Risk Factors Comparison 2024-02-15 to 2023-02-23 Form: 10-K

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Our business is subject to numerous risks and uncertainties that represent challenges that we face in connection with the successful implementation of our strategy and the growth of our business. Below is a summary of material factors that may offset our competitive strengths or have a negative effect on our business strategy or operating results, which could cause a decline in the price of shares of our common stock. Importantly, this summary does not address all of the risks and uncertainties that we face. Additional discussion of the risks and uncertainties summarized in this risk factor summary, as well as other risks and uncertainties that we face, can be found under " Risk Factors " in Part I, Item 1A of this Annual Report on Form 10 - K. The below summary is qualified in its entirety by that more complete discussion of such risks and uncertainties. • Our business and operating results may be significantly impacted by general economic conditions, the health of the U. S. residential real estate industry and risks associated with our real estate assets ~~;~~ **.** • We have a history of losses, and we may not achieve or maintain profitability in the future ~~;~~ **.** • We operate in a competitive and fragmented industry **that** ~~, which~~ could impair our ability to attract users of our products, which could harm our business, results of operations and financial condition ~~; • While we have experienced rapid growth historically, our business experienced significant contraction in the second half of 2022~~ . ~~If we are unable to correct this contraction, we may be unable to grow in the future;~~ • Our business is dependent upon our ability to appropriately price and manage our portfolio of inventory. An ineffective pricing or portfolio management strategy may have a material adverse effect on our business, sales, and results of operations ~~;~~ **.** • Our business is dependent upon our ability to expeditiously sell inventory. Failure to expeditiously sell our inventory could have an adverse effect on our business, sales and results of operations ~~;~~ **.** • Declining real estate values have resulted in, and could continue to result in, inventory valuation adjustments, which have and may continue to adversely affect our financial condition and operating results **.** ~~; • The extent to which the pandemic caused by COVID- 19 and its variants will impact our future operations is highly uncertain and cannot be predicted at this time;~~ • Our growth depends in part on the success of our strategic relationships with third parties ~~;~~ **. OPENDOOR TECHNOLOGIES INC.** • Our business is dependent upon access to desirable inventory. Obstacles to acquiring attractive inventory, whether because of supply, competition, macroeconomic conditions, or other factors may have a material adverse effect on our business, sales and results of operations ~~;~~ **.** • We process, store and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy, and violation of these privacy obligations could result in a claim for damages, regulatory action, loss of business, or unfavorable publicity ~~; OPENDOOR TECHNOLOGIES INC~~ . • We operate in a highly regulated industry and are subject to a wide range of federal, state and local laws, rules and regulations. Failure to comply with these laws, rules and regulations or to obtain and maintain required licenses, could adversely affect our business, financial condition and results of operations ~~;~~ **.** • We are, and may in the future be, subject to securities litigation, which is expensive and could divert management attention **.** ~~; and~~ • We utilize a significant amount of debt and financing arrangements in the operation of our business **. Our** ~~, and so our~~ cash flows and operating results could be adversely affected by required payments of debt or related interest and other risks of our debt financing. PART I Item 1. Business. Mission Our mission is to power life' s progress, one move at a time. Our Company We are **the largest digital** ~~a leading e- commerce~~ platform for residential real estate transactions. In 2014, we founded Opendoor to reinvent one of life' s most important transactions and make it possible to buy, sell, and move at the tap of a button. By leveraging software, data science, product design and operations, we are building a ~~managed marketplace~~ **technology platform** for residential real estate that offers buyers and sellers ~~an enhanced~~ **a digital, on- demand** experience ~~as compared to traditional real estate transactions~~ **that we believe will be the future of how people buy or sell a home** . Residential real estate is the largest undisrupted category in the United States. In ~~2022~~ **2023** alone, more than ~~five~~ **four** million existing homes were sold, representing ~~over~~ **approximately** $ 1. ~~9~~ **6** trillion in transactions. Additionally, with approximately two- thirds of Americans living in a home they own, housing is the single largest consumer expenditure in the United States, ahead of transportation, food, insurance, and healthcare. Yet, in a world where purchases are increasingly migrating online, the real estate transaction has largely remained unchanged. The typical process of buying or selling a home is complex, uncertain, time consuming **,** and primarily offline. A traditional home sale requires countless decisions and an average of six intermediaries, often brings unexpected costs, and takes approximately three months from start to finish. Ultimately, the consumer is left dissatisfied with a broken, disjointed experience. ~~We streamline~~ **Opendoor transforms** the **home selling and buying** process ~~of buying and selling a home~~ into a ~~seamless digital~~ **simple and certain online** experience ~~that is simple and certain~~ . Since launch, customers have demonstrated their desire for our digital, on- demand real estate solution with over ~~215~~ **246** , 000 homes bought and sold by Opendoor across the United States. In ~~2022~~ **2023** , we sold over ~~39~~ **18** , ~~000~~ **700** homes and generated $ ~~15.~~ 6 **. 9** billion in revenue, the latter of which represents a compound annual growth rate of ~~85~~ **over 45** % since 2017. Importantly, we have achieved this growth while continuing to delight customers, maintaining an ~~annual~~ average Net Promoter Score of nearly 80 from our sellers ~~in~~ **since** ~~2022~~ **2021** . Since our initial market launch in Phoenix in 2014, we have expanded across the United States and operated in ~~53~~ **50** markets as of December 31, ~~2022~~ **2023** : Albuquerque, ~~Asheville,~~ Atlanta, Austin, Birmingham ~~, Boise~~ , Boston, Charleston, Charlotte, Chattanooga, Cincinnati, Cleveland, Colorado Springs, Columbia, Columbus, Corpus Christi, Dallas- Fort Worth, Denver, Detroit, Greensboro- Winston, Greenville, Houston, Indianapolis, Jacksonville, Kansas City, Killeen, Knoxville- Morristown, Las Vegas, Los Angeles, Miami, Minneapolis- St. Paul, Nashville, New York- New Jersey, Northern Colorado, Oklahoma City, Orlando, Phoenix, Portland, Prescott, Raleigh- Durham ~~, Reno~~ , Richmond, Riverside, Sacramento, Saint Louis, Salt Lake City, San Antonio, San Diego, San- Francisco- Bay Area, Southwest Florida, Tampa, Tucson, and Washington, DC.

We believe we are still in the early stages of the digital transformation of real estate. **We** ~~Over the coming years, we~~ are dedicated to building a ~~managed marketplace~~ **digital, one- stop shop for buyers and sellers of residential real estate** , where more consumers will be able to transact directly with simplicity, certainty and control over the entire process. Market Overview Residential real estate is a massive offline market. Of the $ 1. ~~9~~ **6** trillion residential real estate transactions in ~~2022~~ **2023** , iBuyers (companies that use technology to **price homes, acquire properties, and** facilitate ~~these~~ **real estate** transactions) captured ~~only~~ **less than** 1 %. The current landscape is highly fragmented. Today, ~~approximately 90~~ **over 85** % of residential real estate transactions in the United States involve an agent. There are over three million licensed real estate agents in the United States, who **each** ~~on average~~ complete ~~less~~ **fewer** than four transactions **on average** per year **,** and many of whom do not solely work in real estate. This can lead to an inconsistent and frustrating experience for consumers looking for guidance in what is typically the largest financial decision of their lives. Real estate is migrating online. Consumers are shifting their spend online and demanding digital- first experiences for greater efficiency, certainty and speed. They are increasingly comfortable transacting online across retail, food and transportation, and they now expect similar experiences in real estate. While the majority of home buyers browse for homes online, the transaction itself is still largely offline, requiring **consumers to engage with** real estate agents to access homes and requiring in- person closings. The COVID- 19 pandemic catalyzed an increase in demand for digital- first experiences with consumers prioritizing simplicity and certainty. The Problem The traditional process of **selling or** buying ~~or selling~~ a home is a lengthy and stressful experience for both the seller and buyer. For **over 85** ~~the approximately 90~~ % of United States sellers that list their home on the market using an agent, this is what their experience typically looks like: • Find a listing agent. Before the seller can list, they must find a qualified agent. ~~Over~~ **Approximately** 80 % of sellers contact only one real estate agent before listing. • Prepare the home for listing. The seller often needs to get the home “ sale ready. ” This preparation, including cleaning, staging and any necessary upgrades, typically involves a lot of guesswork, time and money. • List the home. A home typically needs to be listed for ~~around~~ **over** 30 days on average before it goes into contract. • Host open houses and home visits. During the process, the seller will typically host dozens of strangers walking through their home, and deal with the hassle of cleaning up and clearing out, often on short notice and during inconvenient times. • Receive an offer. ~~One in four~~ **Almost 30 % of** home sellers ~~reduces~~ - **reduce** their asking price at least once, while ~~a similar percentage~~ **approximately 20 %** of sellers offer incentives to attract buyers. Once an offer is received, the seller has to negotiate the offer, negotiate the closing date, and deal with any contingencies the buyer may have. • Negotiate repairs or fix issues identified by buyers. After the offer is accepted, the buyer conducts an inspection, which often forces the seller to renegotiate the offer or fix issues, increasing the homeowner’ s costs and potentially delaying closing. • Wait for closing. Once the contract is signed, it still takes over ~~30~~ **40** days on average to close. The seller is reliant on the home buyer and a disparate set of counterparties — such as their agent, mortgage broker and escrow officer — to coordinate and complete the closing process. • Fall- through risk. Finally, there is an approximately 20 % chance the contract falls through between signing and closing (based on average multiple listing services (“ MLS ”) contract fall- through rates in our markets in ~~2022~~ **2023**), forcing the home seller to start the entire process all over again. Additionally, we estimate over two- thirds of home sellers are also home buyers. These customers face an additional set of challenges to line up their home purchase with their sale: • Contingencies. Many Americans are reluctant to sell or cannot purchase their next home until they know with certainty what they can afford ~~for their next home~~ . Few Americans can qualify for two mortgages and few have enough money for two down payments. These buyers often have to submit offers contingent on selling their current home, putting them at a disadvantage versus other buyers. • The “ double move **.** ” ~~.~~ Alternatively, homeowners can sell their current home, move into a rental or hotel, and then buy a new home, forcing them to move twice and bear those costs. Our Solution ~~We are building a managed marketplace for residential~~ **Opendoor is an end- to- end** real estate ~~via~~ **platform enabling customers** ~~two~~ - **to** ~~core~~ **sell and buy a home online. We offer a number of** ~~product~~ **products** ~~offerings:~~ **to customers in order to facilitate the transaction that best suits their specific needs. All of** our ~~first- party (1P) product~~ **products** ~~and our third- party (3P) product. Together, these two offerings~~ leverage our centralized **operations and** platform capabilities ~~. We are working towards a future where both 1P and 3P sales take place on our platform~~ , enabling sellers and buyers to experience a simple and certain transaction that dramatically improves the traditional process. **Today, our product offerings include:** • ~~1P Product~~ **Sell to Opendoor** . Launched in 2014, sellers utilize our ~~1P~~ **core** product offering to sell their home directly to us and we resell the home to a home buyer. By selling to Opendoor, homeowners can avoid the stress of open houses, home ~~repairs~~ - **repair coordination** , overlapping mortgages **,** and the uncertainty that can come with listing a home on the open market. Using our website **or mobile app** , sellers can receive a preliminary offer online. We then conduct a home assessment to verify the home information and finalize the offer, taking into consideration the home’ s condition. Sellers can then select their preferred closing date and close electronically (where permitted). For customers who sell directly to us, we charge a service fee. We also charge the seller for expected repairs and home quality improvements that relate to our assessment of home condition and the expectations of buyers in the market. Our **offering** ~~service fee is set at 5 % across all markets. This~~ compares favorably to the traditional listing process, which can include a broker fee ~~of 5 % to 6 %, depending on location,~~ and a number of additional costs, such as resale concessions, inspection costs, staging costs, ~~double~~ mortgage payments on two homes, and additional moving and storage costs. Many of these expenses may be unforeseen by the homeowner at the outset. Our final offer, inclusive of purchase price, service fee, and repair charge, provides the homeowner with more certainty and transparency as to their expected sale proceeds, while removing the hassle of doing any repairs to get the home “ sale ready. ” • ~~3P~~ **List with Opendoor. Customers can choose to list their home on the MLS with Opendoor while also receiving the certainty of our cash offer. By choosing this** ~~Product~~ **product , sellers work with one of our local agents (or partner agents) to list their home through the open MLS market, leveraging the expertise of the Opendoor brokerage that has sold thousands of homes. For customers who list their home with us, we charge a listing fee. For sellers who do not receive the offer they are looking for on the market, they can choose to accept our cash offer. Our listing product is currently available in 17 Opendoor markets. • Opendoor**

Marketplace . Launched in 2022, our ~~3P product~~ **capital- light marketplace** offering connects ~~the~~ home ~~seller~~ **sellers** with **both** ~~either an~~ institutional ~~or~~ **and** retail ~~buyer~~ **buyers** , facilitating ~~the transaction~~ **transactions** without ~~us~~ **Opendoor** taking ownership of the home. For home buyers, we are building an e- commerce- like experience that focuses on unique selection and a ~~simple~~ **streamlined** process **, including, in some cases, self- touring and click to purchase pricing** . For home sellers, we are focused on **providing options: in addition to** ~~making the experience of selling seamless, with less time and less hassle than the traditional process. Sellers can request an offer from our network of buyers, while also~~ receiving an Opendoor offer **, sellers can also look for a higher offer from our network of buyers. For sellers who choose to place their home into our marketplace, we charge a listing fee** . There is no need for **making** repairs **on spec and no upfront commitment** ~~, extensive home prep, or months of open houses or listings~~ . We are ~~also~~ giving home sellers control and flexibility, ~~with no upfront commitment~~ **including over showings and selling timelines** . We have launched our ~~3P~~ **marketplace** offering in **one** ~~a limited number of markets –~~ **market, Dallas Fort- Worth,** ~~. We have decided to keep our 3P product focused on a small set of markets in 2023~~ so we can iterate on the product experience quickly. ~~This is consistent with our approach to how we scaled our 1P product across markets over time.~~ When we are ready to scale ~~the 3P product~~ , we believe we are well positioned to expand ~~it~~ **the product** across our existing ~~1P~~ markets given our ability to leverage our existing ~~1P~~ **core product** infrastructure **. In addition to these products, we also offer customers integrated title insurance and escrow services through our subsidiaries. Currently, we offer title insurance services in a majority of our markets and on both the acquisition and resale side of the transaction. In the markets where our title services are offered, we provided these services for over 80 % of Opendoor home transactions that closed in 2023. Our title and escrow companies charge buyers and / or sellers fees related to settlement and escrow services. Additionally, as agents for national title insurance underwriters, they charge title insurance premiums, which may be based on promulgated rates or rates filed by national title insurance companies. The fees charged by our title and escrow companies vary by market** . Our Business Model The vast majority of our revenue and margins today are generated by our core ~~1P~~ product offering, where we acquire homes directly from sellers and resell those homes to buyers. We also ~~offer~~ **provide additional services to home sellers and home buyers, including** title and escrow services **, List with Opendoor, and Opendoor Marketplace. To achieve our long- term margin objectives, we plan** to **continue to make competitive offers that** customers **choose, provide value- added adjacent services** ~~as well as to buyers touring our homes independently via our app or~~ **for** ~~website~~ **our customers to increasingly adopt** , ~~which~~ **and offer products that meet our customers where they** are ~~accretive to our unit economics~~ **on their selling and buying journeys** . We plan to incrementally scale our ~~3P product~~ **listing and marketplace** ~~offering~~ **offerings** to expand into more markets over time **. At scale** , ~~which~~ we believe ~~has~~ **these offerings have** the potential to reduce our inventory exposure, capital intensity, and macro risk ~~when~~ **. Additionally, we plan to achieve operating leverage by growing our revenue** at **a faster pace than our fixed cost base, which includes general and administrative as well as technology and development expenses. We plan to continue to invest in our business and appropriately balance trade- offs between growth, margin, and risk as we** scale ~~. We also believe our 3P product offering has the potential to expand our total addressable market to be able to serve all sellers versus those only within our buybox. We define " buybox " as the types of homes we are able to underwrite and acquire in a given market based on characteristics such as price range, home type, home location, year built and lot size~~ . Offers We generate demand for our products and services through organic awareness and word- of- mouth, paid media spend, and partnership channels such as our relationships with homebuilders **, real estate agents,** and online real estate portals. Home sellers can visit our website or mobile app and answer a few questions about their home' s condition, features **,** and upgrades. For eligible homes, customers receive a preliminary offer, which can be refreshed at any time through their personalized seller dashboard. ~~All~~ **As of December 31, 2023, all** of our preliminary offers are algorithmically generated and require minimal human intervention. In order to finalize our offer, we conduct a combination of virtual and in- person home assessments to verify the condition of the home and determine what kind of repairs and home quality improvements ~~will~~ **may** need to be performed after we acquire the home. We typically ask for a repair charge that relates to our assessment of home condition and what it will require to get the home " sale ready ~~.~~ " **based on the expectations of buyers in the market.** We have developed purpose- built software to guide home assessment workflows and collect over 150 unique data points on average regarding a home' s condition and quality. In addition to informing the offer price for that particular home, we incorporate the proprietary data that we collect during home assessments as structured data into our underlying pricing models. After all the data has been collected and incorporated, each offer is reviewed and finalized by members of our pricing team, allowing us to marry the best of our algorithmic insights with human judgment. We closely track the number of potential sellers who accept the Opendoor offer versus listing their home on the MLS. We define this as the " real seller " conversion rate, which is the percentage of unique leads who either accept an Opendoor offer or list their home on the MLS within 60 days of receiving an offer from us. We believe this is an important measure of the strength of our value proposition. In addition, we provide offers to homeowners who are not ready to transact at the time of the offer. We add these individuals to our expanding pool of prospective customers, and we re- engage with them over time for when they are ready to transact. Nearly ~~30~~ **25** % of sellers who listed or sold their homes have previously entered their home address on Opendoor. com across our active markets, which suggests that our registered user base is a powerful source of future sellers that we can use to drive our future growth. Home acquisition and repairs Once a seller has received and accepted our final purchase offer, we enable the seller to close the transaction on a flexible timeline. This is a particularly important feature as over two- thirds of sellers are also buyers, who are often looking to line up the timing of these two transactions to ensure they have their next home to move to before locking in the sale of their current home or to avoid double moves or mortgages. This feature further differentiates our service from a traditional sale. Following acquisition, we bear the subsequent risk of conducting repairs and home quality improvements on a timely and on- budget basis. The scope of this work before resale is focused on ensuring the home is in " sale ready " condition. We engage third- party contractors within each market to conduct repairs, and continuously refine and adjust our repair strategies based on our operating experience in markets and reviewing neighborhood- level resale outcomes. Home resale After we complete the repairs and list the home for resale, we market our homes across a wide variety of channels to generate buyer awareness and demand. These channels include the Opendoor website and mobile app, local MLS **,** and syndication across real estate portals. We also generate buyer awareness through Opendoor signage for listed properties. The majority of our sales are to individual consumers, with a minority sold to institutional investors. Efficiently turning our inventory, inclusive of repairing, listing, and reselling the home, is important to our financial performance, as we bear holding costs (including utilities, property taxes, maintenance and insurance) and financing costs during our ownership period. As part of the listing and marketing process, we determine an appropriate resale strategy for each home. As the principal rather than the agent in the transaction, we are in a structurally advantageous position as seller, relying on data- driven decisions against a large, diversified portfolio of homes. Our proprietary pricing engine helps automate many of these steps, including relevant adjustments over time. We manage and measure our inventory performance by ~~acquisition~~ **listing** cohort and by market, and our pricing models can incorporate granular, relative demand signals to optimize pricing and sell- through across the portfolio. Our resale models, in conjunction with **input from** our pricing team, are designed to enable realized margins within our targets while maintaining appropriate transaction velocity and inventory portfolio health. When we receive an acceptable offer on a given home, we enter into a resale contract. Buyers will then typically conduct an inspection on the property, finalize their mortgage application process and ultimately take possession of the home upon closing of the transaction. Industry- Leading Pricing Capabilities Our ability to price homes competitively is fundamental to our business model. Since our inception, we have prioritized investment in our pricing capabilities across our home acquisition processes and our forecasting and resale systems. Our pricing function focuses on ensuring we are providing competitive offers to customers while managing acquisition volumes and resale policy decisions to meet our underwriting and risk management objectives. To create our **final** home offers, we algorithmically produce both an estimated **valuation** ~~offer price~~ and an assessment of our confidence level in that estimate, and we then further validate that estimate with ~~a value and risk assessment, including~~ a combination of virtual and in person assessments of the home, as well as additional review from our in- house pricing analysts, to finalize the offer. We dynamically adjust our offers to account for the level of certainty in pricing each home. This degree of certainty can be impacted by factors such as macro conditions, local market dynamics, the condition or attributes of a home, and the depth of home comparables. We recalibrate our view of pricing and where market values are trending using high- frequency detailed metrics across all segments of our business, including inputs related to the dynamics of market demand and supply across markets, home types, and time periods. **These factors are reflected in our spreads, which we define as total discount to our home valuation at the time of offer, less our 5 % service fee, which in turn affects seller conversion. In general, the more spread is reduced, the higher our seller conversion is, which results in more home acquisitions and ultimately more home sales.** While the real estate industry generates a wealth of publicly sourceable data, much of this data lacks the quality and specificity essential to price individual homes. Since our inception, we have invested in our research and data science teams, modeling capabilities, and systematized tooling to gather, aggregate, and synthesize an expanding catalog of proprietary, ~~hyperlocal~~ **hyper- local** data in order to enhance and automate pricing decisions. We have also acquired third **-** party data to improve our pricing models and forecast quality. Our proprietary models are informed by hundreds of data points that have been collected and synthesized in a structured way. • Proprietary offline data. We have conducted approximately ~~580~~ **690** , 000 assessments during which we collect over 150 data points on average for each home and its surroundings **using** ~~. We have invested in building~~ custom inspection and operator tooling to systematically source and translate home features into a robust data library. These proprietary data points have led us to make approximately **2.** 1 ~~. 9~~ billion annotations and adjustments to MLS and tax assessor data, as well as build out unique geospatial data assets, such as power line and busy road proximity **. We also use artificial intelligence (“ AI ”) to extract and automatically categorize data on the condition of homes from customer- provided inputs, such as chat conversations, images, and videos** . Once we list a home for resale, we collect additional home- level demand data such as home visits and visitor feedback, which enable us to calibrate our resale strategy and acquisition home pricing. • Responsive feedback loop. Advancements in model sophistication and the integration of systematic modeling and human insights have accelerated our feedback loops, such that our pricing system can dynamically adjust ~~to leading market indicators and human insights,~~ and react to macro- and micro- economic conditions. • Pricing competitiveness. Our unique data works in concert with our pricing algorithms. These algorithms use machine learning to drive pricing decisions through modeling of observed home sale prices, demand forecasting, outlier detection, risk assessment, and inventory management. Over time, we have added new data inputs and refined model logic, the benefits of which compound with experience and scale. Robust Risk Management Framework Forecasting and managing our business to seasonal and macro market changes is important for our overall results and balance sheet health. As noted above, since our inception, we have prioritized investment in our pricing capabilities across our home acquisition processes and our forecasting and resale systems, and we expect to continue to do so. These investments pair with a strong risk management focus that is embedded in our pricing, finance and operations teams. We evaluate the quality of our pricing models and processes using high- frequency detailed metrics across all segments of our business, including home acquisition, resale strategy and inventory health. All of our pricing decisions are managed centrally, giving us a high degree of control over our overall growth and margin objectives. While residential real estate markets are subject to fluctuations, as with any market, we believe we are well- positioned to manage our risk exposure due to the following: • A critical component of our business model is managing inventory exposure and balancing growth, margin ~~and~~ **,** risk **, liquidity, and capital** . Transaction velocity and hold times are important inputs ~~to~~ **into** how we manage our inventory exposure and overall risk. We have historically concentrated our home purchases on those segments of the residential real estate market with the highest transaction volumes, which helps lower the risk of involuntarily holding a home for longer than anticipated. • Our pricing models and inventory management systems are designed to recalibrate to market signals on a daily basis. Accordingly, changing market conditions are reflected in our pricing for new acquisitions, largely leaving previously- acquired inventory and homes under contract to be acquired at risk for potential market volatility. In addition, we employ sophisticated resale pricing management systems that ~~is~~ **are** designed to allow us to optimize sell- through and margin using real- time, local market demand information, including down to an individual home level. We believe that the quality and scale of information we utilize in our inventory management decisions and our ability to manage these decisions across a scaled, diversified portfolio provides us with a structural advantage over individual sellers or agents in the traditional home selling process. • Our operations across ~~53~~ **50** markets and a range of price and home types allow us to benefit from significant diversification effects. Individual buyers and sellers are exposed to price and behavioral effects that are associated with specific markets or home segments. Our scale and diverse coverage allow us to mitigate such exposures across a wider range of markets and home segments so that our overall risk per home should decrease as we increase the breadth of markets, price points and home types across which we operate. • Our listed homes are not occupied and are in sale- ready condition given the repairs and renovations we perform. We believe that this increases the attractiveness and liquidity of our portfolio. • At any moment in time, a significant portion of our inventory is under resale contract; this means we have already found buyers for those homes and are in the process of closing the resale transactions. This further limits the exposure of our inventory portfolio to macro market changes. **Efficient Digital** ~~Low Cost Transaction~~ Platform We continue to invest in having an agile, low **-** cost platform, which allows us to provide more competitive offers to home sellers and adapt to changes in macro conditions. Each component of our real estate business and transaction experience has been purpose- built to delight our customers through a streamlined, **digital- first,** flexible **,** and vertically- integrated platform. We have reimagined the traditionally inefficient and labor- intensive processes required to purchase, repair, and resell ~~each~~ **a** home **, and we have designed our technology and processes to do so at scale** . With this in mind, we have invested in developing technology that enables virtualization, centralization, and automation ~~in order~~ to reduce cost, increase speed and improve quality of execution. Our proprietary construction management technology enables us to drive efficiencies across all home servicing functions, tying together pre- acquisition assessments, pricing, repair scoping, centralized back- office operations, ~~and~~ renovation project management **, and listed home maintenance** . Our systems and processes facilitate the centralization of certain processes that previously required local labor, which provides staffing flexibility, cost economies, training and quality enhancements, and faster turnaround times, all of which result in a superior **home product and** customer experience. One example is our virtual home assessment capability for our lowest risk homes, where home sellers are able to take our operators on a virtual, guided tour of their home **, both interior and exterior** . Our centralized teams then assess home ~~conditions~~ - **condition and home features** , **and compare the subject home to nearby recently sold homes.** ~~leveraging~~ **Leveraging** a combination of industry best practices and big data **, we can fully underwrite these lower risk homes via centralized teams in order to provide sellers fast and frictionless final offers** . This centralization has also enabled us to shift an increasing amount of back- office work to our offshore teams, which we believe will help deliver structural cost improvements over time. We have also established a network of **approximately 600** ~~more than 1, 000~~ trade partners and local service providers that use our proprietary technology to complete home repairs and maintenance. By leveraging our technology platform and directly interfacing with our trade partners, we reduce delays, eliminate waste, and improve quality of repairs while capturing data at every step to continuously improve the system. This increase in third- party capacity also gives us the flexibility to adapt to macro conditions and adjust our operating expenses commensurate with volume expectations. Due to our scale, we have procured volume discounts on the cost of materials used in our home repairs. In addition, we have designed our home inventory management processes and home access technology to ensure our homes are regularly cleaned, well- maintained and safe to enable our on- demand, self- tour experience. **We receive regular home condition status updates from our trade partners and local service provider network who are in our homes multiple times per month. This feedback enables rapid response in the event of condition defects that would otherwise persist unaddressed. Quickly fixing potential quality issues helps ensure listed inventory remains in the necessary condition to maximize probability of resale.** Strategic Growth Priorities Our growth strategy is to innovate and execute on the following key strategic priorities: Increase penetration in existing markets. We are focused on continued growth in our existing markets — greater scale improves awareness, trust and adoption, operational cost efficiencies, and pricing competitiveness from more data. ~~Across all of~~ **We have historically demonstrated** our **ability to capture over 4 % market share in multiple** markets, ~~we estimate that less than 10 % of sellers received an offer from Opendoor and either sold their home to us or subsequently listed their home on the MLS within~~ -- **with** ~~60 days. This low~~ **our oldest market cohorts showing deeper market** penetration ~~gives us a~~ **. As our newer markets mature, we believe we have** significant runway for growth. We will continue to expand our customer base through partnerships and marketing campaigns that increase awareness and engage customers early in their home selling and buying research. Expand to new markets. At ~~53~~ **50** markets as of December 31, ~~2022~~ **2023** , we are making good progress towards our long- term goal of being able to deliver for customers nationwide. We select new markets by looking at drivers of supply, demand and affordability, housing stock, cost structure and expected pricing competitiveness. We have honed our market launch playbook by centralizing many of our core pricing, operations and customer service functions, enabling us to efficiently launch new markets with limited in- market physical presence. Our largely centralized and scalable framework for new market entry enabled us to rapidly grow the number of markets we served in 2021 and **the first half of** 2022. Furthermore, decision making for each home is informed by centralized, robust, data- driven playbooks that allow us to drive consistency across our markets and reach profitability in new markets more quickly. Expand product ~~and service~~ offerings. Our north star is to build the best end- to- end ~~managed marketplace~~ **digital experience** for every home **seller and** buyer ~~and seller~~ . We are focused on **continuing** ~~leveraging both our 1P and 3P product offerings~~ to refine our best- in- class seller experience, **drive additional scale and efficiencies,** expand the options available to sellers ~~in our marketplace~~ **to best suit their specific needs** , invest in enhancing the buyer experience **,** and continue to integrate the seller and buyer journey. Over time, we plan to launch additional **products related** ~~services that are adjacent~~ to ~~the core~~ real estate ~~transaction, bringing us closer to our vision for a digital one- stop- shop that powers all~~ transactions **and ancillary services** . Marketing We utilize a diversified, multichannel approach in marketing, with a focus on efficient growth. In addition to earned media and online real estate partnerships with leading industry brands, we leverage a diverse range of channels and platforms within paid advertising, including paid online channels, direct mail, television, radio **, social media** , and outdoor advertising. As our market footprint has expanded, we are focused on our investment in broad reach and national channels such as television and sponsorships, to efficiently drive awareness and build trust with consumers in a new category. We also continue to build our prospective customer base by maintaining relationships and re- engaging with homeowners who might not have been ready to sell during their first interaction with Opendoor. With over two- thirds of sellers also being buyers, these homeowners represent a large part of our marketing funnel that we are focused on converting when they are ready to transact. As more consumers start their home journey with Opendoor, we expect this prospective customer base to continue to expand over time. Competition The U. S. housing market is highly ~~competitive and~~ fragmented, with over ~~five~~ **four** million residential real estate transactions per year. We view our primary competition as the **approximately** 99 % of transactions that are done offline. As such, we compete directly with traditional, offline real estate brokers and agents. In addition, we also compete with other iBuyers, and our adjacent services compete with industry service providers, including title and escrow companies. We believe our singular focus on an end- to- end digital solution, our best- in- class pricing engine, and our low- cost operational platform differentiate us from our competitors and provide a meaningful and sustainable competitive advantage. Human Capital Resources Our Values and People Our values. Our values reflect how we will deliver on our goal to build a once in a generation company and include a focus on the customer, a culture of ~~frugality~~ **efficiency** , continuous invention, and ruthless execution against results: • Start and end with the customer. We invent, build and execute to improve the lives of our customers. We put in the hard work to delight customers, even when no one is looking. • BPs for Breakfast. We eat " BPs (or basis points) for breakfast " — meaning we are always looking for where we can take costs out of the transaction — so we can put more money in the pockets of our customers. We will win by building the lowest cost platform. • Act from ownership. When we see a problem, we roll up our sleeves and fix it. We hold ourselves accountable because it is our home and it is our responsibility to take care of it. • Build openness. We are open, honest and direct about problems and seek the truth. We assume good intentions and treat feedback as a gift. • 1 % Better Every Day. We value a growth mindset and operate from a place of humility. We are energized by constantly improving. • Startup mentality. We move fast, operate with urgency, and have a bias towards action without sacrificing quality. We are relentlessly resourceful. • One Team, One Dream. Our superpower is a diverse community that combines technology, operational excellence, talent and respect. We work through teams and care for each other professionally and personally. We honor and respect our diverse workforce and actively work to ensure everyone feels represented. • Results matter. We focus on outputs and outcomes and hold ourselves accountable to hitting ambitious goals. We have a high quality bar and pay attention to the pixels, words, and results. • Celebrate moments. We work tirelessly for our customers and teammates so we take the time to celebrate moments large and small. Employees As of December 31, ~~2022~~ **2023** , we employed ~~2~~ **1** , ~~570~~ **982** individuals, including ~~2~~ **1** , ~~444~~ **711** in the United States. None of our employees are currently represented by a labor organization or a party to any collective bargaining. Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing, and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain, and motivate selected employees, consultants, and directors through the granting of stock- based compensation awards. Technology Our business is driven by data and technology at all stages of the home buying and selling process. We have assembled a team of engineers, data scientists, designers **,** and product managers whose expertise spans a broad range of technical areas to build our proprietary technology for pricing and home assessment, access **,** and management. We use technological innovations where possible to increase efficiency and scale our business. We currently use third- party cloud computing services to allow us to quickly and efficiently scale up our services without upfront infrastructure costs, allowing us to maintain our focus on building great products. We also use third **-** party services to allow customers to digitally sign contracts, upload videos of their home and manage customer support services. Intellectual Property We rely on trademarks, domain names, patents, copyrights, trade secrets, contractual provisions and restrictions on access and use to establish and protect our proprietary rights. As of December 31, ~~2022~~ **2023** , we had ~~14~~ **11** trademark registrations and ~~6~~ **8** patent registrations. We are the registered holder of a variety of domestic domain names, including " opendoor. com. " In addition to the protection provided by our intellectual property rights, we enter into confidentiality and proprietary rights agreements with certain of our employees, consultants, contractors and business partners. Certain of our employees and contractors are also subject to invention assignment agreements. We further control the use of our proprietary technology and intellectual property through provisions in both our general and product- specific terms of use on our website. Government Regulation We operate in highly regulated businesses through a number of different channels across the United States. As a result, we are currently subject to a variety of, and may in the future become subject to additional, federal, state and local statutes and regulations in various jurisdictions (as well as judicial and administrative decisions and state common law), which are subject to change at any time, including laws regarding the real estate ~~and mortgage industries~~ **industry** , settlement services, mobile and internet based businesses and other businesses that rely on advertising, as well as data privacy, consumer protection, and employment laws. In particular, the advertising and sale of homes is highly regulated by states in which we do business, as well as the U. S. federal government. Regulatory bodies include the Consumer Financial Protection Bureau (" CFPB "), the Federal Trade Commission (" FTC "), the Department of Justice (" DOJ "), the Department of Housing and Urban Development (" HUD "), and various state licensing authorities, consumer protection agencies, financial regulatory agencies and insurance agencies. We are subject to compliance audits of our operations by many of these authorities. For a discussion of the various risks we face from regulation and compliance matters, see " Item 1A. Risk Factors — Risks Related to Regulatory Compliance and Legal Matters. " Additionally, laws, regulations, and standards covering marketing and advertising activities conducted by telephone, email, mobile devices, and the internet, may be applicable to our business, such as the Telephone Consumer Protection Act (" TCPA "), the Telemarketing Sales Rule, the CAN- SPAM Act, and similar state consumer protection laws. Through our various subsidiaries, we also buy and sell homes, provide real estate brokerage, title insurance and settlement services, and provide other product offerings, which results in us receiving or facilitating transmission of ~~personally~~ -- **personal** ~~identifiable~~ information. This information is increasingly subject to legislation and regulation in the United States. These laws and regulations are generally intended to protect the privacy and security of personal information, including customer Social Security numbers and credit card information that is collected, processed and transmitted. These laws also can restrict our use of this personal information for other commercial purposes **, including advertising** . ~~In order~~ **For a discussion of the various risks we face with respect** to **the collection and processing of personal information, see " Item 1A. Risk Factors — Risks Related to Our Intellectual Property and Technology. " To** provide the broad range of products and services that we offer customers, certain of our subsidiaries maintain real estate brokerage, title insurance and escrow ~~, property and casualty insurance~~ , and general contractor licenses, and we may in the future apply for additional licenses as our business grows and develops. These entities are subject to stringent state and federal laws and regulations, including, but not limited to, the Real Estate Settlement Procedures Act (" RESPA ") and those administered by applicable state departments of real estate, banking, ~~insurance~~ and consumer services. These entities are also subject to the scrutiny of state and federal government agencies as licensed businesses as noted above. As of December 31, ~~2022~~ **2023** : • Opendoor Brokerage LLC ~~,~~ **and** Opendoor Brokerage Inc. ~~, and OD Homes Brokerage Inc. (formerly known as Open Listings Co.)~~ , collectively, hold real estate brokerage licenses in all our markets and certain other states. • OS National LLC, and its subsidiaries, OSN Texas LLC and OSN Alabama LLC, are licensed as title agents in 27 states. In addition, OS National LLC, and its subsidiary, OSN Escrow, are licensed as escrow agents in seven states and OS National LLC is authorized to conduct the business of title insurance in five additional states that do not require entity and / or individual licensing. • ~~Opendoor Home Loans LLC holds mortgage banking / lending licenses in five states. • Digital Opendoor Insurance Services LLC holds insurance producer licenses for property and casualty lines in nine states. •~~ Open Exchange Brokerage LLC, holds real estate brokerage licenses in ~~15~~ **18** states. • Tremont Realty LLC (dba Opendoor Connect), holds a real estate brokerage license in Texas. For certain licenses, we are required to designate individual licensed brokers of record, qualified individuals and control persons. Seasonality For information regarding the seasonality of our business, please see " Part II – Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations – Factors Affecting our Business Performance. " Corporate History and Background Opendoor Technologies Inc. was formed through a business combination with Social Capital Hedosophia Holdings Corp. II (" SCH "), a Cayman Islands exempted company formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (the " Business Combination "). The Business Combination, pursuant to which Opendoor Labs Inc. became a wholly owned subsidiary of SCH and SCH changed its name from " Social Capital Hedosophia Holdings Corp. II " to " Opendoor Technologies Inc., " was completed on December 18, 2020 (the " Closing "), and was accounted for as a reverse recapitalization, in accordance with accounting principles generally accepted in the United States of America (" GAAP "). Available Information Our website is www. opendoor. com. At our Investor Relations website, investor. opendoor. com, we make available, free of charge, a variety of information for investors, including our annual reports on Form 10- K, quarterly reports on Form 10- Q, current reports on Form 8- K and any amendments to those reports, proxy statements and other information, as soon as reasonably practicable after we electronically file that material with, or furnish it to, the Securities and Exchange Commission (" SEC "). We also use the Investor Relations page of our website for purposes of compliance with Regulation FD and as a routine channel for distribution of important information, including blogs, news releases, analyst presentations, financial information and corporate governance practices. The information found on our website is not part of this or any other report we file with, or furnish to, the SEC. Our SEC filings are also available to the public at the SEC' s website at http: / / www. sec. gov. Item 1A. Risk Factors. In the course of conducting our business operations, we are exposed to a variety of risks. You should carefully consider the risks described below, as well as the other information in this Annual Report on Form 10- K, including our financial statements and the related notes and " Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations, " before deciding whether to invest in our common stock. Any of the risk factors we describe below have affected or could materially and adversely affect our business, financial condition, results of operations and prospects. The market price of shares of our common stock could decline, possibly significantly or permanently, if one or more of these risks and uncertainties occurs. Certain statements in " Risk Factors " are forward- looking statements. See " Forward- Looking Statements. " Risks Related to Our Business and Industry Our business and operating results may be significantly impacted by general economic conditions, the health of the U. S. residential real estate industry, and risks associated with our real estate assets. Our success depends, directly and indirectly, on general economic conditions, the health of the U. S. residential real estate industry, particularly the single family home resale market, and risks generally incidental to the ownership of residential real estate, many of which are beyond our control. A number of factors have impacted and could in the future negatively impact and harm our business, including the following: • downturns in the U. S. residential real estate market that may be due to one or more factors, whether included in this list or not; • changes in national, regional, or local economic, demographic or real estate market conditions; • increased mortgage interest rates, such as the recent significant increases in interest rates in 2022 **and 2023** , or down payment requirements and / or restrictions on mortgage financing availability; • low home inventory levels or lack of affordably priced homes; • **high rental occupancy rates; •** labor or materials supply shortages; • slow economic growth or inflationary or recessionary conditions; • increased levels of unemployment or declining wages; • declines in the value of residential real estate and / or the pace of home appreciation, or the lack thereof; • illiquidity in residential real estate; • overall conditions in the housing market, including macroeconomic shifts in **supply or** demand, and increases in costs for homeowners such as property taxes, homeowners' association fees and **availability and / or affordability of** insurance ~~costs~~ ; • low levels of consumer confidence in the economy and / or the U. S. residential real estate industry; • the ~~continuing and~~ future impacts of ~~the pandemic~~ **pandemics** ~~caused by~~ **or epidemics, including any future resurgences of** COVID- 19 and its variants ~~, or a future pandemic~~ , on buying and selling trends in the residential real estate market; • changes in household debt levels; • volatility and general declines in the stock market; • federal, state, or local legislative or regulatory changes that would negatively impact owners or potential purchasers of single family homes or the residential real estate industry in general, such as the Tax Cuts and Jobs Act of 2017, which limited deductions of certain mortgage interest expenses and property taxes; or • natural **and man- made** disasters **and other catastrophic events** , such as hurricanes, windstorms, tornadoes, earthquakes, wildfires, floods, hailstorms, **terrorist attacks** and other events that disrupt local, regional, or national real estate markets ~~. We have a history of losses, and we may not achieve or maintain profitability in the future~~ . We have incurred net losses on an annual basis since we were founded. We incurred net losses of $ **275 million, $** 1. 4 billion, **and** $ 662 ~~million, and $ 253~~ million for the years ended December 31, **2023,** 2022, **and** 2021 ~~, and 2020~~ , respectively. We had an accumulated deficit of $ 3. **3 billion and $ 3.** 1 billion ~~and $ 1. 7 billion~~ as of December 31, **2023 and** 2022 ~~and 2021~~ , respectively. We expect to continue to make future investments in developing and expanding our business, including technology, recruitment and training, marketing and pursuing strategic opportunities. These investments may not result in increased revenue or growth in our business. Additionally, we may incur significant losses in the future for a number of reasons, including the following: • our failure to appropriately price and manage the home inventory we acquire; • changes in our fee structure or rates; • the availability of debt financing and securitization funding to finance our real estate inventories; • our inability to grow market share in our existing markets or any new markets we may enter; • our expansion into new markets, for which we typically incur more significant losses immediately following entry; • increased competition in the U. S. residential real estate industry; • our failure to realize anticipated efficiencies through our technology and business model; • costs associated with enhancements of our products and introducing new product offerings; • our failure to execute our growth strategies; • declines in U. S. residential real estate transaction volumes; • increased marketing costs; • lack of access to housing market data that is used in our pricing models at reasonable cost, if at all; • hiring additional personnel to support our overall growth; • loss in value of real estate due to changes in market conditions in the area in which real estate or assets are located; • increases in costs associated with holding our real estate inventories, including financing costs; and • unforeseen expenses, difficulties, complications and delays, and other unknown factors. Accordingly, we may not be able to achieve or maintain profitability and we may continue to incur significant losses in the future. Moreover, as we continue to invest in our business, we ~~expect~~ **will incur** expenses **related** to ~~continue to increase in the~~ **those** ~~near term. These~~ investments **, which** may not result in increased revenue or growth in our business. If we fail to manage our losses or to grow our revenue sufficiently to keep pace with our investments and other expenses, our business will be harmed. In addition, we incur significant legal, accounting and other expenses related to being a public company. Because we incur substantial costs and expenses from our growth efforts before we receive any incremental revenues with respect thereto, we may find that these efforts are more expensive than we currently anticipate or that these efforts may not result in an increase in revenues to offset these expenses, which would further increase our losses. Our limited operating history makes it difficult to evaluate our current business and future prospects. Our business model and technology is still nascent compared to the business models of the incumbents in the U. S. residential real estate industry. We launched our first market in 2014 and do not have a long operating history. Our operating results are not predictable and our historical results may not be indicative of our future results. Few peer companies exist and none have yet established long- term track records that might assist us in predicting whether our business model and strategy can be implemented and sustained over an extended period of time. It may be difficult for you to evaluate our potential future performance without the benefit of established long- term track records from companies implementing a similar business model. We may encounter unanticipated problems as we continue to refine our business model and may be forced to make significant changes to our anticipated sales and revenue models to compete with our competitors' offerings, which may adversely affect our results of operations and profitability. We operate in a competitive and fragmented industry, ~~which could impair our ability to attract users of our products, which could harm our business, results of operations and financial condition. We operate in a competitive and fragmented industry,~~ and we expect competition to continue to increase. We believe that our ability to compete depends upon many factors both within and beyond our control, including the following: • the financial competitiveness of our products for consumers; • the number of potential customers; • the timing and market acceptance of our products, including new products offered by us or our competitors; • our selling and marketing efforts; • our customer service and support efforts; • our continued ability to develop and improve our technology to support our business model; • customer adoption of our platform as an alternative to traditional methods of buying and selling residential real estate; and • our brand strength relative to our competitors. Our business model depends on our ability to continue to attract customers to our **digital** ~~e-commerce~~ platform and the products we offer and to enhance customers' engagement with our products in a cost- effective manner. New entrants **may** continue to join our market categories ~~at a rapid pace~~ . Our existing and potential competitors include companies that operate, or could develop, national and / or local real estate businesses offering services to home buyers or sellers, including real estate brokerage services, title insurance, and escrow services. Some of our competitors **may** have well-established national reputations and may market similar products and services. These companies may be larger than us and have significant competitive advantages, including better name recognition, greater resources, lower cost of funds and additional access to capital, and a broader set of offerings than we currently do. These companies may also have higher risk tolerances or different risk assessments than we do. In addition, these competitors could devote greater financial, technical and other resources than we have available to develop, grow or improve their businesses. If we are not able to continue to attract customers to our platform and products, our business, results of operations and financial condition could be harmed. Failures by our perceived competitors or companies with an ~~iBusiness~~ **iBuying** model in other markets may adversely impact Opendoor. Because of the novelty of our business model and our limited track record as a public company, high profile failures of companies operating in similar or adjacent spaces, including companies in our market or companies operating in different markets but utilizing an " iBuyer " business model, may impact investor perceptions of the digital home buying industry as a whole. Such events may negatively impact our stock price and ability to raise capital regardless of whether those events have any actual relationship with our business and financial or operational performance. While we have experienced rapid growth historically, our business experienced significant contraction in the second half of 2022 **, which continued throughout 2023** . If we are unable to correct this contraction **, or adequately scale our operations** , we may be unable to grow in the future. While we have experienced historic rapid growth, our business contracted in the second half of **2022, which continued throughout 2023 as we focused on selling down our old book inventory, which is comprised of homes purchased before July 1,** 2022. We may not be able to reverse such contraction and grow our business in the future if we do not, among other things: • continue to increase the number of customers using our platform; • avoid future inventory valuation adjustments; • acquire sufficient inventory based on our underwriting standards to meet demand for our homes; • increase our market share within existing markets and expand into new markets; • manage operating expenses; • increase our brand awareness; • retain adequate availability of financing sources; • obtain necessary capital to meet our business objectives; • expand our third- party vendor networks; and • scale our internal operations and customer support teams. Furthermore, in order to grow our business, we may need to expand into new markets. Expanding into new markets may prove to be challenging as some markets may have very different characteristics than the markets we currently operate in, some of which may be unanticipated or unknown to us. These differences may result in greater pricing uncertainty, as well as higher capital requirements, hold times, repair costs and transaction costs that may result in those markets being less profitable for us than those that we currently operate in. **For instance, during 2023, we stopped acquiring** ~~Our business is dependent upon our ability to appropriately price and manage our portfolio of~~ inventory ~~. An~~ **in, and operationally supporting, our markets in Boise, Idaho, Reno, Nevada and Asheville, North Carolina, because these markets were below the scale required for us to operate in a cost-** ~~ineffective~~ -- **effective manner** ~~pricing or portfolio management strategy may have a material adverse effect on our business, sales,~~ and ~~results of~~ **not sufficiently close to another market to leverage its** operations. We ~~appraise~~ **assess** and price the homes we buy and sell using data science, proprietary algorithms, and analysis from specially trained employees, incorporating a number of factors, including our knowledge of the real estate markets in which we operate. This assessment includes estimates on time of possession, seasonality, macroeconomic and ~~hyper-~~ local market conditions, renovation costs and holding costs, transaction costs, and anticipated resale proceeds. Our ability to acquire and resell homes profitably may be negatively impacted if our models lack robust historical data on home sales, material home features, or other market nuances, especially those outside of features and nuances we have previously encountered and modeled in our existing ~~53~~ **50** markets. This, in turn, could negatively impact our revenue growth if resulting valuations are too low and / or fees are too high, or our profitability, if valuations are too high and / or fees are too low. Once we have acquired a home, we may decrease our anticipated resale price for reasons such as unknown defects related to home condition requiring remediation, lower / higher than forecasted demand / supply, or other detractors that were unknown or missed at the time of acquisition. This in turn could negatively impact our revenue, gross margins and results of operations, which could have a material adverse effect on our business, financial condition and results of operations. ~~Our business is dependent upon our ability to expeditiously sell inventory. Failure to expeditiously sell our inventory could have an adverse effect on our business, sales and results of operations.~~ A critical component of our business model is managing inventory exposure and balancing growth, margin, and risk. Our purchases of homes are based in large part on our estimates of projected demand. If actual sales are materially less than our forecasts, we would experience an over- supply of inventory. An over- supply of home inventory will generally cause downward pressure on our sales prices and margins and increase our average days to sale. Our inventory of homes purchased has typically represented a significant portion of total assets. Having such a large portion of our total assets in the form of non- income producing home inventory for an extended period of time subjects us to significant holding costs, including financing expenses, maintenance and upkeep, insurance, property taxes, homeowners' association fees, and other expenses that accompany the ownership of residential real property and increased risk of depreciation of value. Disruptions in the supply chain for the materials, such as paint and carpet, and constraints in the market for labor necessary to restore and resell home inventory could lengthen the period of time during which we must hold home inventory. In addition, the value of homes in inventory may decline ~~significantly~~ **,** and we could experience losses **as a result** , which in the aggregate could be detrimental to our business and results of operations. For example, due in part to macroeconomic factors such as increased interest rates and lower consumer confidence stemming from ~~a potential~~ recession **risk** , **in the second half of 2023, market clearance rates slowed, which resulted in reduced pace of our resales. As a result, we reduced** home ~~values decreased beginning in the second quarter~~ **- level prices to stay inline with our clearance rate targets, which adversely affected our results** of ~~2022~~ **operations** . ~~If~~ **Furthermore, if** we have excess inventory or our average days to sale increases, as was the case in the second half of 2022 alongside home price value decreases, the results of our operations may be adversely affected because we may be unable to liquidate such inventory at prices that allow us to meet margin targets or to recover our costs. ~~Declining real estate values have resulted in, and could continue to result in, inventory valuation adjustments, which have and may continue to adversely affect our financial condition and operating results.~~ There are risks inherent in owning properties and inventory risks are substantial for our business. Home prices have been and can be volatile, and the values of our inventory have and may continue to fluctuate significantly. As a result of such fluctuations, we have in the past and may in the future incur inventory valuation adjustments. We periodically review the value of our properties to determine whether their value, based on market factors and generally accepted accounting principles, has decreased such that it is necessary or appropriate to record an inventory valuation adjustment in the relevant accounting period. As a result of such review, we recorded an inventory valuation adjustment of $ ~~737~~ **65** million in ~~2022~~ **2023** , of which $ ~~458~~ **23** million related to homes remaining in inventory at December 31, ~~2022~~ **2023** . These adjustments, based upon anticipated, but not realized losses, caused an immediate reduction of net income and a corresponding decrease in real estate inventory in the accounting period identified. Even if we do not determine that it is necessary or appropriate to record an inventory valuation adjustment in the current financial period, a reduction in the estimated net realizable value of a property could subsequently manifest and would therefore affect our earnings and financial condition at that time. Launches of new product or service offerings **and expansions of existing products** , like our ~~3P~~ **listing and marketplace** ~~product~~ **products** ~~, and expansions of existing product and servicing~~

~~offerings~~ , may consume significant financial and other resources and may not achieve the desired results. We regularly evaluate launching new product or service offerings to our customers, as well as expanding existing offerings. Such offerings may require significant expenses, new sources of capital and financing, and time of our key personnel. New or expanded product and service offerings may also subject us to new regulatory environments, which could increase our costs as we evaluate compliance with the new regulatory regime. Despite the expenses and time devoted to launching new or expanded product or service offerings, we may fail to achieve the financial and market share goals anticipated, which may adversely affect our business and results of operations. **For example,** ~~One such offering is~~ our ~~3P~~ **listing and marketplace** ~~product~~ **products** ~~that we launched~~ **are only available** in a limited number of markets ~~in 2022~~ . **Expanding** ~~Setting up an offering~~ **offerings** such as our ~~3P~~ **listing and marketplace** ~~product~~ **products and setting up new offerings** comes with substantial upfront costs and we may not achieve profitability in time, if at all, to make up for those costs. Further, there is no guarantee that buyers and sellers will want to transact in a manner contemplated by ~~this~~ **such** ~~offering~~ **offerings** , or that we will be able to attract a sufficient number of sellers to attract buyers, or a sufficient number of buyers to attract sellers. In addition, we may encounter difficulties in building and marketing ~~this~~ new ~~offering~~ **offerings** , such as obtaining the necessary licensing and staffing, building a marketing apparatus for the offering, or standing up other business operations ~~,~~ **.** These difficulties could make expanding to new markets too slow to cover the fixed and upfront costs of setting up the marketplace. Incumbents in the industry may also organize efforts to oppose our innovations and find ways to use existing regulations, or convince authorities to make new regulations ~~,~~ that would make our business model unviable. Even if we are successful, it may attract competitors who reduce the size of our market or its economic viability. Those competitors may have strategic advantages that make them better able to provide marketplace services or expand those services to new markets faster than we can, and we may be unable to compete in a sustainable way. As we expand ~~our marketplace~~ to new markets, we may find that local preferences, conditions, or regulations differ from our other markets such that the benefits of scale do not materialize. In addition, developing and marketing our ~~3P~~ **listing and marketplace** ~~product~~ **products** could have higher costs than anticipated and could adversely impact our results or dilute our brand. Our business model and growth strategy depend on our marketing efforts and ability to attract buyers and sellers to our website and mobile application in a cost- effective manner. Our long- term success depends in part on our ability to continue to attract more buyers and sellers to our platform in each of our markets. We believe that an important component of our growth will be the attraction of potential customers to our website and mobile application. Our marketing efforts may not succeed for a variety of reasons, including changes to search engine and social network algorithms, ineffective campaigns across marketing channels, and limited experience in certain marketing channels. We may also be unable to deliver a sufficiently rewarding experience on mobile devices whether through our mobile website or mobile application, which may make us unable to attract and retain customers. External factors beyond our control may also affect the success of our marketing initiatives, such as filtering of our targeted communications by email servers, buyers and sellers failing to respond to our marketing initiatives, and competition from third parties. Any of these factors could reduce the number of customers coming to our platform. Our business model relies on our ability to scale rapidly and to decrease incremental customer acquisition costs as we grow. If we are unable to recover our marketing costs through increases in customer traffic and in the number of transactions by users of our platform, or if our broad marketing campaigns are not successful or are terminated, it could have a material adverse effect on our growth, results of operations, and financial condition ~~. The extent to which the pandemic caused by COVID- 19 and its variants will impact our future operations is highly uncertain and cannot be predicted at this time. The COVID- 19 pandemic significantly and adversely affected our business in 2020 when governmental authorities put in place limitations on in- person activities related to the sale of residential real estate. As a result of these restrictions and safety concerns for our customers and employees, we temporarily suspended home acquisitions and sold down most home inventory before resuming home acquisitions later in the year. We believe we have successfully adapted our operations to effectively execute on our business model during the COVID- 19 pandemic. However, given the impact of COVID- 19 variants, there remains uncertainty as to COVID- 19' s overall impact on the U. S. economy and our business. Future limitations may be imposed by governmental authorities on processes and procedures attendant to residential real estate transactions as a result of COVID- 19 or another pandemic, and trends in consumer spending on real estate transactions may be impacted. Transaction volumes are important to our business. They affect all of the ways that we generate revenue, including our ability to acquire new homes and generate associated service fees, our ability to sell homes that we own, the generation of commissions from our brokerage business, and the number of transactions our title and settlement business closes. We cannot predict the extent to which our transaction volumes and financial results may be adversely affected by the COVID- 19 pandemic and its variants or by any other future pandemic~~ . A significant portion of our costs and expenses are fixed, and we may not be able to adapt our cost structure to offset declines in our revenue. A significant portion of our expenses are fixed and do not vary proportionately with fluctuations in revenues. We need to maintain and continue to increase our transaction volumes to benefit from operating efficiencies. When we operate at less than expected capacity, fixed costs are inflated and represent a larger percentage of overall cost basis and percentage of revenue. Due to our fixed cost base, our operating results can vary significantly based on transaction volumes in any given period. For example, ~~in 2022~~ our fixed costs **have not** ~~increased~~ **decreased proportionately** ~~as compared~~ to **our decreasing revenue, beginning in the second quarter of** ~~2021~~ **2022** . This contributed to increased losses in 2022 **and 2023** when transaction volumes declined ~~. Our growth depends in part on the success of our strategic relationships with third parties~~ . In order to grow our business, we anticipate that we will continue to depend on relationships with third parties, such as settlement service providers, lenders, real estate agents, valuation companies, vendors we use to service and repair our homes, third **-** party partners we rely on for referrals, such as homebuilders and online real estate websites, and institutional buyers of our inventory, such as single family rental REITs. Identifying partners, and negotiating and documenting agreements with them, and establishing and maintaining good relationships requires significant time and resources. In addition, we rely on our relationships with MLS providers in all our markets both as key data sources for our pricing and for listing our inventory for resale. Many of our competitors and other real estate websites have similar access to MLSs and listing data and may be able to source real estate information faster or more efficiently than we can. If we lose existing relationships with MLSs and other listing providers, whether due to termination of agreements or otherwise, changes to our rights to use or timely access listing data, an inability to continue to add new listing providers or changes to the way real estate information is shared, our ability to price or list our inventory for resale could be impaired and our operating results may suffer. If we are unsuccessful in establishing or maintaining successful relationships with third parties, our ability to compete in the marketplace or to grow our revenues could be impaired and our operating results may suffer. Even if we are successful, we cannot assure you that these relationships will result in increased customer usage of our product or increased revenues. The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business. Our success depends upon the continued service of our senior management team and successful transitions when management team members pursue other opportunities. In addition, our business depends on our ability to continue to attract, motivate, and retain a large number of skilled employees across all of our product lines. Furthermore, much of our key technology and processes are custom- made for our business by our personnel. The loss of key personnel, including key members of management, could materially and adversely affect our ability to build on the efforts they have undertaken and to execute our business plan, and we may not be able to find adequate replacements. If we do not succeed in attracting well- qualified employees or retaining and motivating existing employees in a cost- effective manner, our business could be harmed. Our business is concentrated in certain geographic markets. Exposure to local economies, regional economic downturns, severe weather, or catastrophic occurrences, or other disruptions or events may materially adversely affect our financial condition and results of operations. As of December 31, ~~2022~~ **2023** , we were in ~~53~~ **50** markets across the United States. For the year ended December 31, ~~2022~~ **2023** , a majority of our revenue was generated from our top- ~~seven~~ **eight** markets by revenue. As a result, local and regional conditions in these markets ~~, including those arising from COVID- 19' s impacts,~~ may differ significantly from prevailing conditions in the United States or other parts of the country. Any unforeseen events or circumstances that negatively affect these areas could materially adversely affect our revenues and profitability. These risks include, without limitation: possible declines in the value of real estate; risks related to general and local economic conditions; demographic and population shifts and migration; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; increased labor costs; unemployment; costs resulting from the clean- up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses; **changes in meteorological or climatic conditions;** and uninsured damages from floods, hurricanes, **wildfires,** earthquakes or other natural disasters **, which may become more frequent or severe as a result of climate change** . In addition, our top markets are primarily larger metropolitan areas, where home prices and transaction volumes are generally higher than other markets in the United States. To the extent people migrate outside of these markets due to lower home prices or other factors, and this migration continues to take place over the long- term, then the relative percentage of residential housing transactions may shift away from our historical top markets where we have generated most of our revenue. If we are unable to effectively adapt to any shift, including failing to increase revenue from other markets, then our financial performance may be harmed. Our business is dependent upon access to desirable inventory. Obstacles to acquiring attractive inventory, whether because of supply, competition, macroeconomic conditions, or other factors, may have a material adverse effect on our business, sales, and results of operations. We primarily acquire homes directly from consumers and there can be no assurance of an adequate supply of such homes on terms that are attractive to us. A reduction in the availability of or access to inventory, including due to macroeconomic conditions, could have a material adverse effect on our business, sales, and results of operations. Additionally, we evaluate thousands of potential homes daily using our proprietary pricing model. If we fail to adjust our pricing to stay in line with broader market trends, or fail to recognize those trends, it could adversely affect our ability to acquire inventory. Our ongoing ability to acquire homes is critical to our business model. A lack of available homes that meet our purchase criteria may have adverse effects on our ability to reach our desired inventory levels, our desired portfolio diversification, and our results of operations **. For example, during 2023, historically low listing volumes, due in part to macro uncertainty in the housing market and elevated mortgage rates, constrained the supply of homes on the market and limited our access to desirable inventory** . Increases in transaction costs to acquire properties, including costs of evaluating homes and making offers, title insurance and escrow service costs, changes in transfer taxes, and any other new or increased acquisition costs, would have an adverse impact on our home acquisitions and our business. Reductions in the availability of mortgage financing provided by government agencies, changes in government financing programs, and increases in mortgage interest rates could decrease our buyers' ability or desire to obtain financing, which would adversely affect our business and financial results. The secondary market for mortgage loans continues to primarily desire securities backed by Fannie Mae, Freddie Mac, or Ginnie Mae, and we believe the liquidity these agencies provide to the mortgage industry is important to the housing market. Any significant change regarding the long- term structure and viability of Fannie Mae and Freddie Mac could result in adjustments to the size of their loan portfolios and to guidelines for their loan products. Additionally, a reduction in the availability of financing provided by these institutions could adversely affect interest rates, mortgage availability, and sales of new homes and mortgage loans. Since March 2022, the Federal Reserve Board has raised its benchmark rate multiple times from 0. 25 % to ~~4~~ **5** . 50 % as of December 31, ~~2022~~ **2023** . As a result of these significant interest rate increases, the cost of financing a home purchase has increased significantly for the typical home buyer, which has reduced the affordability of mortgage financing and resulted in a decline in the demand for our homes. Future increases in mortgage rates could further decrease our buyers' ability or desire to obtain financing, which would adversely affect our business and financial results. We rely on third parties to renovate and repair homes before we resell the homes, and the cost or availability of third- party labor could adversely affect our holding period and investment return for homes. We frequently need to renovate or repair homes prior to listing for resale. We rely on third- party contractors and sub- contractors to undertake these renovations and repairs. These third- party providers may not be able to complete the required renovations or repairs within our expected timeline or proposed budget. Labor and supply shortages, as well as increased demand for home construction, may exacerbate these delays and increase our costs. In addition, the inflation we experienced in the last year has increased the cost of goods and services that we consume, such as labor and materials costs for home repairs. Difficulty sourcing third- party contractors and subcontractors and a longer than expected period for completing renovations or repairs could both negatively impact our ability to sell a home within our anticipated timeline. This prolonged timing exposes us to factors that adversely affect the home' s resale value and may result in selling the home for a lower price than anticipated or not being able to sell the home at all. Meanwhile, incurring more than budgeted costs would adversely affect our investment return on purchased homes. Additionally, any undetected issues with a third- party provider' s work may adversely affect our reputation as a home seller. We may acquire other businesses, which could require significant management attention, disrupt our business, dilute stockholder value, and adversely affect our operating results. As part of our business strategy, we may make investments in or acquire complementary companies, products or technologies. We may not realize benefits from acquisitions that we may make in the future. If we fail to integrate successfully such acquisitions, or the businesses and technologies associated with such acquisitions, into our Company, the revenue and operating results of our Company could be adversely affected. Any integration process will require significant time and resources, and we may not be able to manage the process successfully. We may not successfully evaluate or utilize the acquired business or technology and accurately forecast the financial impact of an acquisition transaction, including accounting charges. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could affect our financial condition or the value of our capital stock. The sale of equity or issuance to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness in connection with an acquisition would result in increased fixed obligations and could also include covenants or other restrictions that may impede our ability to manage our operations. A health and safety incident relating to our operations, misconduct by our employees or third parties operating on our behalf or regulatory sanctions could be costly in terms of potential liability and reputational damage. Customers will visit homes on a regular basis through our mobile application or with a real estate agent. Due to the number of homes we own, the safety of our homes is critical to the success of our business. A failure to keep our homes safe that results in a major or significant health and safety incident could expose us to liability that could be costly. We are also subject to risks of errors and misconduct by our employees that could adversely affect our business. The precautions that we take to detect and deter employee misconduct might not be effective. If any of our employees engage in illegal, improper, or suspicious activity or other misconduct, we could suffer serious harm to our reputation, financial condition, customer relationships, and our ability to attract new customers. We also could become subject to regulatory sanctions and significant legal liability, which could cause serious harm to our financial condition, reputation, customer relationships and prospects of attracting additional customers. The occurrence of any of the above or other incidents could generate significant negative publicity and have a corresponding impact on our reputation, our relationships with relevant regulatory agencies or governmental authorities, and our ability to attract customers and employees, which in turn could have a material adverse effect on our financial results and liquidity. There are risks related to our ownership of vacant homes and the listing of those homes for resale that are not possible to fully eliminate. The homes in our inventory generally are not occupied during the time we own them prior to resale. As a result, certain of our homes have incurred damage such as water and plumbing damage that was not promptly addressed as a result of the home being vacant. Further, when a home is listed for resale, prospective buyers or their agents typically can access our homes instantly through our technology without the need for an appointment or one of our representatives being present. In certain circumstances, we also allow sellers to continue to occupy a home after we have purchased the home for a short period of time. Having visitors or short- term occupants in our homes entails risks of damage to the homes, personal injury, unauthorized activities on the properties, theft, rental scams, squatters and trespassers, and other situations that may have adverse impacts on us or the homes, including potential adverse reputational impacts. Additionally, all of these circumstances may involve significant costs to resolve that may not be fully covered by insurance, including legal costs associated with making repairs to the homes or removing unauthorized visitors and occupants. If these increased costs are significant across our homes inventory, both in terms of costs per home and numbers of homes impacted, this could have an adverse **material** impact on our results of operations ~~that is material~~. Environmentally hazardous conditions may adversely affect us. Under various federal, state and local environmental laws, a current or previous owner or operator of real property may be liable for the cost of removing or remediating hazardous or toxic substances on such property. Such laws often impose liability whether or not the owner or operator knew of, or was responsible for, the presence of such hazardous or toxic substances. Even if more than one person may have been responsible for the contamination, each person covered by applicable environmental laws may be held responsible for all of the clean- up costs incurred. A property owner who violates environmental laws may be subject to sanctions which may be enforced by governmental agencies or, in certain circumstances, private parties. In connection with the acquisition and ownership of our properties, **as well as any repairs to or arrangement for the transport of materials from such properties,** we may be exposed to such costs. The cost of defending against environmental claims, of compliance with environmental regulatory requirements or of remediating any contaminated property could materially and adversely affect us. Compliance with new or more stringent environmental **and climate- related** laws or regulations or stricter interpretation of existing laws may require material expenditures by us. We may be subject to environmental laws or regulations relating to our properties, such as those concerning lead- based paint, mold, asbestos, radon, pesticides, proximity to power lines or other issues. Failure to comply with such applicable laws and regulations could result in fines and / or damages, suspension of personnel, civil liability or other sanctions. Estimates of market opportunity may prove to be inaccurate. Market opportunity estimates are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that our market opportunity estimates will reflect actual revenue that we will generate from our platform in the future. Any expansion in our markets depends on a number of factors, including the cost, performance, and perceived value associated with our platform and the products and services of our competitors. Some of our potential losses may not be covered by insurance. We may not be able to obtain or maintain adequate insurance coverage. We maintain insurance to cover costs and losses from certain risk exposures in the ordinary course of our operations, including in connection with the issuance of title insurance policies, but our insurance may not cover 100 % of the costs and losses from all events. We are responsible for certain retentions and deductibles that vary by policy, and we may suffer losses that exceed our insurance coverage limits by a material amount. We may also incur costs or suffer losses arising from events against which we have no insurance coverage. In addition, large- scale market trends or the occurrence of adverse events in our business may raise our cost of procuring insurance or limit the amount or type of insurance we are able to secure. We may not be able to maintain our current coverage, or obtain new coverage in the future; on commercially reasonable terms or at all. Incurring uninsured or underinsured costs or losses could harm our business. ~~Risks Related to Our Intellectual Property and Technology~~ Any significant disruption in service in our computer systems and third- party networks and mobile infrastructure that we depend on could result in a loss of customers and we may be unable to maintain and scale the technology underlying our offerings. Customers and potential customers access our products primarily through our website and mobile applications. Our ability to attract, retain and serve customers depends on the reliable performance and availability of our website, mobile application, and technology infrastructure. Furthermore, we depend on the reliable performance of third- party networks and mobile infrastructure to provide our technology offerings to our customers and potential customers. The proper operation of these third- party networks and mobile infrastructure is beyond our control, and service interruptions or website unavailability could impact our ability to service our customers in a timely manner, and may have an adverse effect on existing and potential customer relationships. Our information systems and technology may not be able to continue to accommodate our growth and **are** ~~may be~~ subject to security risks. The cost of maintaining such systems may increase. Such a failure to accommodate growth, or an increase in costs related to such information systems, could have a material adverse effect on our business and results of operations and could result in a loss of customers. We process, store, and use personal information and other data, which subjects us to governmental regulation and other legal obligations related to privacy, and violation of these privacy obligations could result in a claim for damages, regulatory action, loss of business, or unfavorable publicity. We receive, store, and process personal information and other customer information (" personal information "). There are numerous federal and state laws, as well as regulations and industry guidelines, regarding privacy and the storing, use, processing, and disclosure and protection of personal information, the scope of which are changing, subject to differing interpretations, and may be inconsistent among countries or conflict with other rules. Additionally, laws, regulations, and standards covering marketing and advertising activities conducted by telephone, email, mobile devices, and the internet, may be applicable to our business, such as the ~~Telephone Consumer Protection Act, or the~~ TCPA ~~,~~ (as implemented by the Telemarketing Sales Rule), the CAN- SPAM Act, and similar state consumer protection laws. **In addition, there has been a notable increase in class actions in the U. S. where plaintiffs have utilized a variety of laws, including state wiretapping laws, in relation to the use of chatbots, cookies and other tracking technologies.** We generally seek to ~~comply~~ **align our practice** with industry standards and are subject to the terms of our own privacy policies and privacy- related obligations to third parties. We strive to comply with all applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection to the extent possible. However, it is possible that these obligations may be interpreted and applied in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or regulations, making enforcement, and thus compliance requirements, ambiguous, uncertain, and potentially inconsistent. Any failure or perceived failure by us to comply with our privacy policies, privacy- related obligations to customers or other third parties, or our privacy- related legal obligations, or any compromise of security that results in the unauthorized access to or unintended release of personally identifiable information or other customer data, may result in governmental enforcement actions, litigation, or public statements against us by consumer advocacy groups or others. Any of these events could cause us to incur significant costs in investigating and defending such claims and, if found liable, pay significant damages. Further, these proceedings and any subsequent adverse outcomes may cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. Any significant change to applicable laws, regulations or industry practices regarding the use or disclosure of personal information, or regarding the manner in which the express or implied consent of customers for the use and disclosure of personal information is obtained **(including for advertising purposes)** , could require us to modify our products and features, possibly in a material manner and subject to increased compliance costs, which may limit our ability to develop new products and features that make use of the personal information that our customers voluntarily share. For example, the California Consumer Privacy Act (the " CCPA "), which took effect on January 1, 2020, imposes obligations and restrictions on companies regarding their collection, use, and sharing of personal information and provides new and enhanced data privacy rights to California residents. The CCPA **, like other comprehensive state privacy laws,** imposes a severe statutory damages framework. Additionally, we are subject to the California Privacy Rights Act **(** ~~, or~~ the **"** CPRA **")** , which expands upon the CCPA. The CCPA ~~requires (~~ and ~~the~~ CPRA ~~will~~ require ~~)~~ covered companies to, among other things, provide new disclosures to California consumers, and affords such consumers new privacy rights such as the ability to opt- out of certain sales of personal information and expanded rights to access and require deletion of their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is collected, used and shared. The CCPA provides for civil penalties for violations, as well as a private right of action for certain security breaches that may increase security breach litigation. Further, Virginia enacted the Virginia Consumer Data Protection Act **(** ~~, or~~ the **"** ~~CDPA~~ **VCDPA ")** , **Colorado enacted the Colorado Privacy Act (the " CPA "), Connecticut enacted the Connecticut Data Privacy Act (the " CTDPA ") and Utah enacted the Utah Consumer Privacy Act (the " UCPA "),** ~~another~~ -- **other** comprehensive state privacy ~~law~~ **laws** , that became effective ~~January 1, 2023. Also~~ in ~~2021, Colorado enacted the Colorado Privacy Act, or the CPA, which goes into effect July 1,~~ 2023. The CCPA, CPRA, ~~CDPA~~ **VCDPA** ~~and~~ **,** CPA **, CTDPA and UCPA** may increase our compliance costs and potential liability, particularly in the event of a data breach, and could have a material adverse effect on our business, including how we use personal information, our financial condition, the results of our operations or prospects. A number of other proposals exist for new federal and state privacy legislation that, if passed, could increase our potential liability, increase our compliance costs and adversely affect our business. Any of the foregoing could materially adversely affect our brand, reputation, business, results of operations, and financial condition. Failure to protect our trade secrets, know- how, proprietary applications, business processes and other proprietary information, could adversely affect the value of our technology and products. Our success and ability to compete depends in part on our intellectual property and our other proprietary business information. We seek to control access to our proprietary information by entering into a combination of confidentiality and proprietary rights agreements, invention assignment agreements and nondisclosure agreements with our employees, consultants and third parties with whom we have relationships. While these agreements will give us contractual remedies upon any unauthorized use or disclosure of our proprietary information, we cannot guarantee that we will be able to detect such unauthorized activity, or if detected, that our rights under these agreements will be effective in controlling access to, or use and distribution of, our proprietary information, intellectual property or technology. We also have numerous trademarks and patents to protect certain aspects of our intellectual property. However, we may be unable to secure intellectual property protection for all of our technology and methodologies, or the steps we take to enforce our intellectual property rights may be inadequate. Furthermore, third parties may knowingly or unknowingly infringe our proprietary rights, third parties may challenge proprietary rights held by us, and we may not be able to prevent infringement or misappropriation of our proprietary rights without incurring substantial expense. If our intellectual property rights are used or misappropriated by third parties, the value of our brand and other intangible assets may be diminished and competitors may be able to more effectively mimic our products and methods of operations. Any of these events would have a material adverse effect on our business, results of operations, and financial condition. In the future we may be party to intellectual property rights claims and other litigation which are expensive to support, and if resolved adversely, could have a significant impact on us. Our success depends in part on us not infringing upon the intellectual property of others. Our competitors and other third parties may own or claim to own intellectual property relating to the real estate industry. In the future, third parties may claim that we are infringing on their intellectual property rights, and we may be found to be infringing such rights. Any claims or litigation could cause us to incur significant expenses. If such claims are successfully asserted against us, it would require additional damages or ongoing licensing payments, prevent us from offering our services or require us to comply with unfavorable terms. Even if we were to prevail, the time and resources necessary to resolve such disputes could be costly, time- consuming, and divert the attention of management and key personnel from our business operations. We have been previously subject to trademark infringement claims. These claims allege, among other things, that aspects of our trademarks infringe upon the plaintiffs' trademarks. While these prior claims have not been material and have all been resolved, there may be additional claims in the future where, if we are not successful in defending ourselves against these claims, we may be required to pay damages and may be subject to injunctions, each of which could harm our business, results of operations, financial condition and reputation. **Issues in, and increasing regulation with respect to, the development and use of artificial intelligence (" AI ") may result in reputational harm or liability. We currently incorporate AI capabilities into our pricing algorithms, and our research into and continued development of such capabilities to build additional proprietary real estate specific models remain ongoing. As with many innovations, AI presents risks, challenges, and unintended consequences that could affect its adoption, and therefore our business. AI algorithms and training methodologies may be flawed. Ineffective or inadequate AI development or deployment practices by us or others could result in incidents that impair the acceptance of AI solutions or cause harm to individuals or society, including unintended biases and discriminatory outcomes. These deficiencies and other failures of AI systems could subject us to competitive harm, regulatory action, legal liability, and brand or reputational harm. If we employ AI capabilities that are controversial because of their impact on human rights, privacy, employment, or social, economic, political or other issues, we may experience competitive, brand, or reputational harm or legal and / or regulatory action. Further, incorporating AI gives rise to litigation risk and risk of non- compliance and unknown cost of compliance, as AI is an emerging technology for which the legal and regulatory landscape is not fully developed, (including potential liability for breaching intellectual property or privacy rights or other laws). U. S. regulators are applying existing authority to adopt laws and regulations and take other actions with respect to AI, including the risks described above. For example, in October 2023, an executive order was issued addressing the safety and security of AI and which orders various federal agencies to ensure that their use of AI, and use by their respective regulated entities, address unintended bias and discriminatory outcomes. While new AI initiatives, laws, and regulations are emerging and evolving, what they ultimately will look like remains uncertain, and our obligation to comply with them could entail significant costs, negatively affect our business, or entirely limit our ability to incorporate certain AI capabilities into our offerings. Additionally, incorporating AI capabilities into our pricing algorithms and other models to potentially improve internal functions and operations presents further risks and challenges. While we aim to use AI ethically and attempt to identify and mitigate ethical or legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. The use of AI to support business operations carries inherent risks related to data privacy and security, such as intended, unintended, or inadvertent transmission of proprietary or sensitive information, as well as challenges related to implementing and maintaining AI tools, such as developing and maintaining appropriate datasets for such support. Further, dependence on AI without adequate safeguards to make certain business decisions may introduce additional operational vulnerabilities by impacting our relationships with customers and business partners; by producing inaccurate outcomes based on flaws in the underlying data; or other unintended results.** Our services utilize third- party open source software components, which may pose particular risks to our proprietary software, technologies, products and services in a manner that could negatively affect our business. We use open source software in our services and will continue to use open source software in the future. Use and distribution of open source software may entail greater risks than use of third- party commercial software, as open source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code. To the extent that our services depend upon the successful operation of open source software, any undetected errors or defects in this open source software could prevent the deployment or impair the functionality of our platform, delay new solutions introductions, result in a failure of our platform, and injure our reputation. Some open source licenses contain requirements that we make available source code for modifications or derivative works we create based upon the type of open source software we use, or grant other licenses to our intellectual property. If we combine our proprietary software with open source software in a certain manner, we could, under certain open source licenses, be required to release or license the source code of our proprietary software to the public. Although we monitor our use of open-source software to avoid subjecting our platform to conditions we do not intend, we cannot assure you that our processes for controlling our use of open- source software in our platform will be effective. From time to time, we may be subject to claims claiming ownership of, or demanding release of, the source code, the open source software and / or derivative works that were developed using such software, requiring us to provide attributions of any open source software incorporated into our distributed software, or otherwise seeking to enforce the terms of the applicable open source license. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to re-engineer our software or change our products or services, any of which would have a negative effect on our business and results of operations. We rely on licenses to use the intellectual property rights of third parties which are incorporated into our products and services. Failure to renew or expand existing licenses may require us to modify, limit or discontinue certain offerings, which could materially affect our business, financial condition and results of operations. We rely on products, technologies and intellectual property that we license from third parties for use in our services. We cannot assure that these third- party licenses, or support for such licensed products and technologies, will continue to be available to us on commercially reasonable terms, if at all. In the event that we cannot renew and / or expand existing licenses, we may be required to discontinue or limit our use of the products that include or incorporate the licensed intellectual property. We cannot be certain that our licensors are not infringing the intellectual property rights of others or that our suppliers and licensors have sufficient rights to the technology in all jurisdictions in which we may operate. Some of our license agreements may be terminated by our licensors for convenience. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to develop our services containing that technology could be severely limited and our business could be harmed. Additionally, if we are unable to obtain necessary technology from third parties, we may be forced to acquire or develop alternate technology, which may require significant time and effort and may be of lower quality or performance standards. This would limit and delay our ability to provide new or competitive offerings and increase our costs. If alternate technology cannot be obtained or developed, we may not be able to offer certain functionality as part of our offerings, which could adversely affect our business, financial condition and results of operations. 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, malicious code or vulnerabilities, some of which may only be discovered after the code has been released. We release or update software code regularly and this practice may result in the more frequent introduction of errors or vulnerabilities into the software underlying our platform, which can impact the customer 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 mobile app or website or third - party application programming interfaces on which our mobile app or website 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 customers, loss of revenue or liability for damages, any of which could adversely affect our growth prospects and our business. Furthermore, our development and testing processes may not detect errors and vulnerabilities in our technology offerings prior to their implementation. Any inefficiencies, errors, technical problems or vulnerabilities arising in our technology offerings after their release could reduce the quality of our products or interfere with our customers' access to and use of our technology and offerings. We operate in a highly regulated industry and are subject to a wide range of federal, state, and local laws, rules, and regulations. Failure to comply with these laws, rules, and regulations or to obtain and maintain required licenses, could adversely affect our business, results of operations, and financial condition. We operate in highly regulated businesses through a number of different channels across the United States. As a result, we are currently subject to a variety of, and may in the future become subject to additional, federal, state and local statutes and regulations in various jurisdictions (as well as judicial and administrative decisions and state common law), which are subject to change at any time, including laws regarding the real estate, settlement services, insurance, construction, mobile and internet based businesses and other businesses that rely on advertising, as well as data privacy and consumer protection laws, and employment laws. These laws are complex and sometimes ambiguous, and can be costly to comply with, require significant management time and effort, require a substantial investment in technology, and subject us to supervisory audits, claims, government enforcement actions, civil and criminal liability or other remedies, including suspension of business operations. We buy and sell homes, provide real estate brokerage services, provide title insurance and settlement services, provide other product offerings, and have historically provided mortgage lending and brokerage services, which results in us receiving or facilitating transmission of personally identifiable information. This information is increasingly subject to legislation and regulation in the United States. These laws and regulations are generally intended to protect the privacy and security of personal information, including borrower Social Security numbers and credit card information that is collected, processed and transmitted. These laws also can restrict our use of this personal information for other commercial purposes. We could be adversely affected if government regulations require us to significantly change our business practices with respect to this type of information, if penetration of network security or misuse of personal information occurs, or if the third parties that we engage with to provide processing and screening services violate applicable laws and regulations, misuse information, or experience network security breaches. In order to provide the broad range of products and services that we offer customers, certain of our subsidiaries maintain title insurance and escrow, property and casualty insurance, construction, and **real estate** licenses in certain states in which we operate. These entities are subject to stringent state and federal laws and regulations and to the scrutiny of state and federal government agencies as licensed businesses ~~. Mortgage products are regulated at the state level by licensing authorities and administrative agencies, with additional oversight from the Consumer Financial Protection Bureau and other federal agencies. These laws generally regulate the manner in which lending and lending- related activities, including mortgage brokering, are marketed or made available to consumers, including, but not limited to, advertising, finding and qualifying applicants, the provision of consumer disclosures, payments for services, and record keeping requirements; these laws include, at the federal level, the Real Estate Settlement Procedures Act, the Fair Credit Reporting Act (as amended by the Fair and Accurate Credit Transactions Act), the Truth in Lending Act (including the Home Ownership and Equity Protection Act of 1994), the Equal Credit Opportunity Act, the Fair Housing Act, the Gramm- Leach- Bliley Act, the Electronic Fund Transfer Act, the Servicemembers Civil Relief Act, the Military Lending Act, the Homeowners Protection Act, the Home Mortgage Disclosure Act, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, the Federal Trade Commission Act, the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010, the Bank Secrecy Act (including the Office of Foreign Assets Control and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act), the Telephone Consumer Protection Act, the Mortgage Acts and Practices Advertising Rule (Regulation N), the CARES Act, all implementing regulations, and various other federal laws. The Consumer Financial Protection Bureau also has broad authority to enforce prohibitions on practices that it deems to be unfair, deceptive or abusive. Additionally, state and local laws may restrict the amount and nature of interest and fees that may be charged by a lender or mortgage broker, impose more stringent privacy requirements and protections for service members, and / or otherwise regulate the manner in which lenders or mortgage brokers operate or advertise~~ . As a buyer and seller of residential real estate through our business, we hold real estate brokerage licenses in multiple states and may apply for additional real estate brokerage licenses as our business grows. To maintain these licenses, we must comply with the requirements governing the licensing and conduct of real estate brokerage services and brokerage-related businesses in the markets where we operate. We may be subject to additional local, state and federal laws and regulations governing residential real estate transactions, including those administered by the U. S. Department of Housing and Urban Development, and the states and municipalities in which we transact. Further, due to the geographic scope of our operations and the nature of the products and services we provide, certain of our other subsidiaries maintain real estate brokerage, property and casualty, and title insurance and escrow, and construction licenses in certain states in which we operate. Each of these licenses subjects our subsidiaries to different federal, state, and local laws and the scrutiny of different licensing authorities, including state insurance departments. Each subsidiary must comply with different licensing statutes and regulations, as well as varied laws that govern the offering of compliant products and services. For certain licenses, we are required to designate individual licensed brokers of record, qualified individuals and control persons. Certain licensed entities also are subject to routine examination and monitoring by the **CPFB** ~~federal Consumer Financial Protection Bureau~~ (for ~~mortgage~~ **title and escrow**) and / or state licensing authorities. We cannot assure you that we, or our licensed personnel, are and will remain at all times, in full compliance with local, state and federal real estate, title insurance and escrow, property and casualty insurance, **real estate** ~~construction, and mortgage~~ licensing and consumer protection laws and regulations, and we may be subject to litigation, government investigations and enforcement actions, fines or other penalties in the event of any non- compliance. As a result of findings from examinations, we also may be required to take a number of corrective actions, including modifying business practices and making refunds of fees or money earned. In addition, adverse findings in one state may be relied on by another state to conduct investigations and impose remedies. If we apply for new licenses, we will become subject to additional licensing requirements, which we may not be in compliance with at all times. If in the future a state agency were to determine that we are required to obtain additional licenses in that state in order to operate our business, or if we lose or do not renew an existing license or are otherwise found to be in violation of a law or regulation, we may be subject to fines or legal penalties, lawsuits, enforcement actions, void contracts, or our business operations in that state may be suspended or prohibited. Our business reputation with consumers and third parties also could be damaged. Compliance with, and monitoring of, these laws and regulations is complicated and costly and may inhibit our ability to innovate or grow. If we are unable to comply with these laws or regulations in a cost- effective manner, it may require us to modify certain products and services, which could require a substantial investment and result in a loss of revenue, or cease providing the impacted product or service altogether. Furthermore, laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on our products and business. Our business is subject to the risks of international operations. Some of our employees are located in Canada and India. Compliance with applicable U. S. and foreign laws and regulations, such as labor laws, anti- corruption laws, anti- bribery laws, anti- money laundering laws, tax laws, foreign exchange controls and data privacy and data localization requirements, increases our cost of doing business. Although we have implemented policies and procedures to comply with these laws and regulations, a violation by us or our employees, contractors or agents could nevertheless occur. In some cases, compliance with the laws and regulations of one country could violate the laws and regulations of another country. Violations of these laws and regulations could materially adversely affect our brand, international growth efforts and business. We entered into a consent order with the FTC that imposes ongoing obligations. Any alleged or actual noncompliance with the consent order could have a material adverse effect on our business. The FTC began conducting an investigation into Opendoor in August 2019. The inquiry related primarily to statements in our advertising and website comparing selling homes to us with selling homes in a traditional manner using an agent and relating to statements that our offers reflect or are based on market prices. We began discussing resolution of this matter with the FTC in December 2020.

After extensive negotiations, we agreed to enter into a consent order resolving all aspects of the inquiry, which became final on October 21, 2022. Pursuant to the consent order, we did not admit any wrongdoing and are required to possess competent and reliable supporting data prior to making statements regarding the costs, savings, repair costs, or financial benefits of our services related to assisting consumers selling homes. The consent order also required that we pay $ 62 million (an amount previously accrued) and that we retain certain records and submit a compliance report to the FTC. If we fail to comply, or are alleged to be in noncompliance with the consent order, we could be subject to additional regulatory or governmental investigations or civil actions, which may result in significant monetary fines, judgments or other penalties that could have a material adverse effect on our business. ~~We are, and may in the future be, subject to securities litigation, which is expensive and could divert management attention.~~ The market price of our common stock has been, and may continue to be, volatile. In addition, the stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We are currently, and may in the future be, the target of this type of litigation. For example, securities litigation claims **related to our pricing algorithm** were filed against us and certain of our current and former officers and directors in ~~October~~ 2022 and ~~November 2022~~ **2023** ~~related to our pricing algorithm~~ . Litigation is inherently uncertain and adverse rulings could occur, including monetary damages. An unfavorable outcome or settlement may result in a material adverse impact on our business, results of operations, and financial condition. In addition, regardless of the outcome, litigation could result in substantial costs and divert management' s attention from other business concerns, which could seriously harm our business. Risks Related to Our Financial Reporting We rely on assumptions, estimates, and business data to calculate our key performance indicators and other business metrics, and real or perceived inaccuracies in these metrics may harm our reputation and negatively affect our business. Certain of our performance metrics are calculated using third **-** party applications or internal company data that have not been independently verified. While these numbers are based on what we believe to be reasonable calculations for the applicable period of measurement, there are inherent challenges in measuring such information. For example, our measurement of visits and unique users may be affected by applications that automatically contact our servers to access our mobile applications and websites with no user action involved, and this activity can cause our system to count the user associated with such a device as a unique user or as a visit on the day such contact occurs. In addition, our measure of certain metrics may differ from estimates published by third parties or from similarly- titled metrics of our competitors due to differences in methodology and as a result our results may not be comparable to our competitors. Our results of operations and financial condition are subject to management' s accounting judgments and estimates, as well as changes in accounting policies. The preparation of our financial statements requires us to make estimates and assumptions affecting the reported amounts of our assets, liabilities, revenues and expenses. If these estimates or assumptions are incorrect, it could have a material adverse effect on our results of operations and financial condition. Generally accepted accounting principles in the United States are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change. Our management is required to evaluate the effectiveness of our internal control over financial reporting. If we are unable to maintain effective 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 auditor is required to deliver an attestation report on the effectiveness of our disclosure controls and internal control over financial reporting. An adverse report may be issued in the event our auditor is not satisfied with the level at which our controls are documented, designed or operating. When evaluating our internal control over financial reporting, we have identified in the past, and may identify in the future, material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404. If we identify any material weaknesses in our internal control over financial reporting, are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is ineffective, or if our auditor is unable to express an opinion as to the effectiveness of our internal control over financial reporting, we could fail to meet our reporting obligations. In addition, our internal control over financial reporting will not prevent or detect all errors and fraud. Because of the inherent limitations in all control systems, no evaluation can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected. If there are material weaknesses or failures in our ability to meet any of the requirements related to the maintenance and reporting of our internal control, investors may lose confidence in the accuracy and completeness of our financial reports and that could cause the price of our common stock to decline. In addition, we could become subject to investigations by the applicable stock exchange, the SEC or other regulatory authorities, which could require additional management attention and which could adversely affect our business. The obligations associated with being a public company require significant resources and management attention, and we have and will continue to incur increased costs as a result of being a public company. We incur costs as a result of operating as a public company, and our management devotes substantial time to our compliance initiatives. As a public company, we are subject to the reporting **and other** requirements of the Exchange Act, the Sarbanes- Oxley Act, **and** the Dodd- Frank Wall Street Reform ~~,~~ and Consumer Protection Act, as well as rules adopted, and to be adopted, by the SEC and **Nasdaq** ~~the applicable stock exchange~~ . These rules and regulations result in legal and financial compliance costs that are costly and our management and other personnel will continue to need to devote a substantial amount of time to these compliance initiatives. The increased costs will increase our net loss. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, its board committees or as executive officers. We could be subject to additional tax liabilities and our ability to use net operating loss carryforwards and other tax attributes may be limited in connection with the Business Combination or other ownership changes. We are subject to federal and state income and non- income taxes in the United States, and foreign income and non- income taxes in Canada and India. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change, with or without notice, due to economic, political, and other conditions, and significant judgment is required in evaluating and estimating these taxes. Our effective tax rates could be affected by numerous factors, such as entry into new businesses and geographies, changes to our existing business and operations, acquisitions and investments and how they are financed, changes in our stock price, changes in our deferred tax assets and liabilities and their valuation, and changes in the relevant tax, accounting, and other laws, regulations, administrative practices, principles and interpretations. We are required to take positions regarding the interpretation of complex statutory and regulatory tax rules and on valuation matters that are subject to uncertainty, and the U. S. Internal Revenue Service (" IRS ") or other tax authorities may challenge the positions that we take. We have incurred losses during our history **,** and ~~do~~ **we may** not ~~expect to become~~ **achieve or maintain** ~~profitable~~ **profitability** in the ~~near~~ future ~~, and may never achieve profitability~~ . To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire, if at all. As of December 31, ~~2022~~ **2023** , **we** ~~the Company~~ had federal and state net operating loss (" NOL ") carryforwards of $ ~~1~~ **2** . ~~7~~ **2** billion and $ 1. ~~2~~ **7** billion, respectively. Under the Tax Act, as modified by the CARES Act, U. S. federal net operating loss carryforwards generated in taxable periods beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such net operating loss carryforwards in taxable years beginning after December 31, 2020, is limited to 80 % of taxable income ~~. It is uncertain if and to what extent various states will conform to the Tax Act or the CARES Act~~ . In addition, our net operating loss carryforwards are subject to review and possible adjustment by the IRS, and state tax authorities. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the " Code "), our federal net operating loss carryforwards and other tax attributes may become subject to an annual limitation in the event of certain cumulative changes in our ownership. An " ownership change " pursuant to Section 382 of the Code generally occurs if one or more stockholders or groups of stockholders who own at least 5 % of a company' s stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three- year period. Our ability to utilize our net operating loss carryforwards and other tax attributes to offset future taxable income or tax liabilities may be limited as a result of ownership changes, including potential changes in connection with the Business Combination (as defined herein) or other transactions. Similar rules may apply under state tax laws. Changes in tax laws or tax rulings could materially affect our business, results of operations, and financial condition. The tax regimes we are subject to or operate under, including income and non- income (including indirect) taxes, are unsettled and may be subject to significant change. Changes in tax laws or tax rulings, or changes in interpretations of existing laws, could materially adversely affect our results of operations and financial condition. The United States government may enact further significant changes to the taxation of business entities including, among others, an increase in the corporate income tax rate, the imposition of minimum taxes or surtaxes on certain types of income or significant changes to the taxation of income derived from international operations. We are subject to taxes in the United States under federal, state and local jurisdictions in which we operate. The governing tax laws and applicable tax rates vary by jurisdiction and are subject to interpretation and macroeconomic, political or other factors. For example, the results of U. S **.** Presidential and Congressional elections may lead to tax law changes. We may be subject to examination in the future by federal, state and local authorities on income, employment, sales and other tax matters. While we regularly assess the likelihood of adverse outcomes from such examinations and the adequacy of our provision for taxes, there can be no assurance that such provision is sufficient and that a determination by a tax authority would not have an adverse effect on our business, financial condition and results of operations. Various tax authorities may disagree with tax positions we take and if any such tax authorities were to successfully challenge one or more of our tax positions, the results could adversely affect our financial condition. Further, the ultimate amount of tax payable in a given financial statement period may be impacted by sudden or unforeseen changes in tax laws, changes in the mix and level of earnings by taxing jurisdictions, or changes to existing accounting rules or regulations. For example, the Inflation Reduction Act of 2022, enacted on August 16, 2022, ~~imposes~~ **imposed** a one- percent non- deductible excise tax on repurchases of stock that are made by U. S. publicly traded corporations on or after January 1, 2023, which may affect any future share repurchases. In addition, as of January 1, 2022, the Tax Act ~~requires~~ **required** research and experimental expenditures attributable to research conducted within the United States to be capitalized and amortized ratably over a five- year period. Any such expenditures attributable to research conducted outside the United States must be capitalized and amortized over a 15- year period. Accordingly, the determination of our overall provision for income and other taxes is inherently uncertain as it requires significant judgment around complex transactions and calculations. As a result, fluctuations in our ultimate tax obligations may differ materially from amounts recorded in our financial statements and could adversely affect our business, financial condition and results of operations in the periods for which such determination is made. Risks Related to Our Liquidity and Capital Resources We will require additional capital to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances, and we cannot be sure that additional financing will be available. We will require additional capital and debt financing to pursue our business objectives and respond to business opportunities, challenges, or unforeseen circumstances, including to increase our marketing expenditures to build and maintain our inventory of homes, develop new products or services or further improve existing products and services, improve our brand awareness, enhance our operating infrastructure and acquire complementary businesses and technologies. During past economic and housing downturns and ~~more recently~~ at the onset of the COVID- 19 pandemic, credit markets constricted and reduced sources of liquidity. In addition, ~~recent~~ **throughout 2022 and 2023** significant increases in interest rates, supply chain issues, and higher inflation ~~have~~ increased concerns that the economy may enter into a recession. Such a recessionary environment **or economic uncertainty** may also result in reduced sources of financing and liquidity, among other adverse impacts for our business, results of operations, and financial condition. If cash on hand and cash generated from operations is not sufficient to meet our cash and liquidity needs, we may need to seek additional capital and engage in equity or debt financings to secure funds. However, additional funds may not be available when we need them on terms that are acceptable to us, or at all. In addition, any financing that we secure in the future could involve restrictive covenants which may make it more difficult for us to obtain additional capital and to pursue business opportunities and could reduce our operational flexibility. Our ability to obtain financing will depend, among other things, on our product development efforts, business plans, operating performance, action or performance of competitors, and condition of the capital markets and housing markets at the time we seek financing. Volatility in the credit markets may also have an adverse effect on our ability to obtain debt financing. If we raise additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences, or privileges senior to the rights of our common stock, or may require us to agree to unfavorable terms, and our existing stockholders may experience significant dilution. If new financing sources are required, but are insufficient or unavailable, our ability to continue to pursue our business objectives and to respond to business opportunities, challenges, or unforeseen circumstances could be significantly limited, and our business, results of operations, financial condition, and prospects could be adversely affected. As of December 31, ~~2022~~ **2023** we had approximately $ ~~4~~ **2** . ~~4~~ **2** billion of non- recourse asset- backed loans. Our leverage could have meaningful consequences to us, including increasing our vulnerability to economic downturns, limiting our ability to withstand competitive pressures, or reducing our flexibility to respond to changing business and economic conditions. We are also subject to general risks associated with debt financing, including (1) our cash flow may not be sufficient to satisfy required payments of principal and interest; (2) we may not be able to refinance our existing indebtedness or refinancing terms may be less favorable to us than the terms of our existing debt; (3) debt service obligations or facility prepayments could reduce funds available for capital investment and general corporate purposes; and (4) any default on our indebtedness could result in acceleration of the indebtedness and foreclosure on the homes collateralizing that indebtedness, with our attendant loss of any prospective income and equity value from such property. Any of these risks could place strains on our cash flows, reduce our ability to grow, and adversely affect our results of operations. If the holders of **our 0. 25 % convertible senior notes due in 2026 (** the **“** 2026 Notes **”)** become entitled to convert the 2026 Notes pursuant to the related indenture and one or more holders elect to convert their 2026 Notes, we would be required to elect to settle either all or a portion of our conversion obligation in cash, which could adversely affect our liquidity. In addition, even if holders do not elect to convert their 2026 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2026 Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital. We may not have the ability to raise the funds necessary for cash settlement upon conversion of the 2026 Notes or to repurchase the 2026 Notes for cash following a fundamental change, and our future debt may contain limitations on our ability to pay cash upon conversion of the 2026 Notes or to repurchase the 2026 Notes. Subject to limited exceptions, holders of the 2026 Notes have the right to require us to repurchase their 2026 Notes upon the occurrence of a fundamental change at a cash repurchase price generally equal to 100 % of the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the fundamental change repurchase date. In addition, upon conversion of the 2026 Notes, we will be required to make cash payments in respect of the 2026 Notes being converted. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of 2026 Notes surrendered therefor or pay the cash amounts due upon conversion. In addition, our ability to repurchase the 2026 Notes or to pay cash upon conversions of the 2026 Notes may be limited by applicable law, by regulatory authorities or by agreements governing our future indebtedness. Our failure to repurchase the 2026 Notes at a time when such repurchase is required by the indenture governing the 2026 Notes or to pay the cash amounts due upon future conversions of the 2026 Notes as required by such indenture would constitute a default under such indenture. A default under the indenture governing the 2026 Notes or the fundamental change itself may also lead to a default under agreements governing our existing or future indebtedness, which may result in such existing or future indebtedness becoming immediately payable in full. We may not have sufficient funds to satisfy all amounts due under such existing or future indebtedness and repurchase the 2026 Notes or make cash payments upon conversions thereof. The accounting method for reflecting the ~~convertible~~ **2026** ~~notes~~ **Notes** on our balance sheet, accruing interest expense for the ~~convertible~~ **2026** ~~notes~~ **Notes** and reflecting the underlying shares of our common stock in our reported diluted earnings per share may adversely affect our reported earnings and financial condition. In August 2020, the Financial Accounting Standards Board issued Accounting Standards Update (“ ASU ”) 2020- 06, Debt — Debt with Conversion and Other Options (Subtopic 470- 20) and Derivatives and Hedging — Contracts in Entity’ s Own Equity (Subtopic 815- 40): Accounting for Convertible Instruments and Contracts in an Entity’ s Own Equity (“ ASU 2020- 06 ”), which, among other things, simplifies the accounting for certain convertible instruments. We early adopted the provisions of ASU 2020- 06 effective January 1, 2021. In accordance with ASU 2020- 06, the 2026 ~~notes~~ **Notes** are reflected as a liability on our consolidated balance sheets, with the initial carrying amount equal to the principal amount of the **2026** ~~notes~~ **Notes** , net of issuance costs. The issuance costs were treated as a debt discount for accounting purposes, which will be amortized into interest expense over the term of the **2026** ~~notes~~ **Notes** . As a result of this amortization, the interest expense that we expect to recognize for the notes for accounting purposes will be greater than the cash interest payments we will pay on the notes, which will result in lower reported earnings. In addition, the shares underlying the **2026** ~~notes~~ **Notes** will be reflected in our diluted earnings per share using the “ if- converted ” method. Under that method, if the conversion value of the **2026** ~~notes~~ **Notes** exceeds their principal amount for a reporting period, then we will calculate our diluted earnings per share assuming that all of the **2026** ~~notes~~ **Notes** were converted at the beginning of the reporting period and that we issued shares of our common stock to settle the excess. However, if reflecting the **2026** ~~notes~~ **Notes** in diluted earnings per share in this manner is anti- dilutive, or if the conversion value of the **2026** ~~notes~~ **Notes** does not exceed their principal amount for a reporting period, then the shares underlying the **2026** ~~notes~~ **Notes** will not be reflected in our diluted earnings per share. The application of the if- converted method may reduce our reported diluted earnings per share, and accounting standards may change in the future in a manner that may adversely affect our diluted earnings per share. The Capped Calls may affect the value of the 2026 Notes and our common stock. In connection with the pricing of the 2026 Notes, we entered into privately negotiated **capped calls (the "** Capped Calls **")** with certain financial institutions (the " option counterparties "). The Capped Calls are expected generally to reduce the potential dilution to our common stock (or, in the event of a conversion of the 2026 Notes settled in cash, to reduce our cash payment obligation) in the event that at the time of conversion of the 2026 Notes our common stock price exceeds the conversion price. We have been advised that, in connection with establishing their initial hedges of the Capped Calls, the option counterparties or their respective affiliates entered into various derivative transactions with respect to our common stock concurrently with or shortly after the pricing of the 2026 Notes. In addition, the option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions from time to time prior to the maturity of the 2026 Notes (and are likely to do so during any observation period related to a conversion of 2026 Notes or any redemption or repurchase of the 2026 Notes). This activity could also cause or avoid an increase or a decrease in the market price of our common stock or the 2026 Notes, which could affect holders' ability to convert the 2026 Notes and, to the extent the activity occurs during any observation period related to a conversion of 2026 Notes, it could affect the number of shares and value of the consideration that holders will receive upon conversion of such 2026 Notes. We do not make any representation or prediction as to the direction or magnitude of any potential effect that the transactions described above may have on the price of the 2026 Notes or our common stock. In addition, we do not make any representation that the option counterparties will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice. We are subject to counterparty risk with respect to the Capped Calls. The option counterparties are financial institutions, and we will be subject to the risk that any or all of them might default under the Capped Calls. Our exposure to the credit risk of the option counterparties will not be secured by any collateral. Past global economic conditions have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If an option counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transactions with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be correlated to an increase in the market price and in the volatility of our common stock. In addition, upon a default by an option counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of the option counterparties. Inventory homes held for longer periods may not be eligible for financing or may receive less financing under our debt facilities than homes held for shorter periods. Under our asset- backed financing facilities, the amount we are permitted to borrow against a given property generally begins to step down after we have owned that property for approximately six months, and ultimately steps down to zero after 12 months. These holding time- based reductions in permitted borrowing amount may result in a requirement to pledge additional properties or cash as collateral or, in some cases, to repay outstanding debt financing with respect to a given property prior to our sale of that property. If we were to hold a significant portion of our homes in inventory for more than six months, this could result in a material reduction in the amount of debt financing available for those homes and a corresponding reduction in our unrestricted cash balances. These considerations could also incentivize us to sell inventory homes for prices that do not allow us to meet our margin targets or to fully cover our costs to repay our borrowings with respect to those properties. We rely on agreements with third parties to finance our business. We have entered into debt agreements with various counterparties to provide capital for the growth and operation of our businesses, including to finance our purchase and renovation of homes. If we fail to maintain adequate relationships with potential financial sources or we elect to prepay or we are unable to renew, refinance or extend our existing debt arrangements on favorable terms or at all, we may be unable to maintain sufficient inventory, which would adversely affect our business and results of operations. Obtaining new or replacement funding arrangements may be at higher interest rates or other less favorable terms. Some of our financing facilities are not fully committed, meaning the applicable lender is not obligated to advance new loan funds if they choose not to do so. In addition, the availability of committed financing is typically subject to us meeting certain conditions, which may include financial or collateral performance tests or metrics. As of December 31, ~~2022~~ **2023** , we satisfied the financial and collateral performance- based conditions to borrowing under our debt facilities. If we are unable to access funds from either our committed or not fully committed facilities, we may not be able to sufficiently fund our business. Our financing sources are not required to extend the maturities of our financing arrangements and if a financing source is unable or unwilling to extend financing, and other financing sources are unable or unwilling to make or increase their financing commitments, then we will be required to repay the outstanding balance of the financing on the related maturity date. If we are unable to pay the outstanding balance of our debt obligations at maturity, the financing sources generally have the right to foreclose on the homes and other collateral securing that debt and to charge higher " default rates " of interest until the outstanding obligations are paid in full. In addition, each of our mezzanine term debt facilities is associated with and subordinated to one or more of our senior credit facilities. Our mezzanine term debt facilities have initial terms that may be significantly longer than the related senior facilities and often contain terms that make it financially unattractive to prepay borrowings under those term debt facilities, including certain " make- whole " payments and other prepayment penalties. If we are unable to renew or extend the terms of our existing senior facilities, we may not be able to terminate or prepay the related mezzanine term debt facilities without incurring significant financial costs. Our senior term debt facilities also generally include " make- whole " payments or other prepayment penalties that make it financially unattractive to prepay borrowings under those term debt facilities. If realized, any of these financing risks could negatively impact our results of operations and financial condition. We intend to rely on proceeds from the sale of financed homes to repay amounts owed under our property financing facilities, but such proceeds may not be available or may be insufficient to repay the amounts when they become due. For our senior revolving credit facilities, we typically are required to repay amounts owed with respect to a financed home upon the sale of that home. There is no assurance such sale proceeds will fully cover the amounts owed. Our senior revolving credit facilities commonly have initial terms of two years or less. It may be the case that not all homes securing these arrangements will be sold on or before the maturity dates of such financing arrangements, which would mean that sale proceeds would not be available to pay the amounts due at maturity. We may also be required to repay amounts owed with respect to a financed home prior to the sale of that home and prior to maturity of the related financing facility, typically due to the home having been held in our inventory for an extended period of time or, less commonly, if other unforeseen issues with the home arise during our holding period. In these situations, we may use cash on hand to repay the amounts owed or contribute other homes as additional collateral. To the extent we do not have sufficient cash or substitute collateral or are unable to draw on other financing facilities to make the required repayments, which could occur if a significant amount of our debt were to become due suddenly and unexpectedly, we would be in default under the related facility. Covenants in our debt agreements may restrict our borrowing capacity and / or operating activities and adversely affect our financial condition. Our existing debt agreements contain, and future debt agreements may contain, various financial and collateral performance covenants. These covenants may limit our operational flexibility or restrict our ability to engage in transactions that we believe would otherwise be in the best interests of our shareholders. If we breach these covenants, the amounts we are able to borrow against our inventory homes may be reduced and / or our lenders may be entitled to apply any excess cash proceeds from the sale of our homes that would normally be available to us in the absence of the covenant breach to the repayment of principal and other amounts due. In certain cases, we could be required to repay all or a portion of the relevant debt immediately, even in the absence of a payment default. The occurrence of these events would have an adverse impact on our financial condition and results of operations and such impact could be material. The borrowers under the debt facilities we use to finance the purchase and renovation of homes are special purpose entity (“ SPE ”) subsidiaries of Opendoor. While our SPEs’ lenders’ recourse in most situations following an event of default is only to the applicable SPE or its assets, we have provided limited guarantees for certain of the SPEs’ obligations in situations involving “ bad acts ” by an Opendoor entity and certain other limited circumstances. To the extent a guaranty obligation is triggered, we may become obligated to pay all or a portion of the amounts owed by our SPEs to their lenders. Our debt facilities contain cross defaults and similar provisions that could cause us to be in default under multiple debt facilities or otherwise lose access to financing for new homes and excess proceeds from sales of homes in the event we default under a single facility. If certain events of default or related enforcement or foreclosure events occur under one or more of our asset- backed senior debt facilities, this may trigger an event of default under any related mezzanine term debt facility and / or result in us losing access to financing through the mezzanine term debt facility or to excess proceeds from sales of homes that would otherwise be available to us. Similarly, foreclosure by the lenders under a mezzanine term debt facility would trigger an event of default under the related senior facilities and result in us losing access to financing through those senior facilities and to excess proceeds from sales of homes that would otherwise be available to us. In addition, our asset- backed senior debt facilities and mezzanine term debt facilities generally contain cross defaults to indebtedness and similar obligations of Opendoor Labs Inc., subject to varying minimum dollar thresholds. It is possible our debt facilities could include similar cross defaults to indebtedness of Opendoor Technologies in the future. The foregoing considerations significantly increase the likelihood that a default or related enforcement or foreclosure event under one or more of our debt facilities would result in adverse consequences for our other debt facilities. Failure to hedge effectively against interest rate changes may adversely affect our results of operations. **While** ~~Borrowings~~ **borrowings under our term debt facilities accrue interest at a fixed rate, borrowings** under our senior revolving credit facilities bear interest at variable rates and expose us to interest rate risk. ~~As a result of recent interest~~ **Interest** ~~rate~~ **rates have increased in the past and may** ~~increases~~ **increase in the future** , **in which case** our debt service obligations on ~~our~~ **the** variable rate indebtedness **would** ~~increased in 2022. This~~ increase ~~,~~ and ~~any future interest rate increases, would result in a decrease in~~ our earnings and cash flows **would correspondingly decrease** ~~as a result of our increased debt service obligations~~ . Increased interest costs could also reduce the amount of debt financing that our homes inventory can support. See “ Part II – Item 8. Financial Statements and Supplementary Data – Notes to Consolidated Financial Statements – Note ~~7~~ **5** . Credit Facilities and Long- Term Debt ” for additional information regarding our debt and financing arrangements. In connection with our floating rate debt, we may seek to obtain interest rate protection in the form of swap agreements, interest rate cap contracts or other derivatives or instruments to hedge against the possible negative effects of interest rate increases. There is no assurance that we will be able to obtain any such interest rate hedging arrangements on attractive terms or at all. Even if we are successful in obtaining interest rate hedges, we cannot assure you that any hedging will adequately relieve the adverse effects of interest rate increases or that counterparties under these agreements will honor their obligations thereunder. We may use derivatives and other instruments to reduce our exposure to interest fluctuations and those derivatives and other instruments may not prove to be effective. We may use derivatives or other instruments to reduce our exposure to adverse changes in interest rates. Hedging interest rate risk is a complex process, requiring sophisticated models and constant monitoring. Due to interest rate fluctuations, hedged assets and liabilities will appreciate or depreciate in market value. The effect of this unrealized appreciation or depreciation will generally be offset by income or loss on the derivative instruments that are linked to the hedged assets and liabilities. If we engage in derivative transactions, we will be exposed to credit and market risk. If the counterparty fails to perform, credit risk exists to the extent of the fair value gain in the derivative. Market risk exists to the extent that interest rates change in ways that are significantly different from what we expected when we entered into the derivative transaction. Our hedging activity, if any, may fail to provide adequate coverage for interest rate exposure due to market volatility, hedging instruments that do not directly correlate with the interest rate risk exposure being hedged or counterparty defaults on obligations. ~~The transition under our senior revolving credit facilities to interest rates based on a Secured Overnight Financing Rate (“ SOFR ”) or another future replacement benchmark may involve unforeseen costs or other impacts on our business. As of December 31, 2022, all of our senior revolving credit facilities were indexed to interest rate benchmarks based on SOFR, which is a new index calculated by short- term repurchase agreements and backed by U. S. Treasury securities. The market transition toward SOFR is expected to~~

~~be complicated, and there is no guarantee that SOFR will become a widely accepted benchmark. There remains uncertainty regarding financial markets' future utilization of SOFR and the nature, acceptance, and equivalence of SOFR or any other replacement rate, and we cannot fully predict what impact the transition to SOFR may have on our business, financial results, and operations.~~ Failures at financial institutions at which we deposit funds could adversely affect us. We deposit substantial funds in various financial institutions in excess of insured deposit limits. In the event that one or more of these financial institutions fail, there is no guarantee that we could recover the deposited funds in excess of federal deposit insurance. Under these circumstances, our losses could have a material adverse effect on our results of operations or financial condition. Additional Risks Related to Ownership of Our Common Stock The price of our common stock may be volatile. The price of our common stock may fluctuate due to a variety of factors, including: • changes in the industries in which we and our customers operate; • developments involving our competitors; • changes in laws and regulations affecting our business; • variations in our operating performance and the performance of our competitors in general; • actual or anticipated fluctuations in our quarterly or annual operating results; • publication of research reports by securities analysts about us or our competitors or our industry; • changes in financial estimates and recommendations by securities analysts; • short sellers manipulating our stock, resulting in a price decrease; • our business being subject to seasonality with greater demand and home price appreciation from home buyers in the spring and summer, and typically weaker demand and lower home price appreciation in late fall and winter; • the public' s reaction to our press releases, our other public announcements and our filings with the SEC; • actions by stockholders, including the sale of their shares of our common stock; • additions and departures of key personnel; • commencement of, or involvement in, litigation involving our Company; • changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; • the volume of shares of our common stock available for public sale; and • general economic and political conditions, such interest rate increases, including the recent significant increases in 2022 **and 2023** , higher inflation and decreased consumer confidence, recessions, the ~~ongoing effects~~ **future impacts** of ~~the pandemic~~ **pandemics** ~~related to~~ **or epidemics, including any future resurgences of** COVID- 19 and its variants, local and national elections, fuel prices, international currency fluctuations, corruption, inflation, political instability, and acts of war or terrorism. These market and industry factors may materially reduce the market price of our common stock and warrants regardless of our operating performance. We do not intend to pay cash dividends for the foreseeable future. We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and do not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our board of directors and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as our board of directors deems relevant. General Risk Factors Catastrophic events may disrupt our business. Natural disasters or other catastrophic events may cause damage or disruption to our operations, real estate commerce, and the global economy, and thus could harm our business. ~~In particular~~ **For example** , the ~~pandemic related to~~ COVID- 19 ~~and its variants, including the reactions of governments, markets, and the general public to the~~ pandemic **significantly and adversely affected our business in 2020 when governmental authorities put in place limitations on in- person activities** related to ~~COVID- 19 and its variants, may~~ **the sale of residential real estate. As a** result ~~in a number~~ of ~~adverse consequences~~ **these restrictions and safety concerns** for our ~~business~~ **customers** and **employees** ~~results of operations~~ , **we temporarily suspended home acquisitions and sold down most home inventory before resuming home acquisitions later in** the **year** ~~details of which would be difficult to predict~~ . We **also** have a large employee presence in San Francisco, California, a region that contains active earthquake zones. In addition, properties located in the markets in which we operate in Florida, portions of North Carolina or Texas are more susceptible to certain hazards (such as floods, hurricanes or hail **, which may become more frequent or severe as a result of climate change**) than properties in other parts of the country. In the event of a major earthquake, hurricane, windstorm, tornado, flood, or catastrophic event such as pandemic **(including any future resurgences of COVID- 19 and its variants), epidemic** , fire, flood, power loss, telecommunications failure, cyber-attack, war, or terrorist attack, 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 **. Climate change is expected to adversely impact the frequency and / or intensity of such events, as well as contribute to various chronic changes in the physical environment that may also impact our operations, such as sea- level rise and changes to temperature or precipitation patterns** . Furthermore, these sorts of catastrophic events may cause disruption on both resale and acquisition side as we may not be able to transact on real estate. For example, homes that we own may be damaged and disruptions to infrastructure may mean our contractors are unable to perform the necessary home repairs in a timely manner. Closures of local recording offices or other governmental offices in charge of real property records, including tax or lien- related records, would adversely affect our ability to conduct operations in the affected geographies. Any of these delays will likely result in extended hold times and increased costs. Also, the insurance we maintain would likely not be adequate to cover our losses resulting from disasters or other business interruptions. 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. Cybersecurity incidents could disrupt our business or result in the loss of critical and confidential information. The evolution of technology systems introduces ever more complex security risks that are difficult to predict and defend against. An increasing number of companies, including those with significant online operations, have recently disclosed breaches of their security, some of which involved sophisticated tactics and techniques allegedly attributable to criminal enterprises or nation- state actors. Successful breaches, employee malfeasance, or human or technological error could result in, for example, unauthorized access to, disclosure, modification, misuse, loss, or destruction of company, customer, or other third **-** party data or systems; theft of sensitive, regulated, or confidential data including personal information and intellectual property; the loss of access to critical data or systems through ransomware, destructive attacks or other means; and business delays, service or system disruptions or denials of service. We experience cyber incidents and other security incidents of varying degrees from time to time ~~, though none which individually or in the aggregate has led to costs or consequences which have materially impacted our operations or business~~ . **The** ~~In response, we have implemented~~ controls and ~~taken~~ other preventative actions **that we have taken** to ~~further strengthen our systems against future~~ **prevent, detect, and investigate these** incidents **may vary in maturity and are not always effective** . ~~However~~ **. Further** , we **may not** ~~cannot assure you that such measures will provide absolute security, that we will~~ be able to react in a timely manner, or ~~that~~ our remediation efforts following a cybersecurity incident ~~will~~ **may not** be successful. In addition, we do not know whether our current practices will be deemed sufficient under applicable laws or whether new regulatory requirements might make our current practices insufficient. If there is a breach of our computer systems and we know or suspect that certain personal information has been accessed, or used inappropriately, we may need to inform the affected individual and may be subject to significant fines and penalties. Further, under certain regulatory schemes, we may be liable for statutory damages on a per breached record basis, irrespective of any actual damages or harm to the individual. In the event of a breach we could face government scrutiny or consumer class actions alleging statutory damages amounting to hundreds of millions, and possibly billions of dollars. The risk of cybersecurity incidents directed at us or our third- party vendors includes uncoordinated individual attempts to gain unauthorized access to information technology systems, as well as sophisticated and targeted measures known as advanced persistent threats. In addition, we face the risk of confidential data inadvertently leaking through human or technological errors. Cybersecurity incidents are also constantly evolving, increasing the difficulty of detecting and successfully defending against them. In the ordinary course of our business, we and our third-party vendors collect and store personal information, as well as our proprietary business information and intellectual property and that of our customers and employees. Additionally, we rely on third ~~-~~ parties and their security procedures for the secure storage, processing, maintenance, and transmission of information that is critical to our operations. ~~Despite measures designed to prevent, detect, address, and mitigate cybersecurity~~ **Cybersecurity** ~~incidents, such~~ incidents may occur to us or our third- party providers and, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption or unavailability of critical data and confidential or proprietary information (our own or that of third parties, including personal information of our customers and employees) and the disruption of business operations. Any such compromises to our security, or that of our third- party vendors, could cause customers to lose trust and confidence in us and stop using our website and mobile applications. In addition, we may incur significant costs for remediation that may include liability for stolen assets or information, repair of system damage, and compensation to customers, employees, and business partners. We may also be subject to government enforcement proceedings and legal claims by private parties. Any actual or alleged security breaches or alleged violations of federal or state laws or regulations relating to privacy and data security could result in mandated user notifications, litigation, government investigations, significant fines, and expenditures; divert management' s attention from operations; deter people from using our platform; damage our brand and reputation; and materially adversely affect our business, results of operations, and financial condition. Defending against claims or litigation based on any security breach or incident, regardless of their merit, will be costly and may cause reputational harm. The successful assertion of one or more large claims against us that exceed available insurance coverage, denial of coverage as to any specific claim, or any change or cessation in our insurance policies and coverages, including premium increases or the imposition of large deductible requirements, could have a material adverse effect on our business, results of operations, and financial condition. **See " Part I – Item 1C. Cybersecurity " for additional information regarding our cybersecurity governance, risk management and strategy.** Internet law is evolving, and unfavorable changes to, or failure by us to comply with, these laws and regulations could adversely affect our business, results of operations, and financial condition. We are subject to regulations and laws specifically governing the internet. The scope and interpretation of the laws that are or may be applicable to our business are often uncertain, subject to change, and may be conflicting. If we incur costs or liability as a result of unfavorable changes to these regulations or laws or our failure to comply therewith, our business, results of operations, and financial condition could be adversely affected. Any costs incurred to prevent or mitigate this potential liability could also harm our business, results of operations, and financial condition. Our fraud detection processes and information security systems may not successfully detect all fraudulent activity by third parties aimed at our employees or customers, which could adversely affect our reputation and business results. Third- party actors have attempted in the past, and may attempt in the future, to conduct fraudulent activity by engaging with our customers, particularly in our title insurance and escrow business. We make a large number of wire transfers in connection with loan and real estate closings and process sensitive personal data in connection with these transactions. ~~Though we have sophisticated fraud~~ **We may not be able to** ~~detection~~ --- **detect** ~~processes~~ and **prevent all** ~~have taken other measures to identify~~ fraudulent activity on our mobile applications, websites **,** and internal systems ~~, we may not be able to detect and prevent all such activity~~ . Similarly, the third parties we use to effectuate these transactions may fail to maintain adequate controls or systems to detect and prevent fraudulent activity. Persistent or pervasive fraudulent activity may cause customers and real estate partners to lose trust in us and decrease or terminate their usage of our products, or could result in financial loss, thereby harming our business and results of operations. Our risk management efforts may not be effective. We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor, and mitigate financial risks, such as pricing risk, interest rate risk, liquidity risk, and other market- related risks, as well as operational and legal risks related to our business, assets, and liabilities. We also are subject to various laws, regulations and rules that are not industry specific, including employment laws related to employee hiring and termination practices, health and safety laws, environmental laws and other federal, state and local laws, regulations and rules in the jurisdictions in which we operate. Our risk management policies, procedures, and techniques may not be sufficient to identify all of the risks to which we are exposed, mitigate the risks we have identified, or identify additional risks to which we may become subject in the future. Expansion of our business activities may also result in our being exposed to risks to which we have not previously been exposed or may increase our exposure to certain types of risks, and we may not effectively identify, manage, monitor, and mitigate these risks as our business activities change or increase. We are from time to time involved in, or may in the future be subject to, claims, suits, government investigations, and other proceedings that may result in adverse outcomes. We are from time to time involved in, or may in the future be subject to, claims, suits, government investigations, and proceedings arising from our business, including actions with respect to intellectual property, privacy, consumer protection, information security, our historic mortgage lending services, real estate, environmental, data protection or law enforcement matters, tax matters, labor and employment, and commercial claims, as well as actions involving content generated by our customers, shareholder derivative actions, purported class action lawsuits, and other matters. Such claims, suits, government investigations, and proceedings are inherently uncertain, and their results cannot be predicted with certainty. Regardless of the outcome, any such legal proceedings can have an adverse impact on us because of legal costs, diversion of management and other personnel, negative publicity and other factors. In addition, it is possible that a resolution of one or more such proceedings could result in reputational harm, liability, penalties, or sanctions, as well as judgments, consent decrees, or orders preventing us from offering certain features, functionalities, products, or services, or requiring a change in our business practices, products or technologies, which could in the future materially and adversely affect our business, operating results and financial condition. Our business could be negatively impacted by corporate citizenship and ESG matters and / or our reporting of such matters. Institutional, individual, and other investors, proxy advisory services, regulatory authorities, consumers, and other stakeholders are increasingly focused on environmental, social, and governance (" ESG ") practices of companies. **For example, various groups produce ESG scores or ratings based at least in part on a company' s ESG disclosures, and certain market participants, including institutional investors and capital providers, use such ratings to assess companies' ESG profiles. Simultaneously, there are efforts by some stakeholders to reduce companies' efforts on certain ESG- related matters. Both advocates and opponents to certain ESG matters are increasingly resorting to a range of activism forms, including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise adversely impact our business. There are also increasing regulatory expectations on ESG matters. For example, various policymakers, such as the SEC and the States of California and New York, have adopted (or are considering adopting) requirements for the disclosure of certain climate- related or other ESG information, which may require us to incur additional costs to comply.** As we look to respond to evolving standards for identifying, measuring, and reporting ESG ~~metrics~~ **information** , our efforts may result in a significant increase in costs and may nevertheless not meet investor or other stakeholder expectations and evolving standards or regulatory requirements **. For example** , **actions or statements that we may take based on expectations, assumptions, or third- party information that we currently believe to be reasonable may subsequently be determined to be erroneous or not in keeping with best practice. If we fail to, or are perceived to fail to, comply with or advance certain ESG initiatives (including the manner in** which **we complete such initiatives), we** may ~~negatively~~ **be subject to various adverse** ~~impact~~ **impacts , including to** our financial results, our reputation, our ability to attract or retain employees, our attractiveness as a service provider, investment, or business partner, or expose us to government enforcement actions, private litigation, and actions by stockholders or stakeholders. **Additionally, many of our business partners and suppliers may be subject to similar expectations, which may augment or create additional risks, including risks that may not be known to us** . We may be unable to continue to use the domain names that we use in our business, or prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. We have registered domain names for our websites that we use in our business. If we lose the ability to use a domain name, we may incur significant expenses to market our products and services under a new domain name, which could harm our business. In addition, our competitors could attempt to capitalize on our brand recognition by using domain names similar to ours. We may be unable to prevent third parties from acquiring and using domain names that infringe on, are similar to, or otherwise decrease the value of our brand or our trademarks or service marks. Protecting and enforcing our rights in our domain names and determining the rights of others may require litigation, which could result in substantial costs and diversion of management' s attention.