitability. If our estimates or judgments relating to our critical accounting policies prove to be incorrect or financial reporting standards or interpretations change, our operating results could be adversely affected. The preparation of financial statements in conformity with U. S. GAAP requires management to make estimates, judgments, and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in Item 7, “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity as of the date of the financial statements, and the amount of revenue and expenses, during the periods presented, that are not readily apparent from other sources. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to the fair value of financial instruments, useful lives of long-lived assets, fair value of common stock prior to IPO, fair value of derivative instruments, fair value of redeemable convertible preferred stock and related redeemable convertible preferred stock warrant and equity awards and other equity issuances prior to IPO, incremental borrowing rate applied to lease accounting, contingent liabilities, allowances for refunds and chargebacks and uncertain tax positions. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of industry or financial analysts and investors, resulting in a decline in the trading price of our Class A common stock. Increased scrutiny and changing expectations from investors, customers, employees and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer acquisition and retention, access to capital and employee retention. Across all industries, companies are facing increased scrutiny related to their environmental, social and governance (“ESG”) practices and reporting. Certain investors, customers, employees and other stakeholders have focused increasingly on ESG practices and have begun placing increasing importance on the implications and social cost of their investments, purchases and other interactions with companies. With this increased focus and demand, public reporting regarding ESG practices is becoming more broadly expected. If our ESG practices and reporting do not meet investor, customer or employee expectations, which continue to rapidly evolve, our brand, reputation and customer retention may be negatively impacted. Our ability to achieve any ESG objective is subject to numerous risks, many of which are outside of our control. Examples of such risks include: • the availability and cost of low- or non- carbon based energy sources; • the evolving regulatory requirements affecting ESG standards or disclosures; • the availability of suppliers that can meet our sustainability, diversity and other ESG standards; • the ability of merchants using our platform to meet our sustainability, diversity, and other ESG standards; • our ability to enforce and monitor our merchants’ compliance with our sustainability, diversity, and other ESG standards; and • our ability to recruit, develop and retain diverse talent in our labor markets. If we fail, or are perceived to be failing, to meet the standards included in any sustainability disclosure or the expectations of our various stakeholders, it could negatively impact our reputation, customer acquisition and retention, access to capital and employee retention. In addition, new sustainability rules and regulations have been adopted and may continue to be introduced by the SEC as well as in various states and other jurisdictions, and our failure to comply with any applicable rules or regulations, including new SEC disclosure requirements, could lead to penalties and adversely impact our reputation, customer acquisition and retention, access to capital and employee retention. If analysts do not publish research about our business or if they publish inaccurate or unfavorable research, our stock price and trading volume could decline. The trading market for our Class A common stock will depend in part on the research and reports that analysts publish about our business. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our Class A common stock or publish inaccurate or unfavorable research about our business, the price of our Class A common stock would likely decline. If few analysts cover us, demand for our Class A common stock could decrease and our Class A common stock price and trading volume may decline. Similar results may occur if one or more of these analysts stop covering us in the future or fail to publish reports on us regularly. We are a smaller reporting company, and any decision on our part to comply only with reduced reporting and disclosure requirements applicable to such companies could make our ordinary shares less attractive to investors. As of June 30, 2023, we qualified as a “smaller reporting company,” as defined in the Exchange Act. For as long as we continue to be a smaller reporting company, we may choose to take advantage of exemptions from various reporting requirements applicable to other public companies that are not smaller reporting companies, including, but not limited to, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and only being required to provide two years of audited financial statements in annual reports. We will remain a smaller reporting company so long as, as of June 30 of the preceding year, (i) the market value of our shares of common stock held by non-affiliates, or our public float, is less than \$ 250 million; or (ii) we have annual revenues less than \$ 100 million and either we have no public float or our public float is less than \$ 700 million. To the extent we take advantage of some or all of the reduced disclosure requirements available to smaller reporting companies, investors may find our ordinary shares less attractive, which may result in a less active trading market for our common stock and greater stock price volatility. 52